



United Nations Development Programme
Afghanistan
National Area-Based Development Programme (NABDP)
Annual Progress Report – 2009

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Project ID: 00070832 (NEX)

Duration: Phase III (July 2009 –June 2014)

Strategic Plan Component: Outcome 11

CPAP Component: Outcome -6

ANDS Component: Social and Economic Development

Total Budget: USD 294 Million

Responsible Agency: The Ministry of Rural Rehabilitation and Development (MRRD)

NABDP DONORS



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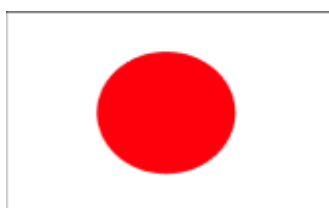
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Acronyms

AIRD	Afghanistan Institute for Rural Development
ANDS	Afghanistan National Development Strategy
ARDSS	Agriculture and Rural Development Sector Strategy
AREDP	Afghanistan Rural Enterprise Development Programme
BSP	Border Stabilization Project
CARD	Comprehensive Agriculture and Rural Development
CDC	Community Development Council
CDP	Community Development Plan
CE	Community Empowerment
CNTF	Counter Narcotic Trust Fund
CRD	Comprehensive Rural Development
DDA	District Development Assembly
DDP	District Development Plan
DIAG	Disbandment of Illegal Armed Groups
ERDA	Energy for Rural Development in Afghanistan
HARDP	Helmand Agriculture and Rural Development Programme
IAG	Illegal Armed Groups
IALP	Integrated Agriculture and Livelihood Programme
KRARDI	Kandahar Rural Agriculture Development Institute
MAIL	Ministry of Agriculture Irrigation and Livestock
MERRU	Monitoring, Evaluation and Result based Reporting Unit
MoE	Ministry of Education
MoEW	Ministry of Energy and Water
MoWA	Ministry of Women's Affairs
MRRD	Ministry of Rural Rehabilitation and Development
NABDP	National Area Based Development Programme
NRAP	National Rural Access Programme
NSP	National Solidarity Program
OD	Operations Department
PMSU	Programme Management Support Unit
PRRD	Provincial Rural Rehabilitation and Development Directorate
RTP	Rural Technology Park
RuWatSip	Rural Water Supply, Sanitation and Irrigation Programme
SAISEM	Strengthening Approach for Sustainable Integrated Environment Management
UN	United Nations
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme

Executive Summary

The NABDP phase III started as continuation of efforts in contributing to a sustainable reduction of poverty and an improvement of livelihoods in rural Afghanistan. The five-year commitment programme implemented directly by the MRRD, planned to take the area-based approach to focus on: productive infrastructure that will serve to link rural communities as part of the Government's broader agricultural and rural development strategy. The continuation of work has been initiated in three thematic interventions, namely **(i) Local Governance and DDA Institutionalization, (ii) Sustainable livelihoods through rural infrastructure services, and (iii) Stabilization through enhanced economic livelihoods.**

Due to deteriorating security situation in the last semester of 2009, commencement of The NABDP phase III has been very challenging. Most of field staff had to work within the office premises, with non-negotiable limitation of travel particularly during the election period which lasts longer than expected. Being a national executed modality and part of the MRRD priority programme, it was imperative to restrict movement in the field, considering the NABDP has been perceived and recognized as government representatives. Taking into account security situation, in addition of observing Ramadan (Fasting month for Moslem) in Afghanistan, the NABDP management used the opportunity to focus in internal activities, creating foundation of phase III programme direction. An overview of inception work in phase III programme within 2009 is as follow:

Local Governance and DDA institutionalization

Additional 17 DDAs were established followed by formulation of DDPs, whereas a total of 44 DDA were re-elected in another six provinces. The community empowerment unit has successfully promoted 87 DDA status in official registration with the Provincial Rural Rehabilitation Departments (PRRD). By the end of 2009, the NABDP covers more than 93% target of DDA establishment and institutionalization process with total of 374 DDAs established since the work in local governance started less than three years ago. Additionally, the "grant in aid" scheme was provided to 54 DDAs in 10 provinces to compliment support in management and organizational capacity.

During election period, the NABDP staffs actively involved in workshop on "women's role in election" as an efforts on socializing participation on election. It was reported that at least 80% of female staffs participated in the election process. A gender advisor of NABDP has been granted awards to attend the "good governance and rural development management" training in India and has been involved in developing training manual to disseminate the knowledge, alongside daily works in promoting women's participation into the DDA activities.

Capacity development works through the Afghanistan Institute for Rural Development (AIRD) has been initiated by workshop in research culture and capacity within the MRRD, involving a total of 108 MRRD staffs. A Memorandum of understanding (MoU) was signed with consulting company, to extend support in identification of gap in capacity development and recommend necessary actions for professional development.

Sustainable Livelihoods through Rural Infrastructure Services

In concise time since initiation of Energy for Rural Development in Afghanistan (ERDA) unit, the NABDP has led mainstreaming of rural energy component into the MRRD core activities. The unit has been forerunner in preparation of renewable energy policy for Afghanistan in addition to various works in the field. At least 820 households will have electricity after completion of the projects that began in 2009. Installation of Micro-Hydro Power (MHP) provides electricity to 464 households, while communities in Nangarhar Province have been supported by installation of 10 biogas plants. The NABDP was appointed as the lead for the energy working group in following year. The energy working group is one of core activities under the Inter Ministerial Commission of Energy that operate as the highest authority in rural energy development in Afghanistan.

A total of 84 rural infrastructure service projects have been completed in the year of 2009, to contribute the efforts in providing sustainable livelihoods for rural population. Projects such as irrigation and water system have been made accessible to more than 22,000 beneficiaries, with additional 306 on-going projects being carried forward. In line with the MRRD strategic direction, the work in Small and Medium Enterprises (SME) development was transferred to the Afghan Rural Enterprise Development Programme (AREDP). Jointly, the supervision of grants provided to 28 SMEs in seven provinces had been carried out, and the evaluation works will be conducted by the AREDP further. Concurrently in efforts to mainstream ministerial programme, the NABDP started work in planning and survey for establishment of Rural Technology Park (RTP) in Kabul through the Afghanistan Institute for Rural Development (AIRD).

Stabilization through enhanced economic livelihoods

Contributing to the strategy for stabilization, more than 3,000 people in border district benefited from implementation of various development projects. As a result, the security situation continues to improve, providing easier access to food, health facilities and other public services within the district. The Disbandment of Illegal Armed Groups (DIAG) unit completed eight projects, with approximately 160,000 people, including 32,000 former members of IAGs (Illegal Armed Groups), benefited through creation of labour days and provision of infrastructures. In addition, 92 development projects, such as construction of social and culture centre clinics, schools, etc are still undergoing in several provinces.

Improving works in supporting institutional capacities for licit livelihoods option, establishment of Kandahar Rural Agriculture Development Institute (KRARDI) was initiated, aimed to strengthen and diversify rural licit livelihoods in four districts of Kandahar province. In close collaboration with the Ministry of Agriculture, Irrigation and Livestock (MAIL), design of the KRARDI construction has been prepared to be rolled out in the next year, while coordination with Ministry of Education (MoE) and Ministry of Agriculture, Irrigation and Livestock (MAIL) began, for establishment of curriculum that fits into the current situation of agriculture development in the country.

To respond growing needs in accelerating programme implementation, the NABDP phase III revised the structure in management by additional unit establishment and extension scope of works. Newly established Programme Management Support Unit (PSMU) contributed to integration of work planning while assisting overall quality assurances. The Monitoring, Evaluation and Result based Reporting Unit (MERRU) made a concerted effort to improve the scope and quality of monitoring standards, at the same time initiating further advance in evaluation quality by starting the development of impact monitoring assessment.

While an issue in low capacity of implementing partners has been greatly reduced, the NABDP still face challenges in security situation. This had adversely impacted the achievement of intended targets and timely implementation. Several mitigation schemes has been prepared to overcome the situation. Following the launch of phase III NABDP, major changes occurred in most unit/department. The NABDP endeavour staff retention through career and professional development activities and by the end of 2009, only less than 2% turnover recorded. Meanwhile, the process of skill transfer to national experts in timely manners has not yet possible. This is because the change in management structure for effective system within NABDP, took longer time to be digested prior to any capacity building to occur. Thus, the technical assistance remains necessary to support during the inception period of NABDP phase III. However, it is clear that number of international advisors continued to be limited, with roles in supporting the national counterparts.

