AID EFFECTIVENESS AT SUB-NATIONAL LEVEL

A Study of Provincial Development Committees (PDCs):
Provincial coordination, planning and monitoring
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Integrity Watch Afghanistan

December 2013
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ABOUT INTEGRITY WATCH AFGHANISTAN

Integrity Watch Afghanistan (IWA) was created in October 2005 and established itself as an independent civil society organization in 2006. IWA’s aim is to evolve into a reference actor related to understanding, analysing and acting for transparency, accountability and anti-corruption issues.

IWA’s MISSION

The mission of Integrity Watch Afghanistan is to put corruption under the spotlight by “increasing transparency, integrity and accountability in Afghanistan through the provision of policy-oriented research, development of training tools and facilitation of policy dialogue”.

ABOUT IWA’S RESEARCH UNIT

IWA’s Research Unit undertakes research and advocacy as cross-cutting themes. Its first objective is to develop new empirical research on corruption. Its second objective is to consolidate current knowledge on corruption, accountability, transparency and integrity. Thirdly, it aims to enhance research capacity for anti-corruption issues. Together, these objectives work to influence decision-makers, increase civil society engagement and raise public awareness of corruption issues.
ACKNOWLEDGEMENTS

I am grateful to many people who have helped make this publication possible. I want to thank the Head of Research Unit, Dr. Marine Durand for her supervision and overseeing the implementation of this research project. I want to thank Dr. Yama Torabi, the Director of Integrity Watch Afghanistan for his encouragement and interest in sub-national governance research. Thanks to my colleagues Asad Ahmadi and Haris Jahangeer from the Research unit, as well as Jeremy Dales, for their ideas, suggestions and editing. I would like to thank IWA’s board member Manija Gardizi and Daniel Munzert, the Deputy Director of Integrity Watch Afghanistan for their comments and support to this research paper.

I appreciate Hamish Nixon for the time he gave to review this paper and for his thorough comments and suggestions. His knowledge in the field of sub-national governance in Afghanistan has benefited those in the field and has certainly helped to shape this paper. Finally, I want to thank Mustafa Aria for his valuable comments on the paper.
<table>
<thead>
<tr>
<th>Acronym</th>
<th>Definition</th>
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<tr>
<td>ACBAR</td>
<td>Agency Coordinating Body for Afghan Relief</td>
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<td>ANDS</td>
<td>Afghanistan National Development Strategy</td>
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<td>DoE</td>
<td>Department of Economy</td>
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<td>DTSS</td>
<td>Department of Technical and Sectoral Services</td>
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<td>IDLG</td>
<td>Independent Directorate of Local Governance</td>
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<td>INGO</td>
<td>International Non-governmental Organisations</td>
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<td>LDC</td>
<td>Least Development Countries</td>
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<td>MDG</td>
<td>Millennium Development Goals</td>
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<td>NGO</td>
<td>Non-governmental Organisation</td>
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<td>PC</td>
<td>Provincial Council</td>
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<td>Provincial Development Plan</td>
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<td>Provincial Governor</td>
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<td>PRSP</td>
<td>Poverty Reduction Strategy Paper</td>
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<td>PRT</td>
<td>Provincial Reconstruction Team</td>
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<td>SNGP</td>
<td>Sub-national Governance Policy</td>
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<td>SWG</td>
<td>Sectoral Working Group</td>
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<td>SY</td>
<td>Solar Year</td>
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<td>UN</td>
<td>United Nations</td>
</tr>
</tbody>
</table>
# TABLE OF CONTENTS

ABOUT INTEGRITY WATCH AFGHANISTAN ................................................................................................................... II
   IWA’s MISSION ........................................................................................................................................................... II
   ABOUT IWA’S RESEARCH UNIT ......................................................................................................................... II

ACKNOWLEDGEMENTS ........................................................................................................................................ III

ACRONYMS AND ABBREVIATIONS ....................................................................................................................... IV

EXECUTIVE SUMMARY ............................................................................................................................................... 1

1. INTRODUCTION ....................................................................................................................................................... 3
   1.1 METHODOLOGY .................................................................................................................................................. 4
   1.2 WHAT ARE PROVINCIAL DEVELOPMENT COMMITTEES (PDCs)? .............................................................. 5
   1.3 PROVINCIAL GOVERNMENT STRUCTURE ................................................................................................. 6

2. BACKGROUND ........................................................................................................................................................ 7
   2.1 DEVELOPMENT AID SINCE 2001 ................................................................................................................... 7
   2.2 POLICIES AROUND ESTABLISHING PDCS ................................................................................................... 8

3. COORDINATION, PLANNING AND MONITORING AT THE PROVINCIAL LEVEL ........................................ 11
   3.1 AID EFFECTIVENESS AND LINKS WITH THE LOCAL GOVERNMENT IN AFGHANISTAN ......................... 12
      3.2.1 Coordination between central government and provincial government ............................................. 13
      3.2.2 Coordination amongst Provincial Government Offices ......................................................................... 14
      3.2.3 Coordination between provincial government and the aid community ............................................. 16
   3.3 PROVINCIAL PLANNING: DOES IT ADDRESS THE LOCAL OWNERSHIP GAP AND IMPROVE AID EFFECTIVENESS? ... 18
      3.3.1 Provincial Plans integration in national programmes ........................................................................... 18
      3.3.2 Bottom-up planning and top-down budgeting dilemma ....................................................................... 20
      3.4.1 Multiple monitoring initiatives ........................................................................................................... 21
      3.4.2 Monitoring and Evaluation mechanism of PDC ............................................................................... 23

4. STRUCTURAL REFORMS AND AID EFFECTIVENESS AT SUB-NATIONAL LEVEL ........................................ 25
   4.1 ABSENCE OF AN OVERARCHING STRATEGY FOR SUB-NATIONAL LEVEL GOVERNMENT ......................... 26
   4.2 OVER-CENTRALISATION IN AFGHANISTAN ................................................................................................... 27
   4.3 AMBIGUOUS DIVISION OF RESPONSIBILITIES IN GOVERNMENT INSTITUTIONS ................................... 29
   4.4 CENTRALISED FISCAL SYSTEM .................................................................................................................... 29

5. TRANSITION TO 2014: CHANGING DYNAMICS AND THE ROLE OF PDCS ................................................. 31

6. EPILOGUE ............................................................................................................................................................... 33

7. RECOMMENDATIONS ............................................................................................................................................. 34
   GOVERNMENT: ..................................................................................................................................................... 34
   INTERNATIONAL COMMUNITY ......................................................................................................................... 35
EXECUTIVE SUMMARY

Over the past decade Afghanistan has been the recipient of significant aid contributions, and has hosted major internationally sponsored reconstruction and development initiatives. The practice of aid spending comes under major criticism for lacking effectiveness and accountability. Much of the aid funding is channelled to the sub-national level governments and organisations; however the mechanisms that will ensure effectiveness of aid at this level have not been addressed sufficiently in Afghanistan to this date.

The introduction of Provincial Development Committees (PDCs) with the mandate of development coordination, planning and monitoring at the provincial level, bore little results because such initiatives were not complemented with reforms to address structural issues such as the over-centralization of administration. There has been a general reluctance to decentralise on the part of central government. The delegation of some of the functions such as development planning, development coordination and monitoring to provinces by the central government has proved to be a nominal and mere symbolic move by central government because the practice has not changed the ways in which sub-national level government functions. Provincial Development Plans (PDPs) are not respected by the central government and are rarely integrated into the national plans. Provincial plans produced in the provinces lack quality planning documents. However, it is important to take note that these are the first ever bottom-up development planning exercises that have been produced in the provinces, and that the provincial line departments are sparsely resourced, poorly staffed, and have limited decision making authority. These circumstances have a direct negative impact on the quality of these plans. Provincial Planning is a work in progress and is only going to improve with further decentralisation and the strengthening of line department capacity.

Despite the creation of PDCs to improve development coordination in the provinces, there are still widespread coordination problems. This is because line departments are mainly organised vertically to report to central ministries in Kabul. There is little flexibility to coordinate, and minimal decision making authority locally that would allow collaboration horizontally among local line departments. In order to attain good coordination, the key is in the decentralisation of the provincial government’s essential authority, adequate resourcing and staffing.

The condition of monitoring of development work by the provincial government is facing similar challenges in the form of lack of adequate resources, capacity, staff and authority to conduct the monitoring of all development projects. There is no clear division of responsibilities to define the exact local government body that is responsible for conducting monitoring. This results in overlap between the responsibilities of the Department of Economy, Department of Technical and Sectoral Services and the Provincial Council, where all three claim to have the exclusive right to monitor development initiatives.
Because of structural problems the PDCs in the provinces are not able to ensure better development coordination, the preparation of quality development plans or the effective monitoring of development projects. Structural solutions are needed for change to take place, which requires a fundamental shift in the position of sub-national government in the overall governing structure in Afghanistan.

