

**United Nations Development Programme**  
**Afghanistan**  
**ALICEGHAN**  
**2nd Quarter Project Progress Report – 2009**



The new bus, children at the new school, and adults in training courses

**Project ID:** 00051619

**Duration:** September 2006 – July 2009

**Strategic Plan Component:**

**CPAP Component:** Outcome VII

**ANDS Component:** Refugees, Returnees and IDPs Sector

**Total Budget:** US\$8,428,506

**Implementing Partner/responsible parties:** CARE, HADF, SACC

## ALICEGHAN DONORS

Government of the Commonwealth of Australia

Government of the Islamic Republic of Afghanistan

United Nations High Commissioner for Refugees

United Nations Development Programme



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## Executive Summary

Significant progress was made towards the completion of activities and achievement of project outputs during the second quarter of 2009, most notably in housing construction and livelihoods-related activities. Notwithstanding these achievements, several challenges must be resolved to enable the achievement of all outputs and conclusion of the project within 2009.

Training and employment activities including vocational training course and cash-for-work activities continued during the second quarter. Housing construction continued rapidly throughout the second quarter, though extended spring rains have delayed completion of housing construction until September 2009.

Water supply continues to be the greatest challenge to the project. Following extended budget and implementation planning, the water supply system was re-designed during the second quarter, and a tender process commenced to select contractors for implementation.

Towards the end of the second quarter, the issue of land and water rights in the area re-surfaced, with the Qarabagh Shura re-iterating and elaborating its demands regarding the selection of Qarabagh residents as beneficiaries, the ownership of land and access to water. The Government of Afghanistan will lead efforts to resolve this issue and enable the continuation of project activities.

## Context

Aliceghan commenced in September 2006 following the signing of a record of understanding between the governments of the Islamic Republic of Afghanistan and the Commonwealth of Australia. Aliceghan seeks to provide housing, public services and infrastructure for the creation of a new settlement for Afghan returnees. Additionally, Aliceghan seeks to enhance the sustainability of this new settlement and improve the lives of residents through a pilot approach which places increased emphasis on community and economic development through the provision of vocational training and employment opportunities.

Aliceghan is implemented by UNDP in consultation with the Ministries of Refugees and Repatriation and Urban Development, and the Kabul Provincial Government, in coordination with UNHCR. Responsible parties including NGOs and private companies have been engaged to complete various community development, vocational training and construction activities.

Several challenges including the identification of an appropriate site, mine clearance and resolution of a dispute over land ownership resulted in prolonged delays to the commencement of project activities. Following resolution of several key issues, project implementation, including construction activities, commenced during mid 2008. Steady progress has been achieved since that time.

## Implementation Progress

The 2<sup>nd</sup> quarter of 2009 saw significant progress in the key activities of housing and water supply infrastructure. Following a prolonged spring rain season, housing construction commenced in May and has proceeded rapidly. Pre-construction arrangements for water supply infrastructure including the re-design of the system and advertisement for bids for construction have been completed, enabling construction to commence in the next quarter.

Significant progress has been made in the provision of community services, vocational training opportunities and establishment of community governance structures. Most notably, the local high school has been registered and classes have commenced, several training courses have commenced, and two Community Development Councils have been elected.

### Output 1

Beneficiary families will assist in the construction of a traditionally designed, community built, mud-brick houses....

#### Construction of 1100 houses

Extended spring rains, which continued up to mid May, caused some delay to the commencement of housing construction. Though following the end of the rain season, housing construction proceeded promptly. Up to the beginning of the second quarter around 510 houses had been completed. During the second quarter a further 207 houses have been completed and construction on a further 197 houses has commenced.

Steps have been taken, including using the cash grants for food and accommodation as an incentive, and the staggered distribution of bricks, to increase the rate of house construction. Such steps seek to complete house construction by the end of July 2009.

Two impediments to housing construction are noteworthy. Firstly, a shortage of bricks throughout Kabul, caused by the prolonged rainy season, has reduced the rate at which bricks are supplied to site and hence, in some instances, the rate at which houses have been built. Secondly, beneficiary selection continues to be problematic, with the DRR, who is tasked with pre-selecting beneficiaries and compiling documentation for verification and for the Beneficiary Selection Committee, not able to provide sufficient applicant documentation to enable a steady flow of beneficiaries to be mobilised to site and commence house construction.