Several key lessons were learned in 2009 during the commencement of Phase III NABDP. Some of the critical importance could facilitate the delivery of projects into coming year such as the streamlining and engagement with other ministerial programmes and efforts in improving quality of projects. Planned for impact assessment has been incorporated to measure components of project sustainability. Challenges in achievement of intended targets have made the NABDP learnt in further enhancement of planning process.

Context

The National Area-Based Development Programme (NABDP) was designed to help the Afghan people to rebuild lives and nation, as well to demonstrate the Afghan government - with assistance from international community – capacity to develop the sustainable governance required. Applying lessons learned from implementing development programmes, the NABDP aim to contribute in the sustainable reduction of poverty and improvement of livelihoods in rural Afghanistan, through the empowerment of communities in articulating and addressing their needs and priorities. In addition, it supported the Government in providing community-based rural rehabilitation and development in an integrated, people-focused, inclusive and participatory manner.

In continuation of previous investment in rural development, the NABDP Phase-III that started in July 2009 has evolved in line with Afghanistan's development progress. The programme is directed through three thematic areas: **i) Local governance and DDA institutionalization; ii) Sustainable livelihoods through rural infrastructure services** and **iii) Stabilization through enhanced economic livelihoods**. These thematic areas are designed to address the priorities of the third pillar of the Afghanistan National Development Strategy (ANDS), Economic and Social Development.

Adhering to the main objective in contribution to poverty reduction, the NABDP phase III launched the work in bringing together the three thematic interventions into overall progress in rural development. Under the Local Governance and DDA Institutionalization component, the programme hinges upon elevating the capacity of the DDA, as a community-based institution, to play a catalytic development facilitation role at the district level. This will broaden the role of DDAs from community representative body to a multi-stakeholder coordinative and oversight mechanism. Rural infrastructure services is being utilized as a critical pathway to enhance

sustainable rural livelihoods, while the final theme tackles key challenges to stabilization, primarily but not exclusively through promotion of economic livelihoods.

As a fully executed national programme, NABDP customized project implementation modalities in accordance with local contexts. The programme is being implemented in coordination with other related line ministries such as Ministry of Agriculture, Irrigation and Livestock (MAIL), Ministry of Energy and Water (MOEW), and Ministry of Women's Affairs (MoWA). Operation of project activities is being conducted in partnership with community based organizations, District Development Assembly (DDA) and Community Development Council (CDC), as well as national contractor companies. Various Embassies and donor agencies have been fully consulted to maintain communication line, seek advice and extend support to achieve intended objectives.

II. Performance review

1. Overall progress towards the ANDS benchmark(s)

The NABDP supported implementation of the Afghanistan National Development Strategy (ANDS) in Economic and Social Development pillars, particularly in Agriculture and Rural development outcomes that include strengthened local governance and provision, maintenance of agriculture and rural infrastructures. The NABDP approach has been concentrated through investment in community based organization, infrastructure, local economic development and, sub-national governance initiatives. Capitalizing on its cultural and hierarchical foundations at local level, NABDP implemented infrastructure projects using a labour-based approach which maximized economic benefits for local communities. The implementation of phase III specifically works towards greater efforts on local governance and DDAs institutionalization through various capacity development opportunities for DDAs to practice their management skills, whilst infrastructure projects have been targeted towards supporting agriculture production priorities and linking areas for further equity in rural development.

2. Overall progress towards the UNDAF outcome

The NABDP has contributed to UNDAF outcome on sustainable livelihoods: agriculture, food security and income opportunities (outcome 5 & 6) with works focused on empowering communities to articulate and address their needs and priorities in relation to poverty reduction and livelihoods. NABDP supports comprehensive rural development processes through inputs in regional economic regeneration strategies. The implementation of infrastructure projects has been targeted towards support to rural infrastructures while an enhanced economic livelihood has been implemented to improve opportunities for active participation particularly from poor and vulnerable groups.

3. Overall progress towards the CPAP outcome and output

NABDP's work in Phase III has made a notable contribution towards the achievement of the CPAP outcome on increased opportunities for income generation through promotion of diversified livelihoods, private sector development and public-private partnership. District and community based development initiatives have been undertaken through establishment of DDAs totalling 374 – more than 93% of the country - since started three years ago. Under phase III, more than 250 rural infrastructure development projects have been implemented contributing towards CPAP Output 6.3. These projects were mostly implemented through local community organizations, mainly represented by DDAs and CDCs. Particular focus has been given to vulnerable groups such

as ex-combatants, returnees, disabled, and women to be actively involved in the development process, activities and decision.

Implementation strategy review

1. Participatory/consultative processes

NABDP is designed from the outset to be a participatory programme, through maximum consultation undertaken with stakeholders at all levels, in a particular focus on engaging local communities through DDAs. Project priorities are identified through DDPs as a result of facilitation process of needs assessment in their district. Increasingly projects are contracted to CDCs/DDAs rather than with contractors, allowing communities of a much greater role in delivery and implementation.

2. Quality of partnerships

Implementation of NABDP phase III has been in close cooperation with other priority programmes of MRRD such as the National Solidarity Programme (NSP) and Afghanistan Rural Enterprise Development Programme (AREDP), as well as with other Ministries such as the Ministry of Agriculture, Irrigation and Livestock (MAIL) and the Ministry of Energy and Water (MoEW). Together with the Afghanistan Institute for Rural Development (AIRD), it has advocated for closer collaboration on capacity development, and optimal utilization of DDAs for data-gathering and facilitation for all community-based initiatives at the district and sub-district level. Partnership with the UN at country level lead by UNDP has given chance for the NABDP to provide district level points of entry for joint programming interventions, and has encouraged and ensured an integrated approach at district level through the DDAs.

3. National ownership

As a national execution program, NABDP has increased the recognition of MRRD as national public servant, by extended support provided to rural communities. Frequent visits by the MRRD leadership to provinces have demonstrated the government's commitment and enhanced local confidence. Additionally, the direct involvement of rural people in the development of their communities has proven to secure sustainability concerns and increase sense of ownership. National ownership has been advocated within the programme through "**Afghanisation**" of its key positions by a diverse set of national staffs directly involved in the planning, implementation and monitoring of the projects. During the phase III implementation, only six international staff remains as advisors – from more than 30 advisors last year - for shorter period of time, whilst more than 450 Afghan nationals take lead on project implementation up to decision making. At community level, more than 70% of communities contributed to the project implementation, by providing up to 10% of the labour force, and provision of materials/equipments, in support of their commitment to complete the development projects.

4. Sustainability

Continued capacity development of the DDAs has developed capable and functioning community assemblies to address community needs independently. The district *Shura* has been enabled to undertake projects and activities to address the community needs and to play a coordination role that had been lacked at this level. NABDP contributed to the sustainability of its activities toward the ministry's strategic intent by closely collaborating with relevant MRRD departments and national programmes, including support to the AREDP through policy advocacy and sharing of lessons learnt assistance to AIRD, for better mobilization of resources and personnel at district

level. Support also extended in secondment of NABDP trainers to AIRD training centres. Further, the NABDP phase III initiated process of transferring key responsibilities and function to AIRD and CLDD to become ultimate custodians of both the local governance capacity development and management of DDAs. A full restructuring for decentralization process to Regional Offices (ROs) and Provincial MRRD departments (PRRD) has been started.

Management effectiveness review

1. Quality of monitoring

The NABDP phase III has made a concerted effort to improve the scope and quality of its monitoring through expansion of technical personnel and decentralization for continuous and efficient oversight. Initial workshops for regional staffs have been implemented, allowing rooms for discussions and actions on improvement in the area, resulting in around 30 resolutions to problematic projects, which had been delayed due to social conflicts or contractor issues. Community based Monitoring and Evaluation process has been initiated through development of a Manual to enhance capacity of DDAs and CDCs. More than 80 monitoring missions conducted involving not only the NABDP staffs, but also related MRRD departments and donor missions to the extent possible. As follow up, a number of workshops were conducted to provide increased support in resolving burning issues on the field such as delayed payments because of lengthy MRRD procurement process has been simplified; measures on improving security has been improved by enhancing means of communications, strengthening relations with local police, etc.

The MRRD leadership demonstrated commitment in support to programme implementation by regular visit and monitoring, reaching to the most remote areas of Afghanistan. Direct interaction with communities, active listening to community needs has proven to reinforce the NABDP plans in effective resource mobilization. In recent visit to Badakhshan province in October 2009, His Excellency Minister Ehsan Zia had the opportunity to interact with the community *shuras* in Shikai, Mamai, Kofab and Sheghnan districts, all are isolated and disconnected from other districts in the province. Upon his return, a major road project was surveyed to connect these border districts, providing opportunity to enhance economic and social viability.