The fundamental structural problem is the over-centralisation of all the government functions. There is a general unwillingness of the central government to decentralise and devolve responsibilities and resources to the provincial government institutions. Another much needed reform has to address the poorly defined division of responsibilities in the provincial government set up, between its various government institutions. Another issue is the centralised budget whereby all budget related decisions are kept in the central government ministries with no significant participation by the provincial government. Provincial demands need to be included in the national budget making process, and urgent attention has to go into improving the budget flow from the centre to the provinces by defining allotments for each province in advance and improving the predictability of the availability of the budget.

The key to improving provincial planning, coordination and monitoring lies beyond solutions such as the PDC. Unless the provinces do not possess some degree of authority, nominally creating a body such as the PDC to attain coordination, carry out planning, and conduct monitoring is not sufficient. All of these functions need to be accompanied with devolution of authority and resources to the provincial level government institutions.
1. INTRODUCTION

The debate on the effectiveness of international aid spending for the purpose of reconstruction and state-building in Afghanistan has mainly remained at the central level both by the Afghan government and the donor community. Taking the discussion of aid effectiveness to the sub-national level requires a decentralised agenda that promotes the participation of local government in the design and shaping of national development policies. Efforts to improve aid effectiveness and the chaotic situation of coordination in the provinces by establishing Provincial Development Committees (PDCs) have yielded few results because the problems in the provinces are structural and mainly due to the over-centralisation of administration. Aid effectiveness and improvement in sub-national governance will not happen unless there is a structural reform in Afghanistan, addressing the way sub-national government is organised vis-à-vis the central government.

In the post-2001 period the international community’s state-building effort resulted in the rebirth of central state structures. Resources were directed towards restoring central government state structures and attention toward building sub-national state apparatus remained largely neglected. It is assumed that in the initial design of state-building first priority went to building a central state, whilst the sub-national level followed later. A more efficient framework would have been balancing between building central government institutions in proportion to the sub-national level. In Afghanistan, as a result of more than 12 years of intervention primarily focusing on central government, all decision making in relation to, recruitment, budget and planning was reinstated in the central state bodies and ministries. By contrast, this report suggests that the provincial governments have largely remained inefficient both in terms of performance in development planning, coordination and monitoring functions as well as weak representative bodies at the provincial level.

At the sub-national level there is weak coordination. It is challenging to attain good coordination at the provincial echelon within the local government as well as between the government and aid community. These constrains are not only the product of local mismanagement but also stem from national level coordination between the Afghan government and the international community and the general reluctance to decentralise in the country. The lack of decision-making authority in provincial level government agencies contributes majorly to coordination problems. Lack of coordination is not due to inability of local officials to attain better coordination but mainly due to the over-centralisation of ministries. Structural changes in the form of devolving authority to sub-national levels of government are the first step toward improving coordination.

Development planning in Afghanistan is highly centralised and carried out by central ministries. Interviews with provincial officials reveal that the practise of generating development plans at the provincial level through Provincial Development Committees (PDCs) have been ineffective due lack of
integration in the national programmes, national budget or other off-budget projects. Provincial plans have often been without funding and largely ignored both by the donors and the central government. There is no link between central budgeting and provincial planning and unless more budget related powers are devolved to provincial government, planning will be meaningless at the sub-national level. Interviews and field research also suggests that there is poor oversight and monitoring by local government on development projects. This is linked with the lack of devolved authority and decision-making power in the provincial government. The lack of effective monitoring is not primarily due to the inability of local government to conduct monitoring but more linked to the over-centralisation of basic government functions and lack of devolutions of authority and resources to enable provincial government institutions to carry monitoring.

There are a number of structural problems that prevent aid effectiveness and function of provincial government in regards to efficient planning, monitoring and coordination of development initiatives. Firstly, the primary issue is the over-centralised nature of government in which all government functions are concentrated in central government and a general reluctance of central government to carry out reforms that address decentralisation. There is an ambiguous division of roles and overlapping responsibilities between the provincial government institutions. The centralised fiscal system has major impact on the budget execution rates due to late disbursement, lack of advance allotment and predictability. Line departments and other local government institutions complain about a lack of sufficient resources and staff at their disposal to carry their functions.

This paper aims to examine aid effectiveness at the sub-national level and will attempt to find out whether PDCs contribute to aid effectiveness at the provincial level. At the local level, there are various actors, both governmental and non-governmental, that are responsible for development activities. From each government agency and body, the main entities responsible for coordinating development efforts at the provincial level are the PDCs. The PDCs are primarily responsible for the coordination of development efforts of the donor community and the central government. In addition, PDCs are tasked with preparing provincial planning and monitoring, and overseeing the development efforts. For this reason this paper concentrates on studying aid effectiveness through the functions and roles of PDCs. In essence this body was created to act as a coordinating and planning body for government institutions at the provincial level, line ministries, Provincial Government Offices (PGOs) and the donor community. Since its inception there has not been any independent study on PDCs to analyse the outcome of the introduction of the PDC and whether it has facilitated improving aid effectiveness. The assessment of aid effectiveness at sub-national government level is crucial to understanding the obstacles that prevent improved governance at the sub-national level.

1.1 Methodology

This research was designed to gain a qualitative understanding of aid effectiveness at the sub-national level. Studies were conducted in the four provinces of Balkh, Nangarhar, Bamyan and Badakhshan in relation to aid effectiveness with a focus on the Provincial Development Committees of the respective
provinces. The functions of the PDCs of the mentioned provinces were closely studied for this research. The rationales for choosing the four provinces are to offer a geographic representation from Afghanistan. Balkh and Nangarhar provinces represent relatively developed provinces with a higher concentration of development and construction efforts. Bamyang and Badakhshan provinces are less influential and less developed provinces. Moreover, Balkh province is selected because it has an ethnically mixed and multicultural population, as well as good private sector investment. The Bamyang province was selected because it is a central province and it reflects other central Hazarajat and unprivileged provinces in terms of receiving development aid. The Badakhshan province was selected because it is a remote location and providing services is difficult due to its severe geography and bad road conditions. Nangarhar was selected because it represents eastern parts of the country that are densely populated, and provides an example of a province with a heavy concentration of development.

The research is based on qualitative methods: semi-structured interviews and non-participant observations were used to collect data related to development planning, coordination and monitoring in the provinces. Interviews were used as a primary method of data collection and focused on: line departments, provincial councils, Governor office staff, representatives of the aid community, civil society, NGOs, staff from IDLG, and experts on sub-national government and development.

The researcher attended monthly PDC meetings as a non-participant observer in order to take notes from the meeting proceedings and observe decision-making at the meetings in regards to provincial development coordination first hand. Further data was collected by reviewing the Provincial Development Plans (PDPs) of the four provinces (Bamyang, Nangarhar, Badakhshan, and Balkh). Agendas and minutes from PDC meetings from the mentioned provinces were reviewed to increase the volume of data on provincial development coordination. The wider literatures on sub-national government and aid effectiveness were also consulted.1

1.2 What are Provincial Development Committees (PDCs)?

PDCs were established by a Presidential Decree in November 2005 as a coordination body to prepare Provincial Development Plans, monitor the implementation of development projects and coordinate development efforts between and among various development actors in the provinces and the central government.2 The objective behind the creation of PDCs was to improve development coordination at the local level and to increase sub-national participation in the design of development planning at the national level. The body was established to function using existing provincial government staff and resources. No extra administrative or fiscal structures were added, and it fell under the overall leadership of the Provincial Governor with the secretariat responsibilities delegated to the Department

1Please refer to bibliography section of this paper for the literature consulted.
of Economy of each province. The main concentration of the PDCs decision making authority and operational value is based upon the PDC meetings which are chaired by the Provincial Governor and take place each month.3

Regarding functioning, PDC monthly meetings were expected to provide the solution to shortcomings of cross-sectoral coordination, approval of projects, coordination with the aid community and approval of PDPs. Members of the PDCs come from the heads of provincial line ministries, the chairperson of Provincial Council and occasionally District governors. Representatives of the aid community, civil society, Provincial Reconstruction Teams (PRTs) and donors are invited to attend as observers of the meetings.

1.3 Provincial government structure

According to article (136) of the Afghan constitution (2004), the country has a two-tier government system that functions at the national and the provincial levels. Administratively the country is highly centralised with all the powers vested in the central government. The provincial government structure is the extension of the central government and its ministries. The governor of the province who is a political appointee selected by the President through the office of IDLG, heads the provincial government. There are line departments which are organised to report vertically to their parent ministry in Kabul with limited authority and independence to execute functions locally. It can be argued that there is no such thing as provincial Government because there has not been any devolution of political authority to the provinces, instead each must work under their parent Ministry, and they do not have their own budget. In Afghanistan budget for the whole country is central, organised by ministry rather than the province.