### Output 2

The beneficiary community is provided with water, roads and basic community infrastructure.

#### Construction of a water supply system.

The re-design of the water supply infrastructure, which sought to rationalise the system and reduce operational costs, was completed during April 2009. Following the completion of the

system, mobilisation of additional resources from UNDP and UNHCR (subject to final approval) enabled the public advertisement of an Invitation to Bid (ITB) seeking prices for construction by contractors. This strategy varied from that previously agreed by the Project Board which proposed direct implementation by UNDP in order to reduce costs to within budget restrictions. Additional resources enabled the standard mode of contractor implementation to be adopted.

Bids have now been received from contractors and bidder assessment and contractor approval will proceed towards commencement of construction works in the next quarter.

### Construction of 7.6km of roads.

All road construction activities proposed in the Project Document have been completed. An additional 2.5km of roads were also completed by the contractor under a contract amendment.

Further, around 2km of roads and drainage works were completed by the local community under the cash for work project during the last quarter of 2008 and 1<sup>st</sup> quarter of 2009.

### Construction of school.

The construction of the school was completed during April 2009. Subsequently, extreme winds experienced on the Shomali Plain annually during spring caused damage to the roof of the school which now requires repair.

Investigations which followed the damage to the school found several areas of fault. The school design, provided by the Ministry of Education, was found to be inappropriate for an area subject to such high winds, as evident in the fact that a nearby school of the same design experienced the same damage during spring 2008. Secondly, numerous discrepancies were found in the contract documentation by UNDP, particularly between the design drawings and the bill of quantities, resulted in inappropriate materials being selected by the contractor. Finally, sub-standard construction practices in some areas reduced the strength of the roof frame. Following negotiations, a cost sharing arrangement has been reached between the project and the contractor, and the Ministry of Education has provided a revised design, to enable the completion of the school.

In spite of some ongoing construction works, classes at the school have commenced, with 234 students attending in eight classes.

## Output 3

Livelihood opportunities of returnees, including the disabled and female headed households through the provision of training in marketable skills.

### Provision of vocational training opportunities

Many vocational training courses have continued, and further courses commenced during the second quarter. Currently masonry, carpet weaving, tailoring, metal working, tin-smithing, and

poultry rearing (also a grants activity) are ongoing. Around 120 beneficiaries are participating in vocational training courses, around a third of which are women.

All vocational training activities are scheduled for completion during the next quarter. In most cases, students will be provided with materials to encourage them to continue improving their skills and, where possible, earn an income from the skills learned.

### Provision of employment opportunities

Up to the end of the second quarter around 14,200 work days had been completed under the cash for work activity. During the second quarter a further 2,600 work days have been completed. That is, to date, around 16,800 work days, or 120 men working for 5.5 months, have been completed under the cash for work project. Work undertaken under the project included the construction of boundary walls for female and disabled headed households, the collection of stone for distribution to female and disabled headed households for boundary wall construction, the construction of drainage channels and roads, and the repair of damaged houses. In addition, teachers and cleaners for the local high school have been paid via the cash for work activity while the school and teacher registration process is completed with the Ministry of Education.

It is anticipated that the cash for work project will conclude during the next quarter when allocated funding is fully spent.

### Provision of community services

In accordance with the Project Board decision, funds previously allocated for the construction of a police station were used to enable the purchase of a bus during the second quarter. Purchase of the bus was completed in June 2009.

Commencement of bus services have been postponed pending resolution of the land dispute with Qarabagh Shura (see below). Following this, ownership of the bus will be transferred to the Qarabagh district government, and a memorandum of understanding signed between the Qarabagh District Government and Aliceghan Shura for ongoing operation of bus services by the Shura.

## Challenges

The following risks and issues impacted significantly on the project during the 2<sup>nd</sup> quarter. For a complete list of risks and issues refer to the attached Risk Log (appendix 2), and Issue Log (appendix 3)

## Risks

### Inability of the BSC and the beneficiary selection process to select beneficiaries in accordance with the project objectives and eligibility criteria.

The rate at which beneficiaries are preselected, verified then selected in accordance with the approved selection process continues to proceed at a slow pace. Difficulties in locating beneficiary documentation is a significant cause of this risk, the realisation of which has ultimately slowed progress in the construction of houses.