Similarly in Kandahar, an overlooked dam with great potential impact was revisited through The Minister's efforts in communicating with the Ministry of Electricity and Water (MoEW), Ministry of Agriculture, Irrigation and Livestock (MAIL) and donors. Concurrently, delegation from one of main donors, visited the site to develop improved design of dam, based on growing needs within the community. The donor community effectively assisted in solutions where projects were delayed. For example in Uruzgan province, donor partner assisted through extending networks with other agencies and providing support in transportation of materials, one bridge project was restarted. A thorough analysis and solution for the delayed school construction in Faryab Province has been supported by another partner. As a result, a committee with MRRD, NABDP and provincial security representatives assigned to resolve financial issues with implementing partners, eliminate pending obligations, thus completing the project implementation.

2. Timely delivery of outputs

The NABDP Work Plan for phase III in 2009 started in July, covering project delivery for the next six months. Regrettably, the deteriorating security situation in the last semester of 2009 has made commencement of work been very challenging. Most of field staff had to work within the office premises, with non-negotiable limitation of travel particularly during the election period which

lasts longer than expected. Being a national executed modality and part of the MRRD priority programme, it was imperative to restrict movement in the field, considering the NABDP has been perceived and recognized as government representatives. Taking into account security situation, in addition of observing Ramadan (Fasting month for Moslem) in Afghanistan, the NABDP management used the opportunity to focus in internal activities, creating foundation of phase III programme direction. Targeted outputs that have yet to be accomplished are incorporated into the Annual Work Plan of 2010. Subsequently, lessons learnt from inception period and previous works, corroborated planning system for further achievements.

3. Cost-effective use of input

NABDP management team continued endeavours to make efficient use of resources without undermining the quality of outputs under phase III implementation. Moving towards decentralization as part of exit strategy, bigger portion of contract with CDCs and DDAs has been improved in technically simple projects. The approach proves more cost-effective than with contractors, due to the local sourcing of material and labour. The added benefit gained by increased sense of ownership to the projects, making it less likely targeted by insurgents. NABDP has also provided training in financial and project management to DDAs to enable projects accomplishment more effectively and efficiently. Further savings have been realized through the reduction in the number of international consultants, which have been replaced in many key positions by experienced, qualified Afghan nationals, thus building national capacity while reducing costs

Implementation Progress

In continuation of previous investments in rural development, the NABDP Phase-III targets are in alignment with the ANDS strategy and will directly contribute to the achievement of UNDAF (2010-2013) Priority Areas of 'Good Governance Peace and Stability' and 'Sustainable Livelihoods: Agriculture', 'Food security & Income Opportunities. Progress below is reported based on the targeted results to be achieved, with three components of the NABDP Phase-III designs and output follows.

Component 1: Local Governance and DDAs Institutionalizations

(1.1) Communities mobilized to articulate their needs and identify priorities and solutions.

Additional 17 DDAs were established along with formulation of DDPs - the latter being uploaded in NABDP website (www.mrrd-nabdp.org) - in the provinces of **Badakhshan** and **Baghlan**. A total of 44 DDA were re-elected with newly formulated DDPs in **Balkh, Kapisa, Helmand, Faryab, Takhar and Panjsher** provinces, bringing the works to **61 re-elected DDAs**. The community empowerment unit, has successfully promoted **87 DDA status** in official registration process involving the Provincial Rural Rehabilitation Departments (PRRD) in **Paktia** (14 Districts), **Logar** (7 Districts) and **Badghis**, resulting in an additional 167 DDAs being registered. By the end of 2009, the NABDP covers more than **93%** of DDA establishment and institutionalization process with total of **374 DDAs** established.

Due to deteriorating security situation in the last semester of 2009, implementation of the NABDP phase III has been very challenging. Most of field staff had to work within the office premises, with strict limitation of travel especially during the election period which lasts longer than expected.

Being a national executed modality and part of the MRRD priority programme, it was imperative to restrict movement in the field, considering the NABDP has been perceived and recognized as government representatives.

The newly launched phase III had significant change in management structure, in view to adjust growing needs for programme implementation and achieve the overall goal to contribute to reduction of poverty. To provide clear direction and facilitate change management process, the NABDP management conducted a lot internal workshops to collect inputs, feedback from related stakeholder including its own staffs. These internal workshops are expected to help the field staff in articulating the direction of phase III NABDP into community mobilization works, priority identification and realistic option for solutions.

(1.2) Capacity developed in DDAs to allow them to function as district-level coordination entities.

In coordination with the Afghanistan Institute for Rural Development (AIRD) as the MRRD lead programme for capacity building; community empowerment unit within the NABDP conducted training workshop for Community Led Development Department (CLDD) staff in Balkh Province. It was reported that a numbers of CLDD staff has been able to facilitate community discussion process as a result of the training workshops.

By the end of 2009, the NABDP conducted more than 36 trainings in project management, gender orientation and local governance, resulting in capacity development of at least **124 DDAs** in project management, including demonstration of basic management skills such as presentation and analysis of problem in districts, brainstorming on development project ideas, budgeting and managing small scale financial supports. In some provinces prone to disaster such as **Badakhshan, Kunduz** and **Faryab**, DDAs increased their skills in mobilizing community throughout the disaster period. Based on facilitation of these DDAs, communities have requested several projects with focus on risk reduction (*see point 1.5 below*).

To improve organizational competence, support management and monitoring activities, the NABDP provided "grant in aid" scheme to several DDAs meeting criteria such as: performing competency in community mobilization, completing mandatory trainings, accessibility for further monitoring, etc. A total of 54 DDAs in **10 provinces** benefited from the scheme, namely **Nangarhar, Kandahar, Kunar, Paktia, Balkh, Badakhshan, Uruzgan, Faryab, Helmand and Herat** provinces. The above DDAs have demonstrated improved organizational competence and support management and monitoring activities in numbers of community projects completion. The overall activities accumulated under the NABDP phase III shown in table below:

ACTIVITY	ACHIEVEMENTS
Establishment of DDAs and Formulation of DDPs - 2 Provinces	17 DDAs/DDPs
Re-election of DDAs and Updating of DDPs - 7 Provinces	44 DDAs and DDPs
Delivery of Capacity Building Trainings to DDAs - 7 Provinces	36 DDAs
Delivery of Disaster Management Trainings to DDAs - 3 Provinces	12 DDAs
Disaster Risk Reduction Projects (Survey, Design and Implemented)	17 Projects
Uploading of DDPs on MRRD-NABDP Website - 11 Provinces	87 DDPs
Registration of DDAs and Issuing of Certificates - 9 Provinces	87 DDAs
Grant in Aid (Physical Capacity Building of DDAs in 10 Province)	54 DDAs

NABDP provided support for the Afghanistan Institute for Rural Development (AIRD) in developing manual for research and assessment to evaluate the effectiveness of capacity building efforts in the MRRD. In the last week of October 2009, the AIRD team piloted research activities in Paktia province, assessing needs for further capacity development of DDA as well as collecting lessons learnt on good governance practices.

Activities within the AIRD started with internal resources mobilization, through recruitment of key positions such as master trainers and social workers. Having completed at least half required team, the NABDP extended support by active participation in the induction workshops and development of guidelines and manuals, particularly in the local governance area. Further works has been initiated by workshop targeted to develop research culture and capacity within the MRRD, involving a total of 108 staffs. Feedback has shown that follow up action still need to be conducted such as small research try-out for field practices. The recommendations have been put forward for the AIRD work plan in coming year. A Memorandum of understanding (MoU) was signed with consulting company, to support identification of gap in capacity building and need for improvement. The consultancy report shall provide general description of the AIRD and the MRRD capacity, and recommendation for professional development plans.

(1.3) Institutional arrangements developed to mainstream gender equality/women's empowerment in all components and projects.

Gender focal-points have been appointed in each component of programme to keep the staff updated on what has been done to mainstream gender issues in their unit. The feedback has feed into NABDP gender mainstreaming report to the MRRD. The gender focal point has provided support in improving communication delivery as well as dissemination of women empowerment related activities within the Ministry.