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2. BACKGROUNDS

2.1 Development Aid since 2001

In the post-2001 era Afghanistan became a significant aid recipient country. Yet aid has been widely criticised in Afghanistan for being ineffective.4 Two thirds of all aid given to Afghanistan took place out of the control of the Afghan government from 2001 to 2009.5 The spending of reconstruction funds outside of government institutions undermined efforts to build effective state institutions, particularly at the sub-national level. State institutions were seen as nascent with insufficient capacity to take the leading role in the development effort, and therefore most of the development assistance aimed at reconstruction was channelled through non-state development actors and off-budget mechanisms. In the context of Afghanistan, development aid was tied to security objectives and this resulted in disparities in the distribution of aid from province to province. Aid was used for stabilisation purposes and more money was channelled to provinces that were insecure and inflamed by conflict. This resulted in grievances within relatively safer provinces that received comparatively less development assistance.

Development aid has not gone hand in hand with supporting a decentralised governing framework for strengthening sub-national levels of government. In fact, the discussion around aid effectiveness over the last decade remained concentrated on a macro level, mainly between the national government and the donors. In formulating policies that address development and aid effectiveness there has been an absence in the participation of key sub-national development actors such as civil society and local governments.6 Documents such as the Paris Declaration on aid effectiveness (2005) are mainly donor-driven and exclude the contribution of local governments.7 It is worth mentioning that National Solidarity Programmes addressed these gaps to some extent but did not evolve as a formal and constitutionally recognised framework for filling the governance gap at the village level. In the case of Afghanistan, the issue of aid effectiveness at the sub-national has not been addressed in a sufficient manner when we consider where the majority of aid recipients live. Most of the Afghan population lives

7 Ibid.
in rural areas (above 75%) and sub-national governance provides a higher degree of interface for state-society relations.

In Afghanistan, aid effectiveness is addressed through the Afghanistan Compact (2006), and, the Afghanistan National Development Strategy (ANDS) (2008). These policies tend to address aid accountability and coordination at the macro-level between the donor and recipient country, but fail to adequately address the mechanisms that hold actors on the ground accountable to each other. More importantly, these policies fail to consider how sub-national level actors could contribute to improving development coordination.

2.2 Policies around establishing PDCs

Before the establishment of PDCs in the provinces, there were various arrangements in different provinces and sometimes multiple councils and committees existed that were assigned to the task of coordination. For instance in one province there could have been several provincial level education councils, which would provide advice to the provincial Department of the Education. Those coordination councils were at best described as information sharing platforms with minimum effectiveness, lacking proactive engagement with development issues in the provinces and often with overlapping roles and functions. It was in this environment that PDCs were established and were seen as a desperate move to bring order to a chaotic coordination and planning environment in the provinces.

PDCs are commissioned to coordinate development efforts in the provinces with the primary responsibilities of monitoring, coordinating and planning. They provide the required lens to analyse and evaluate aid effectiveness at the sub-national level. PDCs were expected to offer a one-size-fits-all solution to the shortcomings in provincial development planning, provincial budgeting, monitoring and

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9 Also important to note that the sub-national (formal) government in Afghanistan has limited expansion and only limited to major urban centres and agriculturally fertile areas and has not penetrated deeply in rural areas. For more information see: Barfield, T. Neamat, N. and J. Alexander T., 2006. The Clash of Two Goods: State and non-State Dispute Resolution in Afghanistan, USIP. [Online]. Available at: http://www.usip.org/files/file/clash_two_goods.pdf


the coordination of development projects. The reform policies of the central government in regards to sub-national government are questionable and the central government’s approach to strengthening sub-national level government has not been reasonable. For example, the governing structures that came post-2001 Bonne peace accord enacted a centralised state that has continued to withhold, to this day, all functions of government in the centre and showed reluctance to decentralise any functions to the provincial government.14 Patronage politics have been influencing central government policy towards sub-national government reforms primarily with the motivation of controlling the distribution of resources and sub-national appointments. The IDLG was created to control senior sub-national appointments in the provinces at the hands of the President and further centralise the government.15 Provincial Council (PC) elections were held but the management of PC was given to IDLG and PC law provides only limited functions to representatives of the people who are left to the mercy of the executive branch of the government. The creation of the PDC and its subsequent functioning suffered from similar policies. The body was created to respond to the international donor demand for better government coordination in the provinces.

When studying aid effectiveness through the PDC lens, it is critical to examine the existing opportunities and obstacles of the sub-national government, particularly because the International Community has pledged to increasingly route development funds through government institutions as part of the 2014 transition whereby the international community is handing over its responsibilities to Afghan government. The discussion of PDCs and the nature of engagement in sub-national government, both by the Afghan government and the International community, is crucial to analyse the situation of aid effectiveness.

It can be argued that the creation of PDCs was a response from government to the chaotic situation of development coordination in the provinces but also to enable the government to play patronage politics and control the distribution of resources. Initiatives such as creating PDCs, PCs and the IDLG did not emerge as an overarching response to fill the sub-national governance framework gap that could bring together resources, responsibilities and accountability at the sub-national level.16 The creation of PDCs resulted in yet again adding more confusion and incoherence in the already unclear structure of sub-national government. The introduction of PDCs and other bodies in the provinces, as part of the reform policies for sub-national level government has been driven by short-term solutions and lacked critical engagement to address the need for bringing together resources, responsibilities and accountability under an overarching framework for sub-national governance.17 The creation of IDLG, PDC and

14 Semple, M. Power to The Periphery? The Elusive Consensus how to Decentralise Afghanistan. [Online] Available at: http://www.cidob.org/es/publicaciones/stap_rp/policy_research_papers/power_to_the_periphery_the_elusive_consensus_on_how_to_decentralise_afghanistan
elections of Provincial Councils are regarded more as political moves than actually improving sub-national governance.

3. COORDINATION, PLANNING AND MONITORING AT THE PROVINCIAL LEVEL

There has been a paradigm shift in development interventions in recent years. The new shift calls for recognition of new development actors at the sub-national level such as the local government and advocates for their greater participation in development decision-making.18 In Afghanistan at the sub-national level, PDCs have a crucial mandate to coordinate development intervention. There is an important link between the agenda for improving aid effectiveness and the mandate of the bodies involved, such as PDCs.

This chapter explores the situation of Provincial Development Committees to provide an assessment of aid effectiveness at the sub-national level in Afghanistan. An in-depth examination of the different functions of PDCs will help determine the outcomes of introducing structures like PDCs to resolve the ill-functioning state of coordination, planning and monitoring in the provinces. Studying the functions of PDCs in regards to aid effectiveness will also provide significant information on the overall capability, strengths and weaknesses of the sub-national government, and the line departments and other development actors in the provinces. The proceeding part of this section begins with an overall analysis of the aid effectiveness and link with local government. In depth examination of the situation of PDC functions will help identify the main challenges that undermine the achievement of enhanced development coordination at the sub-national level.

3.1 Aid effectiveness and links with the local government in Afghanistan

The genesis of the discussion on aid effectiveness at the sub-national level is out of concern for the lack of involvement of the sub-national governance representatives and other development actors to help shape the planning and design of development policies and programmes. By default sub-national governance embodies both key development actors and the target of development corporations, and in terms of the population, most aid recipients are living at the sub-national level.

The commitment of the Afghan government to partner with the international community in the post-2001 reconstruction of the country resulted in the creation of Afghanistan National Development Strategy (ANDS). The ANDS was created by the government and serves as the country Poverty Reduction Strategy Paper (PRSP) which was intended to support the achievement of the Millennium Development Goals (MDGs). The creation of the ANDS lacked meaningful participation of major local players living at the sub-national level. Even though there was a consultation process to take on board the needs of the citizens living in the provinces, the process was rushed and sub-national consultation for the ANDS was seen as symbolic and largely ineffective. The process of making the ANDS met two main challenges: Firstly the donor community imposed strict deadlines which resulted in speeding up the process for the Afghan government, and in turn compromised the quality of the document. In fact, the sub-national consultation in development for ANDS was carried out in only 4 months. Secondly, there was a shortage of capability in the Afghan government to produce a quality document capturing development priorities and objectives set out by citizens locally and this was compensated for with dozens of foreign consultants that influenced the ANDS structures and undermined the national ownership of the strategy.

One of the guiding principles of PRSP is that it must be “country-driven, promoting national ownership of strategies through broad-based participation of civil society”. In other words, the ANDS process was essentially not country-driven given the nature and extent of external stakeholder involvement in the process.

