



**Islamic Republic of Afghanistan**  
**Ministry of Rural Rehabilitation and Development**  
**National Solidarity Programme**  
**Herat, Ghor and Bamyan Provinces**

**Proposal to the Government of Italy**

September, 2012

Applicant	Ministry of Rural Rehabilitation & Development (MRRD) National Solidarity Programme (NSP)
Brief Description	The programme has the following components for which funding is sought: <ul style="list-style-type: none"> <li>- Component 1: Block grants for community prioritized and approved subprojects.</li> <li>- Component 2: Facilitating Partners (FP) costs inclusive of CDC establishment, capacity building and linkages.</li> <li>- Component 3: Operational costs inclusive of management, oversight, technical assistance, incremental operating costs, capital goods, monitoring and evaluation, external studies etc.</li> </ul>
Development Objectives	The primary objective of NSP III is to build, strengthen and maintain Community Development Councils (CDCs) as effective institutions for local governance and social- economic development.
Intermediate Results Indicators for Each Component	<p>Component 1:</p> <p>Component 1.a: First Block Grants</p> <p>By the end of project:</p> <ul style="list-style-type: none"> <li>• Min. of 80% of new CDCs complete their CDPs according to NSP principles and operational guidelines</li> <li>• At least one subproject completed by 80% of CDCs</li> <li>• Min. of 70% of sampled infrastructure subprojects are functional and used by communities one year after completion</li> </ul> <p>Component 1.b: Repeater Block Grant</p> <ul style="list-style-type: none"> <li>• Of the eligible CDCs, min. of 70% of CDPs revised and completed according to NSP principles and operation guidelines</li> <li>• At least one subproject completed by 70% of eligible CDCs</li> <li>• Min. of 75% of sampled infrastructure subprojects are functional and used by communities one year after completion</li> <li>• Min. of 70% of sampled CDCs conduct social audit meetings</li> </ul> <p>Component 2:</p> <ul style="list-style-type: none"> <li>• Min. of 80% of CDCs have new elections for leadership through democratic election and secret ballot at the appropriate time.</li> <li>• 90 % CDCs have been trained on core and second phase training topics.</li> </ul>

	<ul style="list-style-type: none"> <li>• Min. of 30% of sampled CDCs attempt to form linkages with government and non-government actors.</li> <li>• 35% of CDC members nationally are women</li> <li>• Min. of 60% of eligible CDCs have Community Participatory Monitoring (CPM) teams functioning</li> <li>• 70% of sampled communities satisfied with FP performance</li> </ul> <p>Component 3:</p> <p>By end of project:</p> <ul style="list-style-type: none"> <li>• 80% of complaints processed by NSP using agreed service standards</li> <li>• One annual NSP progress report produced</li> </ul> <p>90% of Facilitating Partner invoices paid in accordance with contractual timetable</p>
Sector	Agriculture and Rural Development (ARD)
Location	Herat, Ghor and Bamyan provinces
Total Cost	US\$ 1.5 billion
Implementing Agency	Ministry of Rural Rehabilitation and Development
Implementation Period	01 January, 2013 until 30 September, 2015 (Extendable)
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## 1. Program Description

1.1. The NSP, one of Afghanistan's most successful priority programs, was conceived and championed by the Minister of Finance (MoF) and Minister of Rural Rehabilitation and Development (MRRD) in 2003 when it was launched to support local good governance and rural infrastructure development. The program's development objective is to strengthen community level governance in Afghanistan and to improve the access of rural communities to social and productive infrastructure and services by channeling resources to democratically-elected Community Development Councils (CDCs) and building the capacity of CDCs to facilitate community level investments. The program finances: (i) community mobilization, empowerment, and capacity building; (ii) block grants to communities to implement subprojects for reconstruction and development; and (iii) program implementation management support, including program monitoring and evaluation. To mobilize capacity for program implementation, NSP has engaged 28 international/national NGOs and one UN agency as Facilitating Partners (FPs). To date, NSP implementation has received around US\$ 1.5 billion funding support, including 20% from IDA grants, 60% from the Afghanistan Reconstruction Trust Fund (ARTF), 15% through bi-lateral donors, and 5% from the Japan Social Development Fund (JSDF). As community contribution, NSP communities' contribution around 17% of the subproject costs, currently amounting to nearly US\$ 150 million. The NSP lays the foundation to establish and strengthen community level governance and supports community-managed sub-projects. It promotes a development paradigm that empowers communities to make decisions and control resources during all stages of the project cycle. In accordance with government policy, the program strengthens local governance - working to make it more inclusive (e.g. women, returnees, minorities) - and supports the planning and implementation of community-based sub-projects that invariably generate labour for the poor or near-poor as well as stimulating local economies. The NSP is executed by Ministry of Rural Rehabilitation and Development (MRRD) on behalf of the Government of the Islamic Republic of Afghanistan.