Following the first Gender Focal point meeting on 1st August 2009, participants have been reporting achievements and issues in each department on a regular basis. This report serves as one of background situation for communication between the MRRD gender section and Ministry of Women's affair. Vice versa, NABDP staffs involved in workshop on "**women's role in election**" prior to the August national election. The workshop was organized by the MRRD as part of Government of Afghanistan attempt on socializing participation for the election. As a result, it was reported that at least 80% female staffs in the MRRD office participated in the election process. Additionally, the female staffs are able to explain the importance of rights in elections, and election process in Afghanistan because of the information accumulated during the workshop.

Institutional arrangement has been made possible through joint work with Ministry of Women's Affairs (MoWA) in preparation of Action Plan for the coming Afghanistan year (1389), and participation in Women's council meeting as well as gender interagency working group. Concrete action from gender unit has resulted in approval of two project proposals aim in piloting capacity development and marketing skills for income generation of women. Implementation of mentioned projects will begin next year.

A gender advisor of NABDP has been granted awards to attend the "**good governance and rural development management**" training in India on 29 September to 22 October 2009. Development of a guidelines and manual apt to the Afghan context is undergoing as a tangible outcome of the training. An internal assessment has been carried out to evaluate the benefit and support to female staff within the programme, three trainings for gender focal points and awareness raising

activities for provincial teams both men and women were accomplished, aside from continuous support and information sharing on basic gender information, mainstreaming gender and Islam perspective.

Similar as the work in community empowerment has been hampered due to security situation, induction period and the month of Ramadan, the plan for gender sensitive monitoring training and gender friendly recruitment will be organized in the next year.

(1.4) Effective Mechanisms developed to ensure equal gender participation at district level.

A gender advisor conducted a field trip to **Faryab** province for DDA reshuffling in Andkhoy District. A total of 14 women were selected as DDA members in addition to another two women as DDA executive body. One man and one woman have been appointed as gender focal points within the DDA. Another field trip was conducted to **Ghazni** province for reshuffling of the DDA in Legato district. Although the province still bears cultural barriers that limit active participation of women, the Gender Unit successfully encouraged 50 women to participate in community discussion and development of DDPs. In the last month of the year, gender unit prepared small pilot projects for income generation specifically targeting women's group in **Balkh** and **Nangarhar** provinces, as identified by the DDAs representatives. The project will be implemented in the year 2010.

(1.5) District-level management committees established and trained in Disaster and Risk Management.

In relation to the disaster management process, Five Disaster Risk Reduction Projects (DRRPs) were completed in Ali Abad and Dashti Archi Districts of **Kunduz** province and Mohamand Dara & Behsod Districts of **Nangarhar** province, while 22 more are ongoing in **Ghor**, **Badakhshan** and **Faryab** provinces. The training in disaster risk management has facilitated communities to mitigate the risk and attain means of survival beyond the usual methods. However, the very useful local knowledge is maintained such as observing animal behavior to predict weather or potential disaster.

Tangible result of the training was expressed in the formulation of District-Disaster Management Plans (DDMP) in four districts: Dushi, Banu (Andarab), Puli Khumri and Deh Salah Districts of **Baghlan** province and two districts; Qadis and Muqur of **Badghis** province. The DDMP includes result of brainstorming with community for planning to safe their district should disaster struck. The plan has been made accessible to other agencies and ANDMA (Afghan National Disaster Management Agency) for references in their disaster management planning.

Component 2: Sustainable livelihoods through rural infrastructures services

Constraints facing rural livelihoods are complex and range from agronomic aspects to those of management. The second thematic of the NABDP Phase-III aims to contribute towards a more holistic resolution, which would address problems and train communities to mitigate constraints. The main attention focuses on improved access to energy, physical agricultural infrastructure, and better natural resources management, especially for water system. Rural infrastructure services may take many forms including ancillary policy and technical support as well as works that links with other programmes especially within the MRRD to ensure sustainable livelihoods available to the rural population.

(2.1) Community energy projects established and sustainability concerns addressed

In addition to previous support in Badakhshan province, three MHP projects in Lalsarjungle district of **Ghor** province namely Surbhoghundy MHP (33 kW), Dahan Sangi (14 kW) and Safiq Rad (18kW) and two low head projects in **Kabul** province namely Satoot MHP (10kW) and Kakaran MHP (7kW) in Chare Assya have been started in December 2009. It is expected that at least 820 households will be able to have electricity after completion of the projects.

The Energy for Rural Development in Afghanistan (ERDA) unit is supporting the communities in Bamyan Center and Yakawlang districts of **Bamyan** province by installation of two MHP that **provides electricity to 464** households. One project in Bamiyan was recently tested and four projects in Badakhshan are about to be completed. Both projects will start to generate power within the next three to four months accordingly. Detailed feasibility study of Qazi-Dah micro hydro power project in Badakhshan Province has been produced, expecting to generate 600kW power which will be distributed in 22 communities from Wakhan and Ishkashim districts.

Communities in Nangarhar Province have been supported to install and operate 10 domestic biogas plants along with initiation of construction biogas plants benefiting **74 households** in Surkh Rod, Batikot, Kama, Beshud and Mehmand Dara districts. The abundant natural resources from animal waste were used as main power source for the biogas plants. The initiative has added value to the projects, making the biogas plants project not only helpful, but easily replenished with very low cost.

(2.2) Capacity built for operations and maintenance of rural energy systems and services at the district

Within short period since its initiation in February 2008, performance of the ERDA unit has led the NABDP to mainstream rural energy within the MRRD. The MRRD has suggested rural energy as one of its core activities for the Afghan year that will start in March 2010. Consequently, NABDP Phase III takes rural energy development as one of its main activities and substantial amount of resources were allocated. ERDA unit has undertaken a thorough assessment of different programs and organizations within MRRD, and recommends organizational structure and implementation modality for undertaking large scale rural energy projects. The unit has also supported the preparation of '**Renewable energy policy for Afghanistan**'. Final draft of the Policy is currently under translation into local language prior to presentation to the Cabinet for endorsement and to the Parliament members for promulgation.

Following training entitled "**Feasibility Study on Micro Hydropower Project for Engineers**" for rural energy engineers in MRRD and PRRD, survey and design of MHP projects are undergoing, with recommendations from participants have been implemented in daily practice such as simplification of survey forms. A **training program for Community Mobilizers** organized in **Badakhshan** province, has allowed participants to collect social survey needed to support the ERDA unit in completion of necessary data collection and speed up process of project implementation.

(2.3) Rural energy development activities institutionalized and up-scaled

The ERDA unit has prepared the final draft of "**Renewable Energy Policy of Afghanistan**" with support from external Consultant. The draft was shared with Ministry of Energy and Water (MoEW) and other stakeholders prior to finalization, before being jointly presented by both Ministries to the Cabinet for endorsement and presentation to the Parliament for promulgation. The draft

policy is prepared in line with the recommendations of Afghanistan National Development Strategy. It envisages establishment of an autonomous Rural Energy Development Authority with overall insight over the sector.

As the focal point within MRRD for rural energy, the ERDA unit is committed for active participation on Inter Ministerial Commission on Energy (ICE) and ICE Sub-Committee for Renewable Energy and Rural Electrification. ICE is the highest authority in Afghanistan responsible for preparation of energy policies and coordinating all actors involved in the sector. The MRRD and MEW have formed a Technical Working Group at the Deputy Ministers' level to coordinate their rural energy development activities and prepare a joint National Rural Energy Development Project.

The Technical Working Group has formed two Sub-Groups to look into i) technical matters and ii) policy and institutions related to renewable energy in Afghanistan. The Sub-Groups are involved in development of Technical Guidelines for Survey, Design and Operation and Management of MHP based on the guidelines and manual prepared by ERDA. Gradually, the Working Group will also develop similar guidelines for Solar and Wind Energy. The ERDA unit has provided Technical Guidelines on implementation of MHP to members of Sub-Groups. The effective works in policy and advocacy has brought the NABDP to be appointed as the chair agency of sub working groups in the year of 2010.

(2.4) Small scale agricultural infrastructure built and accessible by rural communities

Progress of work in the field has been reduced following the month of Ramadan (fasting month), the prolonged election period from campaign till result that unexpectedly took around 5 months, as well as focus on shifting the new management structures and inception phase soon after start of NABDP Phase III. A total of **84 infrastructure projects** have been completed in various sectors and are accessible by at least **22,000 direct beneficiaries** with additional **306 on-going projects** carried forward to next year.