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20 Brief on MDGs ”In September 2000, when the Millennium Summit was held at the United Nations General Assembly in New York, Afghanistan was still suffering from war and, hence, could not participate in the formulation of Millennium Development Goals (MDGs). The Government of Afghanistan endorsed the Millennium Declaration as well as the MDGs only in March 2004. Afghanistan, however, having lost over two decades to war, has had to modify the global timetable and benchmarks to fit local realities. The rest of the international community defined the MDGs, to be attained by 2015, against a baseline of 1990. Because of its lost decades and the lack of available information, Afghanistan has defined its MDG contribution as targets for 2020 from baselines of 2002 to 2005.”. The Government of Afghanistan endorsed the Millennium March 2004, http://www.undp.org.af/undp/index.php?option=com_content&view=article&id=62&Itemid=68
21 Interview with Development Expert from International Organisation who requested anonymity in Jalalabad, May 2012.
23 Interview with Development Expert from International Organisation in Kabul, June 2012.
The Afghan government and the International Community envisaged the implementation of the ANDS and attaining MDG goals at the sub-national level through Provincial Development Committees (PDCs). The PDCs were conceived as a mechanism for local governments to participate in the national decision-making and development programming, to ensure integrated planning. However, as it will be noticed in the proceeding sections, the roles entrusted upon PDCs were symbolic and suffered the same fate as the other local government institutions. For instance most of the local government institutions act as an extension of the arm of central line ministries and have little influence and decision making power locally, this power is held in the central government. Introduction of PDCs did not change the provinces’ position to exercise greater decision-making power. In matters of development aid most of the decisions are held centrally with government and the donors. The development actors from the sub-national level, both governmental and non-governmental, are absent from the discussions around aid effectiveness and also lack of major influence in the design of policies and development programmes in the central level, which directly impact their lives. Most of the development actors interviewed in this research were particularly aware of the top to down approach to management of development issues and how this impacts on development effectiveness in their respective provinces.

3.2 Development Coordination in the Provinces

Development coordination is an important factor to improving aid effectiveness and development strategies. During the course of fieldwork it was observed that at the provincial level there is weak coordination at different levels. There are coordination problems at the provincial level between government bodies, between the provincial government and donors, and between provincial government and central government. There is also a low level of communication and collaboration among different departments at the sub-national level. A further analysis of coordination problems at different levels in the subsequent sections will help shed light on the deadlocks facing development coordination at the local level. Line departments are organised to mainly report vertically to the parent ministry and therefore there is little flexibility for horizontal communication and collaboration among line departments and this directly results in coordination problems in the provinces. This lack of flexibility results in impeding decision making at the local level and unless there is authority for decision making, coordination would not be meaningful locally.

3.2.1 Coordination between central government and provincial government

There are coordination problems between the central government and the provincial governments. With the creation of PDCs it was expected that it would improve the relationship of central government ministries with the line departments and other government bodies in the provinces. However, despite the presence of PDCs, the provincial line departments feel they are symbolic in terms of implementing

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projects or making decisions and are merely representatives of the central ministries in the province. Some officials in the provincial line departments showed disappointment over their limited ability to function and at being poorly resourced and understaffed. One provincial official said, “here in the province, our hands are tied up by central ministries and [we] are left in the provinces with scarce resources, understaffed and completely excluded in decision-making”.27

The provincial line departments generally expressed disappointment over the nature of the relationship that exists between the centre and provinces, and were particularly aware of how there is a top to down28 interaction in communication between the central ministries and the local level. The provincial officials mentioned and lamented the fact that central ministries have repeatedly ignored the PDPs and rarely provide feedback to the communication made by the provincial line departments. For instance, the provincial officials were aggrieved that there is no feedback from the centre on the quarterly progress reports they send to the central government.29 Lack of coordination is clearly evident between the provincial line departments and the central ministries and this is because of the over-centralisation of the ministries; if provincial line departments had more power coordination would be more meaningful. However, even if some provinces show impressive initiative and coordinate perfectly, this does not resolve the main problem. In fact, the problems are structural and due to over-centralisation rather than lack of coordination.

3.2.2 Coordination amongst Provincial Government Offices

Similarly, there are coordination problems at the provincial level. For instance, there is little room for horizontal coordination and collaboration at the provincial level among the line departments. It is because each department has strict vertical reporting lines to the centre, and everyone depends on budgetary flows that are controlled centrally.30 The Sectoral Working Groups (SWG), a mechanism that identifies priorities and facilitates coordination at the line department level, is ceremonial and has little influence. 31 The Sectoral Departments do not take part in the joint monitoring and do not send their progress report on time for compilation to the Department of Economy of the province.32

Obscure divisions of roles and overlapping of responsibilities amongst government bodies in the provinces is another challenge that must be overcome to attain better coordination in the provinces.

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27 Interview with Senior Government Official from Department of MoWA in Mazar-e-Sharif, June 2012.
28 During the fieldwork, increased demand for decentralisation (administrative delegation of authority to line departments) in all the four provinces was manifested mainly from interviewee belonging to technical line ministries e.g., Department of Public works, Department of Agriculture and Livestock, Department of Rural Rehabilitation and Development. Government officials from such departments were expressing frustration over their limited role and were blaming the current arrangements between the central government and provincial government for hampering their ability to deliver services to the population of the province.
29 Interview with senior Government Officials from Departments of Economy, Public Works and Agriculture in Mazar-e-Sharif, Bamiyan and Faizabad, June/August/September
31 Interview with Senior Government Official from DTSS in Jalalabad, May 2012.
32 Interview with Senior Government Official from Department of Economy in Faizabad, September 2012
Roles and responsibilities assigned to PDC and Provincial Councils in the provinces are interlocking. Moreover, there is a duplication and active clash of duty between the Departments of Economy and the Department of Technical and Sectoral Services (DTSS) in the provinces. One common problem often reported is when NGOs with a letter from the Department of Economy are refused the right to work in Districts, but are asked to bring another letter from DTSS instead. In order to be allowed to work in a District, NGOs and construction companies have to take letters from two government bodies, DoE and DTSS. Departments of Economy in the provinces often criticise this action and see it as an interference in their work and a cause of duplication if NGOs are introduced through another government agency. The Department of Economy’s solution to improve district level coordination is via establishing the district level offices of Department of Economy to enable them to monitor and coordinate development work at the district level - the lowest possible.

The provincial Governors can play an important role in resolving coordination problems to some extent among the local government offices. In some provinces, the Governor has taken the role of mediator and improvised a local solution. For instance, in Bamyan and Badakhshan the Governors played a mediator role between DoE and DTSS by dividing the responsibilities between the two agencies. In Bamyan the clash was minimal and controlled locally. The Governor has encouraged inter-governmental teamwork. In contrast in Balkh, the DoE was marginalised by the DTSS because of the Governor’s preference of the DTSS. In Nangarhar the DTSS has the support of the provincial Governor. In both the Nangarhar and Balkh provinces, DTSS clearly had the upper hand in the developing coordination despite the secretariat of the PDC being with the DoE. It is crucial here to emphasise that individual initiatives shall be welcomed and encouraged in the government but resolving such problems which are structural requires a structural solution.

33 The secretariat responsibility for PDC functions and operation is vested in the Department of Economy who lead the committee in the absence of the provincial governor. The Department of Economy was made responsible for a) leading the sectorial committees in the provinces b) gathering communities needs through consultation with sectorial committees and the Provincial Councils c) assisting and coordinating the preparation of the draft provincial development plan and budget and taking approval from PDC d) monitoring of development projects, collecting information on all development actors and projects e) making PDC meeting agendas and minutes and organising the PDC meetings f) creating of progress reports on development initiatives and submitting them to PDC and Ministry of Economy. PDC secretariat is an important responsibility for coordinating development efforts in the province.

34 Interview with Governance Expert from International Organisation in Mazar-e-Sharif, June 2012.

35 Interview with INGO staff members in Jalalabad, Faizabad, May/September 2012.

36 Sometimes DTSS introduces an NGO to a District to implement a project and causes duplication because Department of Economy is avoided.

37 Interview with Governance Expert from International Development Organisation in Bamyan, August 2012.

38 The Director of Economy of Balkh belongs to Hizb-e-Islami party and his political background is a potential reason for his marginalised role in the province comparing to DTSS.
3.2.3 Coordination between provincial government and the aid community

In addition to coordination issues between government agencies, there are shortcomings in coordinating development interventions between the aid community and the local government. For most of the intervention 2001-2009 two thirds of aid bypassed the Afghan government.39 There is a mismatch between the objectives of off budget assistance implemented by dozens of non-governmental organisations, and the objectives of strengthening sub-national government. Projects implemented at the sub-national level had little synergy with local government and were more tied to donor headquarters than coordinating with local government.