UNDP has provided equipment and staff to the DRR to assist with locating beneficiary documentation, and communicated regularly with the BSC to reduce the impact of this risk.

### Resolution of the ongoing land dispute

The Qarabagh Shura feels that the demands it included in the September 2006 land dispute agreement, including that 25% of houses in the current settlements projects at Barikab and ownership of further unused land at Barikab have not been met, and has demanded that work at Aliceghan stop. The realisation of this risk has resulted in a temporary suspension of house construction (now resumed), and a postponement of the commencement of construction of water supply infrastructure. Unless mitigated, this dispute may prevent the construction of water supply infrastructure and hence threaten the sustainability of Aliceghan.

UNDP has discussed this dispute with several stakeholders, and sought to encourage discussions towards a resolution of the dispute.

### Lack of beneficiary commitment to engage in the project

Completed house occupancy rates remain at around 40%. This low occupancy rate reduces Aliceghan's impact in providing housing to the most vulnerable segments of the population. Further, the low population reduces the sustainability of Aliceghan as a settlement.

UNDP has previously introduced measures including cash for work and has restricted training courses to residents of Aliceghan only. During the 2<sup>nd</sup> quarter, UNDP has provided introduction letter to the DRR, which initiate the process of provision of land title documents, to residents only, in a bid to encourage further beneficiaries to move to site. Furthermore, the bus service and water supply service are expected to encourage more beneficiaries to move to Aliceghan.

### Unoccupied houses damaged.

The failure of many beneficiaries to occupy completed houses leaves the houses at risk of damage due to lack of maintenance. Previously, UNDP encouraged community representatives to contact absent beneficiaries to advise them when their houses were damaged, and to encourage absent beneficiaries to repair their houses. Where existing damage to houses was serious, or threatened further accelerated damage, the local community, through the cash for work activity, repaired houses.

### Safety of project staff

Threats have been received against project staff, particularly those involved in beneficiary verification. To reduce the risk these threats pose to the safety of project staff and their ability to carry out their duties additional security measures have been undertaken at the project office. Additionally, individuals who have made threats will be contacted to discuss the threats and convey the seriousness in which UNDP views such matters. Any further threats will be referred to appropriate security services for follow-up.

### Construction contractors with the capacity to implement water supply infrastructure not found.

Limited regulation and low capacity within the construction industry increases the risk of all construction projects in Afghanistan. Water supply infrastructure works such as that proposed for Aliceghan entail additional inherent risk of failure due to poor design or low construction quality.

The re-design of the Aliceghan water supply infrastructure sought to improve and simplify the system and hence reduce the risk of failure due to poor design. The procurement of construction services has sought to impose reasonably high criteria for bidder qualification to ensure only competent construction companies may be selected.

UNDP sought advice and had bid documents reviewed by the Ministry of Rural Rehabilitation and Development (who implement a large number of water supply projects), the Central Authority for Water and Sanitation Services (CAWSS), and Fichter (an international consultant firm engaged by the Ministry of Urban Development for the design and construction management of major water supply projects) to ensure the appropriateness of the design and that the qualification criteria were strict enough to exclude incompetent companies, though not so onerous as to exclude all construction companies.

### Teachers not available for the Aliceghan school.

A shortage of qualified teachers exists throughout Kabul province, reducing the number of teachers available to commence classes at the Aliceghan school. During the 2<sup>nd</sup> quarter, teachers were employed from the Aliceghan community and paid by via the cash for work activity. Furthermore, UNDP has worked closely with the Department of Education to ensure a limited number of teachers are relocated from other schools in Qarabagh, and that community teachers are tested and where appropriate employed by the Ministry of Education.

### Extended spring rains delays the start of the construction season and reduces the number of bricks available.

The extension of the spring rains into May and June delayed the commencement of construction of houses. Furthermore, the extended rain season reduced the availability of bricks throughout Kabul, which in turn reduced the rate at which bricks could be delivered to site and hence the rate at which houses could be built.

Immediately following the end of the rain season UNDP instructed CARE to engage additional brick suppliers towards increasing the rate of brick delivery. CARE are distributing bricks widely to ensure construction proceeds on the maximum number of houses.

#### Government, including the Qarabagh District Government and the Ministry of Interior fail to recognise the Aliceghan Shura.