The reduction in field work was taken to focus in internal discussion for further improvement of phase III programme implementation. To speed up implementation and achieve a desired level of efficiency, in addition to working on physical restructuring, project cycle of the programmes was revisited by decentralizing some important functions to regions. Initial work started with regionalized operational planning exercise, where all regional managers came up with clear deliverables for six months and assessed current resources over targeted outputs. This was followed by a need assessment exercise in all regions. Having identified some justifiable needs, regionalized recruitment and equipment supply approach was tested in some regions. All regional managers had been notified of USD 500 single purchase authorization long back, but real practice of it took place after recent reinforcement followed by regionalized planning exercise.

The NABDP works in the Small and Medium Enterprise (SME) development has been carried out by several implementing partners in 5 projects, namely (i) Hand in Hand organisation (HIH) for **melon and almond enterprise in Balkh**; (ii) Sanayee Development Organisation (SDO) for **carpet-making in Balkh** and a **saffron enterprise in Herat**; (iii) Cooperation Centre for Afghanistan (CCA) for a **potato storage enterprise in Bamiyan**, and **Ghazni**; and (iv) Rural Support Program (RSP) for a **carpet development project in Bamiyan**. More details of each enterprise's work progress includes shipping of 36 trucks of melon (around 5,500 kg each) to India (New Delhi), totaling 198 MT export products, increasing into five times from 2008 calculation. The Hand in Hand (HIH)

organization is maintaining focus to simplify processing and packaging of Almond within home production, as well as strengthening networks with markets abroad for further plan of sustainability. The Sanayee Development Organization (SDO) project team had several focused group discussions with the relevant project stakeholder in Herat province to identify the potential capacity to initiate the establishment of community enterprises for Saffron. As a result, 2 saffron enterprises have been established in Pashtoon Zarghoon and Ghoryan district. Along with that, a carpet weaving enterprise was established in Dawlatabad district of Balkh province. The Cooperation for Centre Afghanistan (CCA) organization has successfully reserved more than 60 MT potatoes in Bamyan province, while 13 MT potatoes are sold in Kabul.

At the end of 2009 where the continuation of activities is being carried out fully by the AREDP, the team is working with 28 SMEs in seven border provinces namely **Nimroz, Kandahar, Ghazni, Paktia, Nangarhar, Kunar, and Badakhshan**. The project is working with SMEs on business planning, advice, training and provision of grant for investment. As a result of continuous support, targeted SMEs have been able to generate expanded employment opportunity, by **52% increase of staff due to demand for production**. Out of 471 people directly benefiting from the grants provided by the projects, more than 20% are women, involved in handicrafts productions, embroideries and tailoring business.

The NABDP phase III handed over this responsibility to the Afghan Rural Enterprise Development Programme (AREDP) as the latest MRRD programmes launched in respond to capacity development, establishment and further improvement of SME works. As part of the process, one specialist of business development from the NABDP has been transferred to the AREDP to assist the follow up process efficiently.

Through the Afghanistan Institute for Rural Development (AIRD), the NABDP started work in planning and survey for establishment of Rural Technology Park (RTP) in Kabul. The purpose of RTP establishment is to provide alternate employment through dissemination of affordable and cost-effective technologies to the rural poor, including women, landless and most marginalized farmers. By the end of 2009, the AIRD has developed terms of references and guidelines for the work in RTP establishment. The survey and identification of RTP may take up to two years work, since it is necessary to have longer period of time, to create mechanism in providing options to different users and transfer the appropriate technologies to improve agriculture productivity, employment opportunities that contributes to sustainable livelihoods.

(2.5) Community-based natural resource management systems are effectively supported

To utilize natural water resources due to considerably good summer this year, more than **200 community projects** have been concentrated around irrigation systems, such as building protection wall, cleaning up canals and "karez" (underground water system), water division and channelling construction, check dam and construction of wells. In addition, the sub component of natural resource management systems has been designed to allow the NABDP the required flexibility for rapid fund utilization in times of natural disaster.

Further, newly established Program Management Support Unit (PMSU) is currently leading the process of technical and quality support of environment aspect in each NABDP activity. The initiative has begun with preparation of environmental mainstreaming guideline with partnership of related stakeholders (FAO, UNEP, and UNDP/SAISEM project - Strengthening Approach for Sustainable Integrated Environment Management). A national and sub national level workshops

were completed in October, to discuss issues such as environmental mainstreaming , natural resource management, impact of climate change and financial mechanism for environmental conventions.

As follow up action, the environment focal point within PMSU has reviewed key documents (both policy and operational ones) within the MRRD in order to identify gaps and entry points for environmental mainstreaming and align its action and priorities by incorporating environmental mainstreaming component, review current DDPs to design proper training modules and prepare training plan for MRRD/NABDP as a strategy to build capacity for environmental understanding and mainstreaming. The review has contributed to inclusion of environment component into the annual work plan of the NABDP, as well as the MRRD mainstreaming plan and DDP at district level.

Component 3: Stabilization through enhanced economic livelihoods

At this point, economic and social reconstruction is considered as crucial condition stated in the project document of NABDP phase III, to the success of any stabilization initiative. As such, implementation of projects below has been continued as part of activities contributing to stabilization process:

- Counter Narcotic Trust Found (CNTF) - Labour Based Rural Development Program (LBRD)
- Disbandment of Illegal Armed Groups (DIAG)
- Border Stabilization Project (BSP)
- Helmand Agricultural and Rural Development Programme (HARDP)
- Integrated Alternative Livelihoods Programme – Kandahar (IALP-K2)

Due to the fluctuating levels of control domestic and international security forces exercise over insecure areas, access has severely impeded project implementation. In similar situation, the period of July till December 2009 has been overly challenging for stabilization process to take place, due to overall political situation during election period.

(3.1) Community development consultative mechanisms and stability models tested then established in high-risk areas

One of the most significant achievements in community mechanisms to support stabilization has been shown by the **DDA in Mehmard Dara district of Nangarhar province**. The first action prioritised by the DDA was to hold a *jirga* (meeting) with tribal leaders of a neighboring Pakistan border community, Pakhtoon Khwa. The aim of this meeting was to create a conducive, secure, and supportive environment for implementation of various development projects in the district. As a result, a peace agreement was signed to ensure the safety and security of the community and development actors in the area. Moreover, the communities agreed that they will no longer support any anti government elements and will contribute to government efforts to improve the condition of rural communities in Afghanistan. As an action to honor the peace agreement, one villager who had been captured by cross border anti-government elements, was released unharmed.

At the end of 2009, **more than 3,000 people** in border district including **Nangarhar, Kunar and Kandahar** have benefited from implementation of various projects such as construction of a protection wall to prevent flash floods, construction of a well for drinking water and irrigation. According to the villagers, the security situation continues to improve, resulting in easier access to food, health facilities and other public services within the district.

(3.2) Socio - economic community development projects are delivered (under DIAG)

Disbandment of Illegal Armed Groups (DIAG) unit has completed eight projects covering **Badakhshan, Nangarhar, Takhar, Kunduz, Paktia** and **Paktika** districts, bringing the total to completion of 13 projects. **Approximately 160,000 people, including 32,000 former members of IAGs (Illegal Armed Groups), were benefited** through creation of labour days and provision of infrastructures in their areas. Moreover, 92 development projects such as construction of social and culture centre, clinics, schools, etc are still undergoing in several provinces.

The NABDP contributes in enhancing legitimacy and credibility of the central government through provision of quick-impact development projects to communities where Illegal Armed Group (IAGs) was disarmed and disbanded. Based on lessons learnt through project implementation, efforts to shorten time gap between compliance & development shall be increased, while maintaining timely implementation and completion of projects. Evaluation in the field has shown that providing alternative livelihood to ex-IAGs prevents illegal activities to occur. This will lead to reintegration of anti-governmental elements into the mainstream society, and improvement of security and stability in the area.

(3.3) Public-private partnerships and quick-impact projects implemented in insecure areas linked to poppy reduction

Under the Counter Narcotic Trust Fund (CNTF), implementation of projects devoted to generation of maximum employment days was continued. The approach comes as part of NABDP commitment to stabilization process with the aim of preventing the communities from poppy cultivation. The projects were identified as easily implemented by man power while priority still being given to productive infrastructure projects to support sustainable livelihoods. Against this mindset, most projects revolved around irrigation sectors such as canal construction, water diversion establishment and drainage cleaning. During the last month of 2009, three additional projects have been completed in addition to previous 33 reported. Concurrently, 58 more projects are newly contracted in provinces such as **Faryab, Samangan, Badakhshan, Farah, Nimroz** and **Badghis** for completion in coming year.