The provincial governments are incapable of forming a working coordination system that could incorporate all development protagonists and produce synergies across the provinces, due to ambiguous division of responsibilities and rivalries in the government bodies.40 In the PDC meetings in most of the provinces NGOs are not invited and only ACBAR (Agency Coordinating Body for Afghan Relief) from among NGOs is invited to represent the NGO community. However, in less influential provinces INGOs are the major participants of the meeting.

Government officials complain that NGOs and other development actors avoid the provincial government and obtain contracts from Ministries and Donors centrally. According to provincial officials, NGOs/contractors try to implement their projects without informing the local government. Government officials also constantly complain that the PDP is avoided by donors and central government alike. The Department of Economy in all the four provinces complain that NGOs do not send their progress reports regularly41 and some NGOs start their work without keeping the Department of Economy or the relevant sector informed.42 NGOs blame the provincial government for causing confusion and an obstacle to carry out their work - NGOs and other development actors often complain of reporting to multiple government agencies. To implement a project, non-governmental development actors in some provinces need to obtain multiple letters of approval to start working in certain districts. In some provinces, District Governors reject letters from the DoE and so the NGO carries and requires another letter from DTSS/Governor office. This directly leads to confusion and causes coordination deficiency in the field.

Initiatives to ameliorate coordination were seen as more successful in less influential provinces. For example, in Bamyan and Badakhshan there was more resourcefulness in finding solutions locally to coordination problems without relying much on the central government. PDC meeting as a coordination platform in regards to selection of projects was more meaningful in the two mentioned provinces. The aid community projects’ selection and implementation were in sync with the local government priorities.

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40 Interview with Senior Government Official from Department of Agriculture and Livestock in Faizabad, September 2012.
41 Interview with Senior Government Officials from Department of Economy who requested anonymity in Jalalabad and Mazar-e-Sharif and Faizabad, May/June/September 2012.
42 Interview with Senior Government Official from DoWA who requested anonymity in Mazar-e-Sharif, June 2012.
and Provincial Development Plan. However, this was not the case in the provinces of Nangarhar and Balkh.

The problem of coordination is not just rooted at any one level: it spirals from local level government bodies, to national level ministries and then on to international donor aid policies. There is a shortcoming and mismatch between the international technical priorities to the Afghan governments’ policies. Afghan government policies are suffering from patronage interests and lack of technical capabilities. The challenge of attaining good coordination at the provincial echelon between the government and aid community is not only the product of the local mismanagement, but also stems from national level coordination between the Afghan government and the international community and the general reluctance to decentralise in the country. The lack of decision-making powers and authority at the provincial level government agencies contributes majorly to coordination problems. Lack of coordination is not due to inability of local officials to attain better coordination but mainly due to the over-centralisation of ministries. Structural changes in the form of devolving authority to sub-national level of government are the first step toward improving coordination.
3.3 Provincial Planning: Does it address the local ownership gap and improve Aid Effectiveness?

Decentralised planning and the participation of local government in the design and implementation of development projects is the key in improving aid effectiveness. In addition, there must be aspirations for democratising the process of development planning whereby participation is ensured at all levels of the government. In Afghanistan planning at the sub-national level is carried out by the PDC but the plans generated in the provinces remain ineffective and do not get integrated into the national programmes, national budget or other off-budget aid projects. One of the fundamental aspects of the PDCs is to create development plans in the provinces; however, provincial plans have largely remained ignored both by the donors and the central government.

Provincial Development Plans are often labelled both by the central government and the donors as a “wish list” and disregarded. The inability of the provinces to evolve and improve their planning according to the aspirations of the central government and the expectation of the international aid community cannot be blamed on the provincial government alone. The position of the provinces is an essential factor to consider in the context of the how provincial government is organised in relation to the centralised system. The poorly resourced and under-staffed position of the line departments in the provinces, which have limited decision making authority, and the ambiguous nature of the rules and regulations are key factor that need to be taken into consideration when assessing the shortcomings at the sub-national scale.

3.3.1 Provincial Plans integration in national programmes
The purpose of developing PDPs is to provide one document that prioritises the provincial development objectives and guides development intervention for the central government, provincial government, and the donor community. However, in practice, PDPs appear to be ignored by central government ministries. As an interlocutor pointed out, the central government rarely approves elements of the Provincial Development Plans and PDPs hardly find their way into the central government plans or in national programmes. PDPs are generally known as an isolated document. The PDPs from all provinces are sent to the Ministry of Economy (MoE) in Kabul. However, the MoE in Kabul has not been capable of coordinating the PDPs with other ministries and pursuing them to integrate the priorities of provinces in their national plans and programmes.

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44 Interview with Senior Government Official Department of Agriculture and Livestock in Bamyan, August 2012.
45 Interview with Senior Government Official Department of Economy in Bamyan, August 2012.

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The officials from provincial line ministries in all the provinces criticised the central government ministries and international donors for failing to integrate their development plans in the national development plans or international donor funded programmes. A provincial government official commented that the “Provincial Development Plan is a dream”. The best chance a project from a PDP stands for funding by central government or donors is that the project is included in a programme of a central ministry or a donor programme by coincidence, whilst it should be the other way around. One official pointed out that the lack of interest of central government in the provincial plans results in a legitimacy crisis for the provincial government officials in the eyes of the communities.

“We make plans every year on the basis of consultation with communities and the lack of response from the donors and central government in fulfilling the plans creates a trust gap between the provincial line departments and the communities.”

The donor community and the central government popularly term PDPs as “wish lists” from the provinces. They are called wish lists for the content of the report merely listing projects without corresponding details such as budget, an assessment of the current situation of the sector, vision, objectives, goals to achieve and action plans. The PDPs lacked a unified format and vary from province to province. The provincial plans reviewed under this research project confirm the above gaps; however, what is important to note is that completely rejecting PDPs on the basis that they are a wish list is not the solution. It is also important to note the circumstance and arrangements under which these PDPs are created. Provincial line departments argue that given that they are poorly resourced and staffed, provinces lacking budget-making authority had major negative influence on their ability to produce efficient plans.

In addition some provincial government officials argue that despite the PDPs being labelled as a “wish list” by the donor community and the central government ministries, that these plans show certain trends and an indicator of community needs. Provincial planning is the first exercise in bottom up planning, which certainly comes with limitations and inconsistencies, and is a work in progress. The practice has to continue despite its limitation but more importantly there should be efforts to improve provincial planning including channelling resources and devolving authority to local officials. Improving PDPs could be considered the beginning of democratised development, and decentralisation in which the process of development planning is brought closer to the people.

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46 Interview with Government Official, from provincial Governor’s office in Bamiyan, 2012.
47 Interview with Senior Government Official from DTSS in Mazar-e-Sharif, June 2012.
48 Interview with Senior Government official from Department of Economy in Faizabad, September 2012 (Director of Economy Badakhshan).
49 Interview with Government Official from Provincial Governor’s office in Bamiyan, August 2012.

Interview with Senior Government official from Department of Agriculture Bamiyan, Department of Economy Badakhshan.
3.3.2 Bottom-up planning and top-down budgeting dilemma

The mere consent of central government to allow the provinces to prepare their development plan is not sufficient.50 Provincial planning becomes meaningless in the event of preparing plans if the provincial staff responsible for the planning does not have any information regarding the budget available for the plan.51 The planning process has no links with a budget and the centralisation of budgeting decisions in Kabul have prevented PDCs from developing their planning capacities.52 For this reason, planning functions are dysfunctional in the provinces and provincial governments are incapable of making decisions according to local development needs.53 Despite the fact that some planning functions are delegated to provinces, in reality planning and budgeting is prepared by the central ministries for all 34 provinces.54 This results in a chronic gap between the provincial PDPs and national budget.