1.2. The outcomes of the National Solidarity Program will be (i) the consolidation of a framework for village level consultative decision-making and representative local leadership as a basis for interaction within and between communities on the one hand, and with the administration and aid agencies on the other; (ii) the capacity to identify and prioritize community needs, formulate community development plans and deliver sub-projects, and (iii) capacity to execute and deliver community-based infrastructure and human capital development sub-projects that would generate employment and promote primary productivity that

will lead to a decrease in poverty. The first phase of the NSP was completed in March 2007. The second phase (NSP II) is closed in January 2011 and the current phase (NSPIII) is scheduled to close by September 2015. As shown in the table below, since its inception in 2003, NSP has established approximately 30,622 Community Development Councils (CDCs) across 366 districts in all of Afghanistan's 34 provinces.

Table 1: NSP Implementation Progress as of September 21, 2012

	Activity	Cumulative (NSP I, II, III) As of 21 September, 2012
1	No. of communities mobilized	30,622
2	No. of CDCs elected	30,563
3	No. of completed and revised CDCs' Community Development Plans (CDPs)	29,715
4	No. of Sub-project proposals submitted	63,321
5	No. of Sub-project proposals financed	63,530
6	No. of Subprojects completed	50,048
7	Amount of Block Grant provided to CDCs	US\$ 1,017,665,966

## 2. Strategic Context

- 2.1. Since its inception, the National Solidarity Program has covered 366 districts in all 34 provinces throughout Afghanistan. As of 21 September, 2012, over 30,000 communities have been mobilized with more than 30,000 Community Development Councils elected representing an estimated 19.7 million people. A total of 50048 community prioritised sub-projects have been completed with 63,321 sub-project proposals approved. A total of US\$ 1,017,665,966 has been disbursed directly to communities for their priority proposed sub-projects. Does
- 2.2. Communities have consistently prioritized rural productive and social infrastructure projects for their block grants<sup>1</sup>. And communities are able, on average, to implement two sub-projects with their \$200 per family allocation. More than 80% of all projects involve productive infrastructure such as irrigation, roads and village electrification and etc thereby facilitating primary production and stimulating local economies.

<sup>1</sup> The percentage breakdown of project type is as follows: 26% Transport, 24% Water Supply and Sanitation, 19 % irrigation, 12 % Power, 10% Education, and 9% Others.

### **3. West and Central Regions:**

3.1. The Western Region of Afghanistan consists of a diverse ethnicity and challenging physical constraints in tandem with continuing border issues with the neighbouring Islamic Republic of Iran. Farah and Nimruz are the least-served provinces in this region with poor infrastructure and a continued drought that has increased the rate of desertification dramatically. As a result, the natural resource base has depleted to the point where livestock and subsistence crops no longer provide viable incomes for a majority of its inhabitants. Migration into Iran and to Pakistan (through Nimroz province) has increased and a remittance economy has proved to be crucial to the economic survival of many families. Poor infrastructure and high illiteracy rates continue to prevent the development of a livelihoods base upon which interventions can assist the local population. The region remains relatively insecure with criminality on the increase and the incursion and settlement of insurgents remains high.

Herat province shares the same border with Iran but has enjoyed a very different relationship, building upon existing trade links with Iran for mutual economic benefit. The resultant higher quality infrastructure, Iranian economic investment, trade exchanges of primary commodities and labour has greatly benefited the north-eastern and central parts of the province. The overall stability of the province has been improved over the past several years, with increased focus on development, governance and security.