The failure of Government to recognise the probity of elections and authority of the elected Aliceghan Shura would leave the settlement without official local governance. Elections were carried out in accordance with NSP guidelines and under supervision of the District Government to increase confidence in the election result and reduce the risk to failure of government to recognise the result.

#### Failure of beneficiaries to complete construction in a timely manner.

After beneficiaries are mobilised to site and construction materials are distributed, the ability of the project to influence the speed of construction is limited. The failure of beneficiaries to build in a timely manner may result in project deadlines not being met.

Criteria relating to the distribution of the cash grant for food and accommodation have been amended to include construction rates, whereby beneficiaries are encouraged to build quickly. These additional criteria do not reduce the access of beneficiaries to the cash grant, but rather, make it easier for those who build quickly to receive the grant.

## Issues

#### The presence and removal of ineligible beneficiaries from the project

The approval of a revised beneficiary selection process previously enabled the identification and removal of ineligible beneficiaries. This process continues, and project staff continue to refine procedures including improvements in communication between UNDP, UNHCR and DRR towards establishing an increasingly effective system.

#### Identification of extremely vulnerable beneficiaries for further assistance.

The project document and budget allows for additional assistance for extremely vulnerable beneficiaries including widows and disabled. The proportion of beneficiaries falling into this category is higher than the 5% envisaged during project development.

A committees comprising representatives from the Aliceghan Shura, CAR and UNDP has been established to identify 5% of the beneficiaries who are the most vulnerable to receive additional assistance. This process whereby beneficiaries apply, followed by a review of the case and documentation and an interview with the committee continues to improve.

### Distribution of cash grants.

Beneficiaries have expressed concern about the rate of distribution of cash grants. To address beneficiary concerns, CARE engineers have been given clearer guidance and given greater scope to assess construction progress and the participation of beneficiaries in house construction, and hence their eligibility for cash grants.

### Budget shortfall

The budget shortfall was addressed through the contribution of US\$300,000 from UNDP, US\$300,787 from UNHCR (to be approved) and 3,300m of polyethylene pipe from the MRR (to be approved). Notwithstanding budget over-runs in the construction of water supply infrastructure, the project current has sufficient funding to complete all project activities.

### Lack of funding for furniture and equipment within the school budget.

Construction of the school has been completed in-line with the 2008 budget, though allowance was not made for the purchase of furniture and equipment. Efforts have been made to raise additional funds. Also, excess office furniture and equipment from former UNDP offices will be donated for use at the Aliceghan school.

## Lessons Learned

### The need for site feasibility prior to the commencement of new settlement projects

The absence of water at the Aliceghan site has necessitated the construction of complex water supply infrastructure requiring significant initial funding and ongoing operating costs. In addition to reducing the cost efficiency of Aliceghan, as measured by the cost per plot, this reliance in a complex system with remote components reduces the future security of the settlement.

The distance of the site from significant economic centres reduces employment opportunities available to residents.

### The need for an improved beneficiary selection process

Uncertainty regarding official documentation including identity documentation, income documentation and land ownership documentation make assessment of individual against eligibility criteria a difficult and uncertain process. The requirement to exclude ineligible beneficiaries must be balanced against the risk of inadvertently excluding the needy.

Notwithstanding the complexity of the task, an improved process is required to establish the identity of individuals and to assess their income and land ownership status towards reducing the number of dishonest, ineligible individuals gaining access to assistance through Land Allocation Scheme settlements.

### Staging of settlement development

Development of new settlements is difficult even in conditions where public infrastructure and private funding are available. The difficulties associated with successfully establishing returnee settlements in Afghanistan are compounded by a lack of security, political uncertainty, land tenure uncertainty, a lack of public infrastructure and a lack of private funding available to individuals. Risks associated with these problems may be reduced by staging the development of settlements, whereby a reduced number of houses and services may be built each year, encouraging incremental and more organic growth.

### Early establishment of local governance

The establishment of an interim community development council at Aliceghan enhanced dialogue between project staff and the beneficiary community, enabling greater understanding which in turn informed adjustments to activities.

## Future Plans

It is anticipated that most project activities will be concluded and outputs will be achieved during the third quarter of 2009. In particular, livelihoods activities including vocational training and cash for work will be completed, responsibility for operation of the school will be assumed by the Ministry of Education, all beneficiaries will be selected and all houses shall be completed.