Due to the centralised nature of budgets, the provincial line ministries do not know their development budget breakdown at the beginning of the financial year. This practice has huge implications for budget execution and ministries’ inability to spend their development budget. The budget disbursement process can take several months before it is available for spending and when the budget is available in the provinces, the line departments are left with a small timeframe to implement a project before the end of the financial year.55 In areas with difficult geography and severe winter weather conditions, this leaves the provincial line departments with a much-reduced window of opportunity to execute the budget for their development activities.56 Over the years the government has suffered from low levels of budget execution rate. In 2010-1157 the Afghan government only spent 37 per cent of its

50 Interview with Governance Expert from International Organisation in Jalalabad, May 2012.
54 The criteria of allocation of budget and resources for provinces by central ministries were also considered out-dated and not taking into account the real population of province and geographic difficulty. Line Departments in Badakhshan and Bamyan expressed that their budget allocation does not reflect the difficult geography and population of the provinces. According to line Departments the decisions regarding planning and provincial budgets are based on the census of the population that the central government has which are out-dated and does not reflect the reality in the provinces.
55 Interview with senior Government Official from Department of Agriculture and livestock in Jalalabad, May 2012.
56 Interview with senior Government official from Department of Agriculture and livestock in Bamyan, August 2012.
57 For the year 1392SY (2012) “Regarding core budget expenditures, there is good improvement as compared with budget execution of last year. The execution rate of core development budget is 24% for the 2nd quarter, while last year it was only 16% for the same period. Likewise, the execution rate of operating budget is 50%, while last year it was 40% for the same period”.
http://mof.gov.af/Content/files/MOF%202nd%20Q%20PERFROMANCE%20REPORT%201391%20RIMU%20%20%205%20NOV%202012.pdf
development budget. This will be even more challenging for the government in future (2013-14) since 50 per cent of international aid money is going to be channelled through the Ministry of Finance. Considering the constraints of centralised budgeting, there was general consensus and demand among line departments that more planning and budget related powers should be devolved to provincial governments.

3.4 Monitoring and evaluation and aid effectiveness

Conducting monitoring is an essential element of ensuring greater aid effectiveness. Sub-national governments, compared to the central government, are uniquely positioned to participate in a decentralised monitoring and reporting framework that will enable achievement of MDG targets. Similarly, in theory the responsibility of conducting monitoring on development projects at the sub-national level lies with the PDC. However in practice, this research indicates that there are multiple monitoring and evaluation mechanisms and poorly defined positions of oversight bodies such as Provincial Councils at the local level. There is also a lack of capacity in provincial administrations to conduct monitoring and evaluation of the development projects locally. The Department of Economy and the relevant line departments that are responsible for monitoring, lack adequate resources and a separate budget for conducting systematic monitoring. Provincial officials also complained during the field research that the aid community is reluctant to be transparent and accountable to them and have not shared full information on their activities and projects.

3.4.1 Multiple monitoring initiatives

The responsibility of conducting monitoring operations of development projects in the provinces is not clear and there are various government bodies that claim to have the aforementioned mandate. There are uncoordinated and fragmented monitoring efforts and no single body has been granted the full responsibility of monitoring development work. Among others, the PDC as a coordination body has been made responsible to monitor development projects in the provinces. And according to PDC guidelines, monitoring development work at the local level is the responsibility of the Department of Economy (DoE) in each province. In addition to the DoE, the relevant line department and leading

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61 Interview with Governance Expert from International Organisation in Mazar-e-Sharif, June 2012.
Sectoral Working Groups (SWGs) are also responsible for monitoring projects related to their work. In practice, there is a clash of duty and the responsibility of monitoring is not defined clearly. The Departments of Technical and Sectoral Services claim to have the right to monitor development projects, while the Department of Economy also claims to be in charge of monitoring development work.

Provincial government cannot effectively coordinate monitoring functions due to ambiguity in the distribution of responsibilities among government bodies. The Department of Economy affirms that DTSS in the Governor's office is an extra structure and a waste of resources, and instead recommend that focus should be put on expanding the offices of the Ministry of Economy at the District level. On the other hand, DTSS offices in the provinces expressed that the Secretariat responsibility of the PDC should be transferred from the Department of Economy to DTSS, including the monitoring function. As well as causing coordination problems, ambiguity within the provinces has lead non-governmental development actors to complain of reporting to multiple government bodies. The given clash of duty and competition over the right to monitoring can also be interpreted through the lens of competition to control the flow of resources and monopolise opportunities for illicit gains.

The rivalry and competition over who controls the responsibility of monitoring among the different government bodies at the provincial level reflects the unresolved nature of the division of responsibilities at the central level between IDLG and Ministry of Economy. In some provinces ad-hoc solutions have been made to resolve the problems at the local level. In Bamyan there is a Provincial Monitoring Team drawn from the line department and Provincial Council, which is supposed to jointly conduct monitoring under the leadership and coordination of the Department of Economy. In some other provinces a Provincial Monitoring Board was established to assist monitoring projects locally. Until the responsibilities and roles are defined and duplication of duties are prevented, ad-hoc solutions will be used that do not solve the monitoring issues and undermine the effectiveness of development aid at the sub-national level.

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62 Sectoral Working Groups. For information on SWGs please see comment 29.
63 Interview with senior Government Official from Department of Economy in Faizabad, August 2012.
64 Interview with senior Government Official from DTSS in Mazar-e-Sharif and Faizabad, June/August 2012.
3.4.2 Monitoring and Evaluation mechanism of PDC

PDCs are tasked to bring together the fragmented bodies at the sub-national level and resolve the issue of coordinating monitoring. Field research for this report reveals that the monitoring function of PDCs has little impact on improving development activities. The Department of Economy is mainly responsible for coordinating and monitoring activities, and report to PDCs and the Ministry of Economy. In practice, monitoring does not take place under a monitoring system that is uniform and applied across all the provinces. In this field work it was observed that monitoring for government officials meant ad-hoc visits to project sites after reports of complaints, or random visits to a sample of projects for quality control purposes.66 There were no standard monitoring procedures or rules that provinces should follow. Not all projects were monitored by the Department of Economy, as there were limited technical staff and resources within the Department. The Department of Economy did not have designated staff to manage monitoring and evaluation or the resources to cover all project sites in a systematic manner. The monitors of the Department of Economy travel to visit a project site by the vehicle of the implementing agency responsible for a project,67 which undermines the legitimacy and purpose of monitoring. The inability of the local government to monitor all the projects using their own resources certainly undermines the position of the provincial government in relation to their role in maintaining accountability in the provinces.68

The monitors rely mainly on visiting and controlling the quality of work and progress of the work based on observation and checking the exterior of a project. Monitoring activities are carried out at a very superficial level without knowing the technical sides of the project. It is nearly impossible to check the actual implementation against the proposed deliverables of the projects. There is no data that the monitor could use to check against the progress of the work, such as the contract of the project, terms of reference, maps and technical documents related to the project. The nationally contracted nature of projects does not allow the Department of Economy in the province to obtain copies of the project documents. As an interviewee noted:

“Many projects are awarded contracts in Kabul and the technical documents of the project, including the contract, proposal, and maps, are withheld from the provincial Department of Economy. This leads us to conduct superficial monitoring of a project” 69

Monitoring the development activities of international organisations also faces challenges because the relevant local government departments do not have access to the technical documents of the projects.70 The Department of Economy complained that international organisations and NGOs withhold

66 Interview with senior Government Officials in Departments of DTSS and Department of Agriculture and Livestock in Jalalabad and Bamiyan, May/August 2012.
67 Interview with Governance Expert from International Organisation in Mazar-e-Sharif, June 2012.
68 In addition, the implementing agency provides lunch for the day the monitor is visiting a project site. The findings of monitoring are questionable, because the monitoring team travels in the vehicle of the implementing organization.
69 Interview with senior Government Official from Department of Economy in Faizabad, August 2012.
70 Interview with senior Government Official from Department of Agriculture and Livestock in Bamiyan, September 2012.
monitoring information of the projects they implemented. This certainly shows the low level of access to information in the provinces and the transparency gap that international donors are leaving behind.\textsuperscript{71} The mechanism in place to conduct monitoring by the Department of Economy is not realistic given its understaffed and poorly resourced position when it comes to monitoring in the respective provinces. The poor position of monitoring by local government is linked with the lack of devolved authority and decision-making power in the provincial government and unless structural changes are made these problems will continue to exist. The lack of effective monitoring is not primarily due to the inability of local government to conduct monitoring but more linked to the over-centralization of basic government functions and unless there are reforms that address the issue at its core, initiatives such as PDC are not the solution.

This report suggests that the issue of aid effectiveness at the sub-national level has not been addressed in Afghanistan. The central government has concentrated all the decision-making and policy formulation in central government institutions by largely excluding sub-national government structures. When it comes to improving aid effectiveness, donor policies have focused their interactions with the national government without adequately advocating the implementation of a decentralisation framework, through which the sub-national government is brought as an influential partner in the formulation of policies and development programmes in the centre.

At the sub-national level government institutions remain largely ineffective and their nominal participation in the design of development plans are usually ignored both by the donors and the central government. The three functions of PDCs seem to be suffering from structural problems that need structural solutions and there is a need for a fundamental shift in the position of sub-national government in the overall governing structure in Afghanistan.