(3.4) Strengthen institutional capacities to support licit livelihoods in rural communities

The NABDP team has provided technical assistance to the Community-Led Development Department (CLDD) and the Afghanistan Institute for Rural Development Department (AIRD) over the period of 2009. In close consultation with relevant MRRD department heads and officials, a draft of a new Terms of Reference (TOR) for CLDD has been prepared to shape up the work in respond to changing needs within the community. The NABDP continues to support the Rural Infrastructure and Technical Service (RITS) and Provincial Rural Rehabilitation and Development (PRRD) through its Technical Support Unit (TSU) by providing survey and design support to PRRD, which often does not have an adequate level of staffing, while at the same time strives to improve technical capabilities to implement projects independently.

Following launching of phase III, the new unit called Programme Management Support (PMSU) has been established, with the main task to facilitate learning, work planning, and financial control, the implementation of best practices and assurance of an exit strategy. The PMSU is also responsible for program development in order to capitalize on development opportunities and will be the responsible centre for the integration of cross cutting themes, such as Gender, Economic Regeneration and Safe Environment. Support has been extended to institution development, through various activities such as Annual Work Plan of 2010, budget distribution

and communication with various stakeholders involved in the rural development process, including donor agencies, line ministries and other development agencies.

Moreover, NABDP initiated the establishment of **Kandahar Rural Agriculture Development Institute (KRARDI)**, with the objective to strengthen and diversify rural licit livelihoods in four districts of Kandahar province. A brief baseline livelihood study has been completed as a foundation to assess and analyze the existing livelihoods, which also entails the role played by poppy in the households' economy. The basic household livelihood portfolio has enabled the NABDP to map out a profile of the targeted beneficiaries for further capacity development and establishment of the institution, in close collaboration with the Ministry of Agriculture, Irrigation and Livestock (MAIL). Design of the KRARDI construction has been prepared and is ready to be rolled out in the next year, while coordination has been made with Ministry of Education (MoE) and Ministry of Agriculture, Irrigation and Livestock (MAIL) in terms of establishing a well sound curriculum that fits into the current situation of agriculture development in the country.

Crosscutting Issues

Changes have been made following the implementation of phase III NABDP, thus it was expected that cross-cutting issues can only be addressed if the change emerges from within. Some of the cross cutting issues are specified below:

Rural Economic Development (RED)

In phase-III, the provision of productive infrastructure is viewed as the joint responsibility of a number of ministries and Programmes within the rural development sector. As such, under the second programme thematic area, NABDP phase-III will focus on off-farm activities identified by the DDAs through the formulation and development of their respective District Development Plans (DDPs). Through the second thematic area in support of sustainable livelihoods, NABDP will focus on filling immediate gaps in improvement to physical infrastructure to promote agricultural productivity and rural economic development. Joint coordination and hand over of SME works to AREDP has been rolled out and in the final process of completion, with remaining administration process, expected to be completed in the first quarter of 2010.

Gender

NABDP's gender/women's empowerment strategy is aimed at creating an enabling environment for the equal participation of women and men by (i) facilitating women's active participation in local governance, (ii) increasing women's access to resources and opportunities, (iii) establishing enabling mechanisms and creating capacities in the programme to integrate gender in its focus areas and operations, and (iv) strengthening the capacity of the Ministry to implement its strategic objectives and commitments.

The Phase-III approach aims to promote increased participation in decision-making, be it in activity-based interest groups or as an integral part of the decision-making process as DDA members. Gender Advisors are simultaneously working on identifying specific women's projects by reviewing DDPs and matching this with specifically earmarked donor funding for such projects. In addition, the NABDP will start women empowerment pilot projects as concrete action to support women's group in rural areas.

Environment

Preservation of the local natural environment is considered during the design of each project supported by NABDP. Attention is given to minimize the negative impact on natural resources during projects implementation. In response to these, NABDP in close collaboration with National Environmental Protection Agency (NEPA) and other UNDP project - Strengthening Approach for Sustainable Integrated Environment Management (SAISEM) identifies and disseminates the guiding principles and best practices demonstrated. Environmental consideration has been included into the annual work plan of 2010, to guide programme implementation in follow through commitments.

Capacity Development

Focus on phase III NABDP is decentralization. NABDP concentrated its efforts to develop capacity of regional, district and provincial staff through developing greater opportunity for skills and capacity development, participation on various workshops and trainings. With thorough evaluation and assessment process that is currently in the process of development, it is expected that needs assessment will be produced in coming year as a base of any capacity development activities plan to be conducted.

Challenges

Risks

Security remains the single most prominent constraint for the programme activities and has caused delay, cancellation or relocation a number of development projects. The deteriorating security situation continued to hamper the progress in implementation especially during the start of the Phase III, where Provincial and National elections were held in August. This had adversely impact on the achievement of intended targets and timely implementation of different activities. As such, strategies have been used to mitigate the unfavourable environment. For example, when there was a security threat, the planned activities in Nahre Siraj district in Helmand province was postponed. After further assessment and ongoing discussion with the DDAs and District Governor, the activities were transferred to new location which came as the next priority within the district. Initiatives have been taken to build the capacity of field staff, DDA members and PRRD, to undertake the activities - where it is not possible for monitoring and evaluation - through establishment of Community Based Monitoring and Evaluation system. To mitigate further delay of project implementation, the DDA and field staff strived to come with alternative solutions in high risk districts, for instance, preparing project relocation within the same areas.

Low Technical Capacity: Afghanistan is still in a post-conflict phase and the overall human resource capacity is low within the country, as its skilled work force has migrated. Contractors suffer from lack of equipment and machinery, lack of experience and qualifications which affects the quality and time aspect of infrastructure projects. Based on monitoring results, there are 132 projects overdue the agreed contracting term. To address this constraint, the Quality Control unit was enhanced on the Phase III, to support the design phase and measures for more accountable contract management. Enforcement of penalty clause in the contract agreements in case delays of project implementation has been put in place. The NABDP operations department has taken an extra measure by creating a black list of contractors with repeated poor delivery, in order to prevent from repeated behaviour. In the province where DDA members are active and required skills are available such as Nangarhar, implementation of projects has been given to the community / CDC with DDA members' supervision. Although longer period of completion is necessary, the NABDP has started at least 200 projects under community contract since October

2009. More community contracted projects are expected, not only to deal with low contractor capacity, but also as part of the NABDP commitment to increase the capacity of community based organization.

Women's Participation Circumstances in the country are such that rural women are discouraged from travelling from village to district/province centres. Deteriorated security condition means further reduction in women's participation in program activities decision-making processes such as DDA/ DDP workshops. NABDP thrived best to increase number of female staff in the field to allow facilitation in workshops. Community empowerment unit stressed the importance of women's participation and encouraged male community to bring their wives or other female members of their family to the workshops. Companion (*Mahram*) has been considered as part of program cost to allow women to travel. Alternative mechanisms (either mixed DDA or Advisory Committee of women) were developed and rolled into the communities' activities to ensure women participation in decision-making processes. Women specific-project activities have been piloted in two provinces, to encourage further engagement in community activities.

Issues

Human Resources management: Following the launch of phase III NABDP, major changes occurred in most unit/department. Staffs have been informed and current efforts have been concentrated to improve communication lines and ensure socialization through provincial, regional and district level. In order to improve staff retention, support for a career and professional development programme particularly at the provincial and district levels, has been made a priority. The former capacity building committee has been mobilized to oversee this process. In addition, capacity building policies was revised and endorsed. For internal exchange of experiences, rotation process of regional and provincial manager has been proposed and will be implemented in coming year, to reduce workload, increase transparency and accountability, and provide as check and balances within the regional and provincial office. By the end of 2009, the NABDP phase III recorded work with 476 national staffs, with less than 2% turnover.

Knowledge/Skill transfer: International advisors and consultants have been a valuable human resource for NABDP/MRRD. In phase III implementation, the NABDP aim to ensure full national ownership of the program where Technical Assistance will be availed in specific and time bound packages. However, the process of skill transfer to national experts in timely manners has not yet possible. This is because the change in management structure for effective system within NABDP, took longer time to be digested prior to any capacity building to take place. Thus, the technical assistance remains necessary to support during the inception period of NABDP phase III. However, it is clear that number of international advisors continued to be limited, with roles in supporting the national counterparts.