The provision of water through newly constructed infrastructure remains the greatest challenge to completion of the project by the end of 2009. The mobilisation of additional resources, redesign to enable future expansion, and changes to implementation strategy are all challenges which have delayed the commencement of implementation of this activity. The resurrection of the dispute with the Qarabagh Shura over land and water rights at Barikab risks further delays to the completion of this activity and the completion of the project by the end of 2009.

## Financial Section

**Table 1. Funding Overview**

Donor	Commitment	Received (USD)	Balance
<b>10813 Australian Gov (DIMEA)</b>	4,599,950	4,599,950	4,277,953
<b>00055 Australian Gov</b>	2,671,756	2,671,756	2,484,734
<b>00040 UNHCR</b>	306,727	306,727	285,256
<b>00012 UNDP (TRAC 2)</b>	882,075	882,075	882,075
<b>Total</b>	<b>8,460,508</b>	<b>8,460,508</b>	<b>7,930,018</b>

**Table 2: Expenditure Status (by activity)**

Activity	Budget	Donor	Expenditure Status at March 31 2009		Expenditure in Reporting Quarter		Quarter Expenditure	Total Expenditure	Balance	Delivery
			Commitment	Disbursement	Commitment	Disbursement				
Activity 1	664,400	Aus Gov 10813	0	0	0	0	0	0	664,400	0%
	274,320	UNHCR 00040	0	0	0	0	0	0	274,320	0%
	287,960	UNDP 00012	0	0	0	0	0	0	287,960	0%
Activity 3	160,000	Aus Gov 10813	0	0	0	153,457	153,457	153,457	6,543	96%
Activity 5	224,249	Aus Gov 10813	0	42,430	0	24,819	33,643	76,073	148,176	34%
	211,109	Aus Gov 00055	0	111,896	0	183,411	183,411	295,307	(84,198)	139%
	12,280	UNHCR 00040	0	0	0	12,280	12,280	12,280	0	100%
	12,049	UNDP 00012	0	0	0	12,049	12,049	12,049	0	100%
GMS	114,947		0	0	0	83,204	83,204	83,204	31,734	72%
<b>Total</b>	<b>1,961,304</b>		<b>0</b>	<b>154,326</b>	<b>0</b>	<b>478,044</b>	<b>478,044</b>	<b>632,370</b>	<b>1,328,925</b>	<b>33%</b>

**Table 3. Expenditure Status (by donor)**

Donor	Budget	Activity	Expenditure Status at March 31 2009		Expenditure in Reporting Quarter		Quarter Expenditure	Total Expenditure	Balance	Delivery
			Commitment	Disbursement	Commitment	Disbursement				
10813 Aus Gov DIMEA	664,400	Activity 1	0	0	0	0	0	0	664,400	0%
	160,000	Activity 3	0	0	0	153,457	153,457	153,457	6,543	96%
	224,249	Activity 5	0	42,430	0	24,819	33,643	76,073	148,176	34%
00055 Aus Gov	211,109	Activity 5	0	111,896	0	183,411	183,411	295,307	(84,198)	139%
00012 UNDP TRAC	287,960	Activity 1	0	0	0	0	0	0	287,960	0%
	12,049	Activity 5	0	0	0	12,049	12,049	12,049	0	100%
00040 UNHCR	274,320	Activity 1	0	0	0	0	0	0	274,320	0%
	12,280	Activity 5	0	0	0	12,280	12,280	12,280	0	0%
GMS	114,947		0	0	0	83,204	83,204	83,204	31,734	72%
<b>Total</b>	<b>1,961,304</b>		<b>0</b>	<b>154,326</b>	<b>0</b>	<b>478,044</b>	<b>478,044</b>	<b>632,370</b>	<b>1,328,925</b>	<b>33%</b>

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## Annexes

### Annex I: Performance Tracking Matrix

<b>Result/Goals</b>	<b>Performance Indicators</b>	<b>Baseline Info</b>	<b>Performance Benchmark and Targets</b>	<b>Implementation Progress in reporting quarter</b>
Output 1.1 Construction of houses, including livelihoods opportunities and community development	Number of houses constructed	500 houses completed during 2008.	1,100 houses completed	717 complete  207 completed during reporting period
Output 2.1 Construction of water supply infrastructure	Number of houses with access to water	No houses with permanent access to water	1,100 houses with permanent access to water	0