\textsuperscript{71} The centrally contracted nature of the projects at the central ministries or projects funded through international donors in Kabul leads to monitoring problems at the provincial level since all the documents of the projects remain at the centre and department of economy in the province or the relevant sector does not have all the documents of the project to use that as the base of monitoring and quality control.
Examining aid effectiveness at the sub-national level showed how introducing structures like PDCs to improve aid effectiveness have produced few results in the face of structural issues. The structural issues are mainly rooted in the way the sub-national level government is structured vis-à-vis the centralised government. To understand further the failure in the provincial government to prepare effective plans, ensure efficient coordination and conduct development monitoring work lies in exploring the structural impediments that prevents the effectiveness of PDCs.

The fact that Afghanistan is a highly centralised state has resulted in the concentration of all the decision-making authority being centralised in Kabul. This has consequences for provinces not being included in the development of policies, making of national plans, and creation of national budget. Also the discussion around aid effectiveness remains concentrated in the national level between the Afghan government and the donors miss perspectives from sub-national actors. Promotion of aid effectiveness in the sub-national echelon goes hand-in-hand with supporting a decentralisation framework, whereby development aid upholds local autonomy.

This chapter provides an assessment of some of key structural challenges facing the sub-national level. It builds from the findings of the PDC case study in the previous chapter to raise the issues that are undermining the effective delivery of aid and development in the sub-national level.
4.1 Absence of an overarching strategy for sub-national level government

There is a need for departure from the mentality in the central government of viewing sub-national government as an extension of central government ministries to recognising and respecting sub-national government as a level of government. It is important to stress the need for reforms that value decentralisation as a principle that envisages an opportunity for the development of sub-national government. Irrespective of suggesting any particular type of government, the paper stresses a distribution of responsibilities and authority between central and sub-national government in terms of what comparative advantage they would have if assigned to either the central or sub-national government. The current strategy of reforming sub-national government by using the Independent Directorate of Local Governance is flawed because IDLG is mostly used as a tool at the hands of the President’s office to control appointments and resources in the sub-national government, rather than carrying out structural reforms in the sub-national government. A step to ensure the reform is meaningful would be to make the IDLG accountable to the Parliament or through some other accountability mechanism to reduce its control solely at the hands of the executive branch of the government.

It is difficult to foresee accountability in the provincial government under the current arrangements. Provincial Governors (PG) are political appointees of the President’s office without being accountable to the people of the province. There is no clear separation of power between the executive, legislature and judiciary at the local level. A possible departure to improve governance in the provinces could be to install checks and balances in the provincial government. The Provincial Council as representatives of people in provinces have limited functions and have no means to hold the provincial government or line departments accountable. In the fieldwork a number of PC members made two clear suggestions: 1- Reform of Provincial Council law that will enable them to hold the provincial government accountable 2- Independence of Provincial Councils from the IDLG. The current PC law only provides an advisory and ceremonial oversight role for the Provincial Councils in regards to Provincial Government. There is no mechanism that enforces the oversight role of PCs over the provincial government. The PCs also rely on administrative, budget and logistic support to IDLG and Provincial Council members, which is as a paradox between their role as elected representatives of people and their dependency on the executive branch of government.

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4.2 Over-centralisation in Afghanistan

Taking the discussion of aid effectiveness to the sub-national level requires a decentralisation agenda that promotes the participation of local government in the design and shaping of national development policies. However, the post-2001 international community’s state-building effort resulted in the rebirth of central state structures. The international community’s state-building agenda favoured resurrecting a centralised state and efforts went to reviving the Afghan state of the 1960s, which had been assumed to be functional. Therefore, resources were directed towards restoring central government state structures and attention toward building sub-national state apparatus remained largely neglected. It is assumed that in the initial design of state-building first priority went toward building a central state, whilst the sub-national level followed later. While it could be argued that the scarcity of resources and primary focus being put on the central government is the most efficient framework, one could also argue that balanced approach of building the central government institutions in proportion to sub-national level would have been an obviously better long term approach. None the less, in Afghanistan after more than 11 years of intervention focusing on building the central government all decision making authority in relation to recruitment, budget formulation and planning is now held in the central state bodies and ministries.

The international community promoted a centralised government structure at the expense of keeping sub-national institutions primitive. The donors either worked with national government through national programmes in coordination with one of the ministries in Kabul or through off budget assistance implemented by dozens of non-governmental organisations. In addition a significant level of military and security driven assistance focused on the sub-national level but was mainly used for stabilisation and security objectives and had little impact in improving local government. Though the National Solidarity Programme (NSP) was aimed at strengthening sub-national government and opening the way for introducing formal governing structures at the village level through elections of Community Development Councils the programme failed to consolidate these gains. It was unable to evolve into formally recognised and constitutionally mandated village and district councils, one that is sustainable and could function beyond the availability of international aid.

While the international community’s approach to building up the sub-national level is easy to scrutinise, a major barrier to decentralisation and developing sub-national government has been the government of Afghanistan itself. Patronage politics were at the centre of the Presidential agenda in the sub-national government reform. The road to reform for sub-national governance has been anything but clear cut. The reforms did not focus purely on technical and apolitical solutions but instead resulted in reform policies, and the agenda from the Afghan government that was mainly political and carefully devised


for competing interests on gaining control over sub-national government.76 The reform agenda was not merely a vision to improve governance at the sub-national level, but more a tool used to play patronage politics.77 More than improving sub-national governance and facilitating development in the provinces, these reforms were used as a tool to control appointments and distribution of resources by the President and his supporters instead of genuinely pursuing reforms in the sub-national governance.

The politically motivated, patronage characteristic of reform has influenced almost all the policies from Kabul in regards to sub-national government. The Independent Directorate of Local Governance was created to control senior sub-national appointments in the provinces at the hands of the President and further centralise the government. Provincial Council (PCs) elections were held but the Provincial Council law provided limited functions to representatives of the people and were left to the mercy of the executive branch of the government. PDCs were created to bring order to the chaotic situation of coordination in the provinces78 but there was no corresponding devolution of power to the provinces from the centre to make coordination at the local level meaningful.

To exercise patronage the ruler of a country decides when, where and to whom they would provide patronage. The choice of institution that they want to use as their patronage strategy depends on the desire of whichever institution maximises their individual political power, or the design institutions that would allow them to exercise greater power.79 In Afghanistan the preferred choice came in the careful design of the IDLG, which was seen by the President and his entourage as a mechanism to maximise the power of the President in the provinces. The reform did not address the much-needed attention to devolve authority and decision-making power or resources to the line departments and other provincial government institutions but rather a new body was introduced in the form of the IDLG which has acted more to re-centralise then decentralise in Afghanistan. Reform policies of the government reveals that the central government has showed lack of political will and the leadership to allow for devolving authority in the provinces.

Subnational%20Appointments-%20BP-print.pdf


4.3 Ambiguous division of responsibilities in government institutions

The division of responsibility at the sub-national level is an essential factor to ensuring better coordination through the prevention of ambiguity and clashes of duty among different government bodies. However, at the sub-national level there are government bodies with conflicting distribution of responsibilities. The clash of duty between the Department of Economy and Directorate of Technical and Sectoral Services (DTSS) for jurisdiction over monitoring, coordination and planning is widespread in all the provinces.

There is duplication of responsibilities between Provincial Councils and the PDC. The provincial council law provides monitoring and oversight to PCs on development projects while PDC has similar a responsibility. The law of Provincial Council vaguely define the role of PCs in regards to holding provincial officials accountable or enabling PCs to conduct oversight and monitoring for projects. Article 4(4) of the PC law says that the PCs should “provide consultation to design the development plan of the Province and anticipated plan and approve them before proposing to government.” However, the law does not specifically explain the mechanisms through which the PC could participate in the development process.80 The PC law requires amendments by clarifying the mechanisms through which PC’s oversight role can operationalize enforcement over the provincial government. To ensure accountability and insert democratic values and checks and balances at local level, the Provincial government, including PDCs and line Departments representing the Executive Branch have to be made horizontally accountable to local populations through Provincial Councils.