Lessons Learned

Several key lessons were learned in 2009 during the commencement of Phase III NABDP. Some of the critical importance could facilitate the delivery of such projects into coming year and beyond as recorded below:

Streamlining and engagement with other ministerial programmes: The MRRD strategy has evolved, and restructuring of departments and programmes are now being aligned with the overarching ANDS framework. Greater intra-ministerial synergy among the MRRD programmes has been made obligatory to reduce duplication of activities and streamline the MRRD efforts in

response to rural rehabilitation and development. In response, NABDP shaped the programme approaches into providing support for local governance, productive infrastructures and stabilization process. As a start, the NABDP is working very closely with the Afghanistan Rural Enterprise Development Programme (AREDP) to provide an entry point of Small and Medium Enterprise (SME) development, through DDAs. Equipped with more experiences in working with the community, the NABDP has shared work load from the National Rural Access Programme (NRAP) by working together in planning of project implementation. As a result, some of the NRAP planned projects that were part of community priority, has been implemented through the NABDP.

Further improving quality of projects: In phase III, the new Quality Control Unit (QCU) was established to support, develop, and standardize the processes and procedures of managing survey, design, estimation, quality assurance of different type of community projects. It is expected that the QCU will set standards and develop the capacities of NABDP central/regional offices for implementation of engineering infrastructure works, ensuring sustainability of the projects by increasing the durability of the facilities constructed. On similar efforts, difficulty in monitoring projects effectively in the field, particularly in insecure areas has been reduced. Monitoring engineers for technical assessments, as well as a team of DDA Monitoring Trainers were recruited. As an ongoing process, adequate number of monitoring officers and trainers who will mobilize DDAs to monitor projects shall be in place soon.

Impact assessment: Implementation of previous phases jotted that the scope of monitoring and evaluation need to be expanded by incorporating impact assessment indicators for measuring components of project sustainability. This includes social impact within the communities. Change in the Monitoring and Evaluation unit structures reasserting the importance of impact assessment as priority focus in coming year. Emphasis will be directed towards overall evaluation and effect of previous investments in rural development.

Enhanced planning process: The time estimate for programme implementation in phase III was not realistic to deliver the planned resources and results in the course of the first six-month period. More time needed to be invested in consultations to accommodate needs in the community, seek broader partnerships from donor agencies and build the fundamental principles of programme, especially with changes in direction within phase III. A degree of flexibility was necessary to develop project plan; conduct rigorous discussions and reach consensus among related stakeholders. The key lesson learnt from this is that the process was not limited only to the preparation, but rather mobilization of resources and considerable support from other stakeholders. At the same time, process of adjustment, recruitment, management changes, need to be accelerated to support the need in the field. Overall prediction on risks beyond control of the NABDP such as security and political situation shall be accounted during planning process with adequate alternative plan.

Future Plans

Building from previous experiences, and taking into account feedback collected from community, donors, UNDP, and main implementation partners; NABDP has acknowledged the need to improve its institutional structure to improve the capacity for service delivery to local communities. Salient changes have been made internally through restructuring of management structures to respond to growing need of programme implementation.

Overall implementation of productive infrastructures projects will be under the Operations Department. Through more dynamic and responsive operational approach, the NABDP phase III aim to make management system more responsive to the community requirements. These strategies include decentralization strategy and facilitation of coordination between central, regional and provincial offices, increased community based contracting, rapid and flexible HR mechanisms to ensure on-time recruitment; and greater liquidity for rapid disbursement for inter-district projects.

Facilitation of planning and management support has been given to the newly established Programme Management Support Unit (PMSU). The PMSU started to work in concert with the office of the Programme Manager (PM) and Deputy Programme Manager (DPM), and a fluctuating group of needs-based Technical Assistance (TA) to facilitate informed decision-making. Aside from that, the unit will be responsible for anticipation of future development opportunities/programme investments including exchange information and liaise with donors as required. Other important roles will be in facilitation of exit strategy and assuring improvement in programme quality. All these will be synergized within the organization change management, fine tuning and review of programme structure and systems, wherever appropriate to improve overall staff performance and professionalization

As part of transparent and more accountable monitoring, the Monitoring unit has increased performance capacity by including Impact Assessment strategy. Initially, the Programme will develop and implement its own Impact Monitoring Assessment (IMA) system to assess the changing context, and to learn lessons from changes in order to modify and adapt its activities in the future. Eventually, the IMA will be supported and complimented through the establishment of a community-based monitoring and evaluation (CBM&E) system. An important spin-off of this strategy is that the outputs of these activities will provide valuable information and data for input into the Programme's Management Information System (MIS).

As part of strategy, the NABDP will work in decentralized management and implementation of programme within phase III. It has gradually been recognized that decentralization of responsibilities and building capabilities within the provinces will increase the efficiency, effectiveness, and the acceptance and trust from the community. The period between identification and actual start of projects; between DDA training and planning and actual project inception still considered long albeit has improved. This is caused by slow process of capacity development in addition to delayed process delegation of authority compare to the overall progress of the programme.

Reduction in the amount of donor earmarking fund was one of the progresses yielded from advocacy works jointly by the MRRD and the UNDP. Showing the impact of earmarking funding to programme activities and overall development in the country, the NABDP funding for phase III shown around 40% funding are earmarked. This means the programme will have more flexibility in supporting the development of other provinces and districts where greater national equity in rural development could be achieved. To obviate gap in future plan of development, the NABDP will emphasize a greater percentage of un-earmarked funding to restore a more balanced programme implementation approach. The works in strategic communication will focus into achievements and constraints of the implementation of NABDP. Strategy for advocacy through the MRRD management will be directed in approach for greater involvement by interested development

actors, in line with national development strategy. All these efforts will set as foundation to execute the exit strategy over the next years.

Financial Section

[Note: All financial data presented in this report are provisional. From UNDP Bureau of Management/Office of Finance and Administration, an annual certified financial statement as of 31 December will be submitted every year no later than 30 June of the following year.]

Table 1. Funding Overview

S.No	Donor	Description of Commitment	Commitment (Currency of the Agreement)	Received (Currency of the Agreement)	Received (USD)-2009	UNORE	Balance (Currency of the Agreement)
1	UNDP Core	New contribution for PhIII-2009	USD 1,000,000.00	1,000,000.00	1,000,000.00	1.000	-
2	Denmark	New contribution	DKK 12,000,000.00	6,000,000.00	1,172,791.24	5.116	DKK 6,000,000.00
3	Germany	New contribution	USD 747,775.00	336,500.00	336,500.00	1.000	USD 411,275.00
4	Netherlands	New contribution (Dutch 3)	USD 15,324,200.00	7,700,000.00	7,700,000.00	1.000	USD 7,624,200.00
		Contribution of NABDP Ph II		210,000.00	210,000.00	1.000	
		Contribution of NABDP Ph II		1,000,000.00	1,000,000.00	1.000	
		Contribution transferred to NABDP Ph II		(1,041,750.00)	(1,041,750.00)	1.000	
5	Norway	<i>Transferred from NABDP Ph II</i>			1,929,383	-	-
		New contribution	NOK 100,000,000.00	15,000,000.00	2,683,363.15	5.590	NOK 85,000,000.00
6	Spain	<i>Transferred from NABDP Ph II</i>			3,200,000.00	-	-
		New contribution	EUR 9,000,000.00	9,000,000.00	13,554,216.87	0.664	
		New contribution	EUR 5,000,000.00	5,000,000.00	7,396,449.70	0.676	-
7	UNDP BCPR	<i>Transferred from NABDP Ph II</i>			482,510.00	-	-

8	DIAG	<i>Transferred from NABDP Ph II</i>			11,686,500.00	-	-
9	Belgium	<i>Transferred from NABDP Ph II</i>			4,000,000.00	-	-
10	Canada (00078)	<i>Transferred from NABDP Ph II</i>			2,200,000.00	-	-
11	Japan CRD	<i>Transferred from NABDP Ph II</i>			6,200,000.00	-	-
12	Japan Border	<i>Transferred from NABDP Ph II</i>			6,109,033.00	-	-
13	CIDA (00550)	<i>Transferred from NABDP Ph II</i>			9,328,642.00	-	-
14	DFID	<i>Transferred from NABDP Ph II</i>			7,269,410.00	-	-
Total					USD 86,417,048.96		

Table 2: Expenditure Status (by activity)

Output	Budget	Expenditure in 2009	Balance	Delivery
Local Governance & DDAs Inst.	1,377,561	1,341,191	36,370	97%
Sustainable Livelihood R.Infra	12,369,537	10,847,212	1,522,325	88%
Stabilization/Eco Livelihood	16,977,129	12,634,598	4,342,531	74%
Programme Management	3,446,894	3,398,083	48,811	99%
GMS	2,122,474	1,775,507	346,967	84%
Total	36,293,594	29,996,590	6,297,004	83%