4.4 Centralised Fiscal system

In Afghanistan the budget for the whole country is centrally managed in Kabul. It is organised by ministry or sector and not by province or level of government. Provincial plans are rendered virtually completely ineffective because there is no link between provincial plans and the national budget. Provinces prepare Provincial Development Plans without having any influence in the budget making process or relevant knowledge of allocated budget for each province. The national budget is prepared in Kabul by the ministries for each provinces according to administrative criteria determined by the central ministries. The PDPs which were expected to change the one-sided budget making and the design of national plans, and to include the provinces in the mentioned process did not succeed.81 The current system of budget making has no links with PDPs, and rarely integrates the demands of the communities in the national budget.82

81 Interview with senior Government Official from Department of Economy in Faizabad, September 2012.
82 Interview with senior Government Official from Department of Economy in Mazar-e-Sharif, June 2012.
In addition to the centralised nature of budget process, the disbursement of provincial allocations are made available close to the end of the financial year83 leaving serious challenges for the provinces particularly when a severe winter and difficult geography diminishes the opportunity to execute their annual budget. This late disbursement of the national budget to the provinces leaves a very narrow window of opportunity for spending and results in a low rate of budget execution.84 The provincial line departments demanded that they know the breakdown of their budgets at the beginning of the financial year.85

The findings of this report suggest that structural reforms are the key in improving aid effectiveness in Afghanistan. Decentralisation processes in post-conflict and least development countries (LDCs) cannot be a ‘quick-fix’ aim of donors and requires a mental shift on a national and international level, in order to function. The issue of improving aid effectiveness at the sub-national level in Afghanistan requires a set of agreed upon common goals between the donors and the Afghan government on the promotion of decentralisation. Without upholding and advocating for promoting the status of the sub-national level as an influential partner in the national process, the situation of aid at the sub-national level will remain bleak. In the provinces, line ministries are symbolic and have little discretionary power. All budget related decision-making takes place at the centre by effectively excluding the provinces from the process. The provincial government is not responsive in the democratic sense to the people. With the current arrangements, the Provincial Councils have largely failed to hold the provincial government accountable. In the face of these challenges, the issue of Aid Effectiveness has not been addressed effectively, and the introduction of PDCs and other bodies have provided little results because they have not been part of an overarching framework that addresses structural impediments to improving sub-national government.

83 In 2001, the government changed its fiscal year from 21st of March to 21st of December to match the beginning of the fiscal year with the beginning of the donor countries assistance and prevent delays. http://www.khaama.com/afghanistan-fiscal-year-changes-235
84 Interview with senior Government Official from Department of Agriculture and Livestock in Jalalabad and Bamyan May/August 2012.
85 Interview with senior Government Official from Department of Agriculture in Jalalabad, May 2012.
5. TRANSITION TO 2014: CHANGING DYNAMICS AND THE ROLE OF PDCs

As part of the transition to 2014, all the Provincial Reconstruction Team’s (PRT’s)86 sponsored nations agreed that PRTs will evolve and ultimately dissolve by end of 2014 and in this process the PRTs will shift from direct service delivery to providing technical support to the Provincial governments, and gradually hand over their functions to the government, non-governmental organisations and other development actors.87 While this transition is country-wide it greatly varies from province to province. In the London Conference of 2010, the international community also pledged to channel 50 percent of aid money through the Afghan government.88 The Afghan government is already suffering from a low execution rate and the additional channelling of aid through central government budgets has the potential to lead to an under-spending problem. Unless the share of the funds channelled to the central government budget is directed to strengthen the position of the line departments in the provinces, and supporting initiatives like PDPs, PDCs and PCs, it is likely that the government ministries will continue to suffer from a low rate of budget execution. This will potentially constrain relationships between the Government of Afghanistan and the International Community.

In provinces with heavy PRT presence, there were more signs of dependency on the PRTs. For example, during this fieldwork this tendency was observed in the Nangarhar Province, where the US-led PRT has been providing major funding to development programmes in the province compared to PRTs operating in other parts of Afghanistan. Provinces that are hugely dependent on the International development fund and PRTs are showing signs of problems transiting to dependence on the national budget.

The PDC is seen as a vital partner to manage the transition for PRTs in the provinces.89 There is also the potential that the PDC is overlooked and during the run up to the transition, attention in managing PRT and overall transition is handled through IDLG or centralised committees, leaving behind the active participation and partnership of line Departments through PDCs. From the fieldwork conducted in this study it has been observed that within the international donor community there is a tendency to work mainly with IDLG, or IDLG-led initiatives, to manage the transition. With the on-going transition and

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86 For an explanation of PRTs see http://www.understandingwar.org/themenode/provincial-reconstruction-teams-prts
draw down in the spending of the donors and channelling of aid to the central ministries, PDCs need to be equipped to focus on the changing reality. The transition should focus more on programmes that directly support the line departments in filling the gaps that are being left behind by the leaving PRTs, and also allow the provinces to monitor and manage the sustainability and maintenance of the development projects.

PDCs have been widely perceived as a donor coordination body and a project endorsement platform. This view has consequences especially in the context of the on-going transition and the decision of the donor community to channel more development funds through the central government. Therefore the rationale of how the PDCs were operating until now has to change and PDCs need to focus more on how to finance development projects from the central budget. Donors should put more focus on how to build the capacity of the PDCs in that regard. PDCs have to internalise the process of monitoring, coordination and planning within the provincial government institutions as opposed to previously when there was a heavy aid community presence in the provinces the PDC roles were mainly addressing the non-state development actors. The transition to the 2014 framework and rhetoric in the government should address the reduced engagement of international development actors in the provinces. The obvious reaction point from the government should be strengthening PDCs by institutionalising on-going budget process more on local the line departments’ level. The PDCs, among all the other structures, still represents a viable option for the government to address managing the transition. Since PDCs have been in place for many years now, they should be used as an existing structure rather than creating new structures and committees in the provinces.
PDCs have provided little results in improving aid effectiveness on the sub-national level. The creation of PDCs was not part of an overarching framework coupled with structural reforms in the sub-national government. The body was not responsive to the problems that actually are beyond the scope of provincial level solutions and rooted in the way sub-national the government is structured vis-à-vis central government.

Five years since the existence of PDCs in the provinces, the body has not been successful in coordinating development efforts with the aid community or donors, within the provincial government or with the central government. The issue of aid effectiveness at the sub-national level has not been addressed in Afghanistan through any systematic policy document or agenda.

The central government has concentrated all the decision-making and policy formulation in central government institutions, and has largely excluded the sub-national governance structures and their decisions around development planning. Donor policies in regards to improving aid effectiveness have focused their interactions on national government without adequately advocating the implementation of a decentralised framework, through which the sub-national government should be brought in as an influential partner in the formulation of policies and development programmes at the centre. The donor community has not pursued a decentralisation agenda and has failed to advocate for greater participation of provincial government institutions in the central level. The government has been a major barrier to the devolution of decision-making powers in provincial government institutions and mainly acted in a way that recentralises, under the name of decentralisation.

At the sub-national level government institutions remain largely ineffective and nominally participate in the design of development plans, which are usually ignored both by the donors and the central government. The three functions (planning, coordination and monitoring) seem to be suffering from structural problems that need structural solutions and there is a need for a fundamental shift in the position of sub-national government in the overall governing structure in Afghanistan. The creation foods to resolve issues of development coordination are linked to structural flaws and unless there are structural changes in the governing framework, the situation around mismanagement of development efforts will continue. There is a fundamental flaw in the way sub-national government is structured and it is unrealistic to expect a body like the Picots to resolve these structural problems. PDCs are not the solution but having said that, it does not mean that its position should not be improved and strengthened.
7. RECOMMENDATIONS

Government:

- The government should be willing to accept decentralisation of government functions between the central and sub-national level for the purpose of improving governance.

- To improve provincial level governments, the fundamental change of decentralising essential functions must take place. Current provincial level coordination, planning and monitoring is not working primarily because the state is organised around vertical centralised ministries and not local government in terms of administration, human resources, budgeting, planning and all other government functions.

- There needs to be greater participation by provincial institutions in the national budget making process, and in national development plans formulation. The goal here is greater integration of provincial development plans in the national development budget. The current arrangement does not make this possible unless the government provides a mechanism to link the provincial cross-sectoral planning with national sectoral planning.

- Line departments in the provinces need to be empower by expanding their tashkeel, resources and delegation of responsibilities to enable them to provide better services at the sub-national level.

- The central government needs to improve budget flows, of development and operational budgets, from the centre to the provinces by defining allotments for each province in advance and including them in the national budget, improving predictability, timeliness and transparency. This will substantially improve budget execution rates.

- The sub-national government should come under one leadership that is accountable to the parliament to reduce patronage tendencies.
• The line departments should be supported through the PDCs and provincial councils should seek greater authority to enable oversight of provincial government. More focus should go into empowering the line ministries, and elected officials is-à-vis political appointees and political offices. The reform needs to fill the governance gap at the sub-national level by providing an overarching and responsive framework.

• The role of the Provincial Councils should be increased by an amendment of the existing PC law to enable them to hold the provincial government (PG, line departments and PDC) accountable and improve monitoring and accountability in the provinces. PCs require independence from Provincial governors and IDLG in matters of operational cost.

International Community

• Donors should uphold the principles of empowering communities and the democratisation of development planning by advocating for greater participation of sub-national level actors in the central development planning and design.

• Donors should provide more predictable aid in the wake of an on-going transition to reduce the doubts regarding the future of aid in Afghanistan as well as to allow the government to deliver the development budget to the provinces predictably and in a timely manner.

• Donors should increase reporting and information sharing on off-budget projects in the provinces to relevant government agencies.


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