Table 3. Expenditure Status (by donor)

Donor	Fund	Output	Budget	Expenditure in 2009	Balance	Delivery
UNDP Core	04000	Local Governance & DDAs Inst.	147,398	147,398	-	
		Sustainable Livelihood R.Infra	628,240	628,240	-	
		Programme Management	224,362	223,220	1,142	
UNDP Core Total			1,000,000	998,858	1,142	100%
BCPR	04160	Local Governance & DDAs Inst.	482,511	480,131	2,380	
BCPR Total			482,511	480,131	2,380	100%
DIAG	30071	Stabilization/Eco Livelihood	4,843,777	1,836,470	3,007,307	
GMS 5%			254,936	96,656	158,279	
DIAG Total			5,098,713	1,933,126	3,165,586	38%
Belgium	42019	Stabilization/Eco Livelihood	3,727,999	3,473,171	254,828	
		Programme Management	338,291	338,290	1	
GMS 3%			125,762	117,880	7,881	
Belgium Total			4,192,052	3,929,341	262,710	94%
Gov of Canada (78)	30000	Stabilization/Eco Livelihood	2,104,300	1,215,655	888,645	
GMS 5%			110,753	63,982	46,771	
Gov of Canada Total			2,215,053	1,279,637	935,416	58%
Germany	30000	Sustainable Livelihood R.Infra	312,945	213,498	99,447	
GMS 7%			23,555	16,070	7,485	
Germany Total			336,500	229,568	106,932	68%
Japan CRD	30000	Local Governance & DDAs Inst.	16,368	15,767	601	
		Sustainable Livelihood R.Infra	-	(49,186)	49,186	
GMS 5%			861	(1,759)	2,620	
Japan CRD Total			17,229	(35,178)	52,408	-204%
Japan Border	32045	Local Governance & DDAs Inst.	58,177	58,177	-	

		Sustainable Livelihood R.Infra	6,966,558	6,885,230	81,328	
		Stabilization/Eco Livelihood	115,455	115,453	2	
		Programme Management	838,227	830,968	7,259	
GMS 7%			600,526	593,858	6,668	
Japan Border Total			8,578,943	8,483,686	95,257	99%
Netherlands	30000	Local Governance & DDAs Inst.	3,737	3,737	-	
		Stabilization/Eco Livelihood	631,014	623,095	7,919	
		Programme Management	72,531	72,531	-	
GMS 7%			53,236	52,640	596	
Netherlands Total			760,518	752,003	8,515	99%
Norway	30000	Local Governance & DDAs Inst.	50,733	50,733	-	
		Stabilization/Eco Livelihood	1,280,645	1,280,640	5	
		Programme Management	518,002	517,994	8	
GMS 7%			139,201	139,200	1	
Norway Total			1,988,581	1,988,567	14	100%
CIDA (550)	30000	Local Governance & DDAs Inst.	377,102	376,451	651	
		Sustainable Livelihood R.Infra	4,411,794	3,169,430	1,242,364	
		Stabilization/Eco Livelihood	380,485	380,095	390	
		Programme Management	923,208	921,262	1,946	
GMS 7%			458,582	364,846	93,736	
CIDA Total			6,551,171	5,212,084	1,339,087	80%
DFID	30000	Local Governance & DDAs Inst.	70,535	70,436	99	
		Stabilization/Eco Livelihood	3,041,850	2,936,981	104,869	
		Programme Management	347,087	307,364	39,723	
GMS 7%			260,390	249,500	10,891	
DFID Total			3,719,862	3,564,281	155,581	96%
Spain	30000	Local Governance & DDAs Inst.	171,000	138,361	32,639	
		Sustainable Livelihood R.Infra	50,000		50,000	
		Stabilization/Eco Livelihood	851,604	773,038	78,566	

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		Programme Management	185,186	186,454	(1,268)	
GMS 7%			94,672	82,634	12,038	
Spain Total			1,352,462	1,180,487	171,975	87%
Grand Total			36,293,594	29,996,590	6,297,004	83%

Annexes

Annex I: Performance Tracking Matrix

Result/Goals	Performance Indicators	Baseline Info	Performance Benchmark and Targets	Implementation Progress
1. Local governance and DDA institutionalization: Improved capacity to manage natural resources to support poverty reduction and dispute resolution, and to reduce vulnerability to natural disasters	# of DDA re-elected, # of trainings carried out, # of DDPs uploaded to NABDP website; inclusion of women in the DDA; # of District Management Committee established ; # of DDMPs formulated	N O T A V A I L A B L E	100 DDAs formed and DDPs formulated; 60% DDAs capable to implement projects; % increased have inclusion of women staff in all projects and components; 34 functional gender focal points ; 30% empowerment of women participation in DDA activities; communities undergo disaster and risk management training; communities establish disaster management committees and plans	17 DDAs and DDPs newly established 44 DDA re-election 87 DDA registered and update the DDPs 12 Training in disaster and risk management
2. Sustainable livelihoods through rural infrastructure services: Agricultural output and access to diversified food at the household level are increased	# of rural energy projects; # of trainings; # of policy develop; # of small scale Infrastructure projects		12,000 Rural Energy Systems project, 30 DDAs trained on decentralized energy planning, 100 DDA technicians trained on monitoring and supervision, Policy development of rural energy, development and design of rural energy institutions, 5 studies and researches, 5 proposals for mobilization of resources prepared and submitted to potential donors	Policy on rural energy developed 3 proposal for mobilization of resources prepared and submitted to potential donors 84 rural infrastructure projects completed 306 rural infrastructure projects started
3. Stabilization through enhanced economic livelihoods: Opportunities for decent work and income are improved and diversified	# of capacity building, # of SMEs and Economic infrastructure projects in Border ; # of district covered by DIAG project		34 institutional arrangements ,80 Consultative processes led by DIAG/ Border/ CNTF, 15 -20 % decrease in the absolute and relative size of drug economy, 10% of the rural population livelihood will be supported through the provision of 55 Million labor days; 2 sets of Curriculum of AIRD developed; 3 Baseline Livelihoods Study conducted	54 institution support through grant in aid AIRD curriculum was designed 1 Baseline livelihoods study conducted

Annex II: Risk Log

RISK LOG

Project Title: National Area-Based Development Programme	Award ID: 00011020	Date: 31 December 2009
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#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Management response	Owner	Submitted, updated by	Last Update	Status
1	Insecurity	n/a	Environmental	Lack of security in certain regions severely delays the progress of projects or leads projects termination, endangering staffs, labors and community themselves in the affected area. P = 5 I = 5	MRRD relies heavily on the DDAs to implement projects and contract directly with communities as often as possible to reduce the likelihood	NABDP especially Regional staffs / field staffs	Project manager	December	Low reduction after election period. However, still not improving too much
2	Low technical capacity	n/a	Operational	There are 132 projects overdue the agreed contracting term. Some projects have to be cancelled P = 2 I = 2	Enforcement of penalty clause in the contract agreements in case delays of project implementation occur. Creating a black list of contractors with repeated poor delivery, in order to prevent that from happening again.	NABDP	Regional managers	December	DONE. Penalty clause in place, projects either relocated or contract cancelled and given to community.

3	Women's participation	n/a	Environmental	<p>Rural women are discouraged from travelling, deteriorated security condition means further reduction in women's participation in program activities decision-making processes such as DDA/DDP workshops</p> <p>P = 3 I = 3</p>	<p>Increase number of female staff in the field, encouraged male community to bring their wives or other female members of their family to the workshops. Companion (<i>Mahram</i>) has been considered as part of program cost to allow women to travel. Mixed DDA or Advisory Committee of women) were developed</p>	NABDP	CE unit	December	<p>Although improvement took place i.e selection of women as DDA member of advisory, this is still ongoing process.</p>
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Annex III: Issue Log¹

ISSUES LOG						Date: 31 December 2009
Award ID: 00011020						
Project: National Area-Based Development Programme (NABDP)						
ID	Type	Date Identified	Description	Status/ Priority	Status Change Date	Author
	Human resources management	n/a	New management structures to be communicated to all staff. Exchange of experiences needed to solidify decentralization efforts			Human Resources Department, Operations Department
	Knowledge or skills transfer	n/a	Skills transfer required longer time than expected. New management structure still requires further support			Project Managers