Ghor is also located in the west region and lies 386 KM from Herat city. Since is the province is mountainous and semi-mountainous, majority parts of the province experience food insecurity and lack of access issue. The deterioration of security is an emerging challenge in the province which is an issue of concern. In Ghor province, the provision of basic infrastructure such as water and sanitation, energy, transport and communications is one of the key elements necessary to provide the building blocks for private sector expansion, equitable economic growth, increased employment and accelerated agricultural productivity.

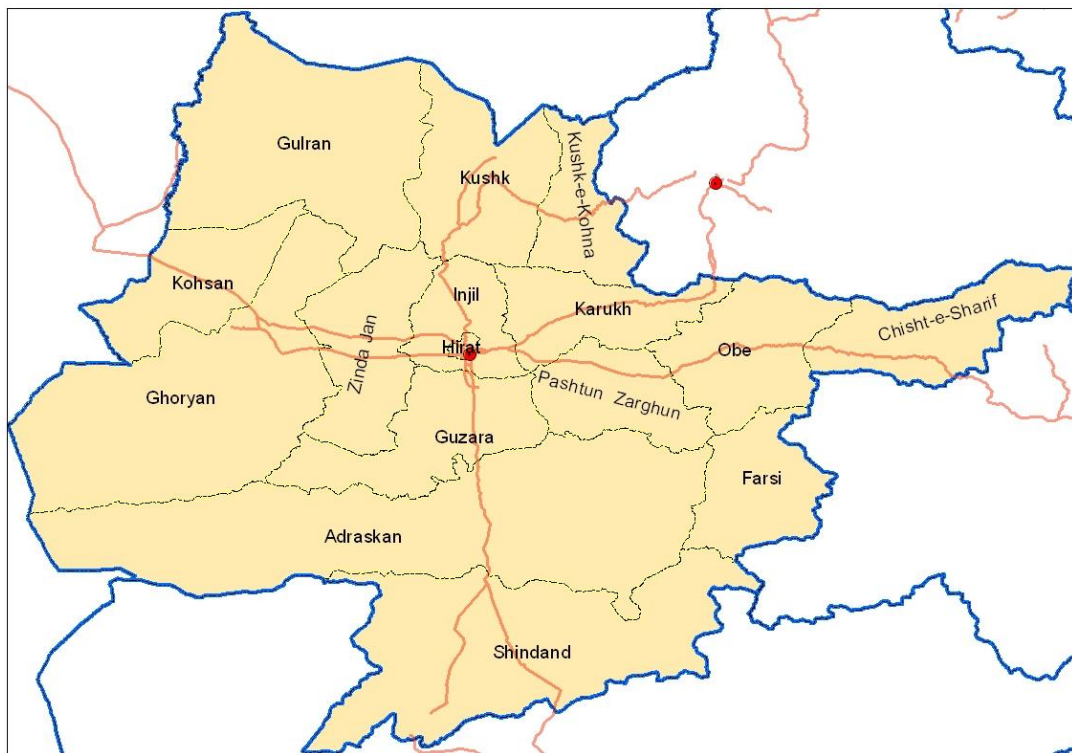
3.2. Under NSP's operations, the central region of Afghanistan includes the provinces of Kabul, Bamyan and Wardak, Daikundi, Panjsher, Parwan, Kapisa, Ghazni and Paktika. Agriculture represents the main source of income for the majority of the households in most of these provinces, mainly Bamyan and Wardak. While in other provinces mainly Kabul, population derive income from trades and services.

3.3. In particular with Herat, Ghor and Bamyan, presently NSP has been working in all districts. As of 21 September 2012, the programme status are as follows:

Province	Communities Contracted	Community Mobilization ongoing	Community Development Councils Elected	Community Development Plans Completed	
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o	Bamyan	705	705	704	698
r	Herat	2307	2306	2305	2217
	Ghor	1396	1355	1355	1350
a	<b>Total</b>	<b>4408</b>	<b>4366</b>	<b>4364</b>	<b>4265</b>

#### 4. Provincial Status:

##### 4.1. Herat:

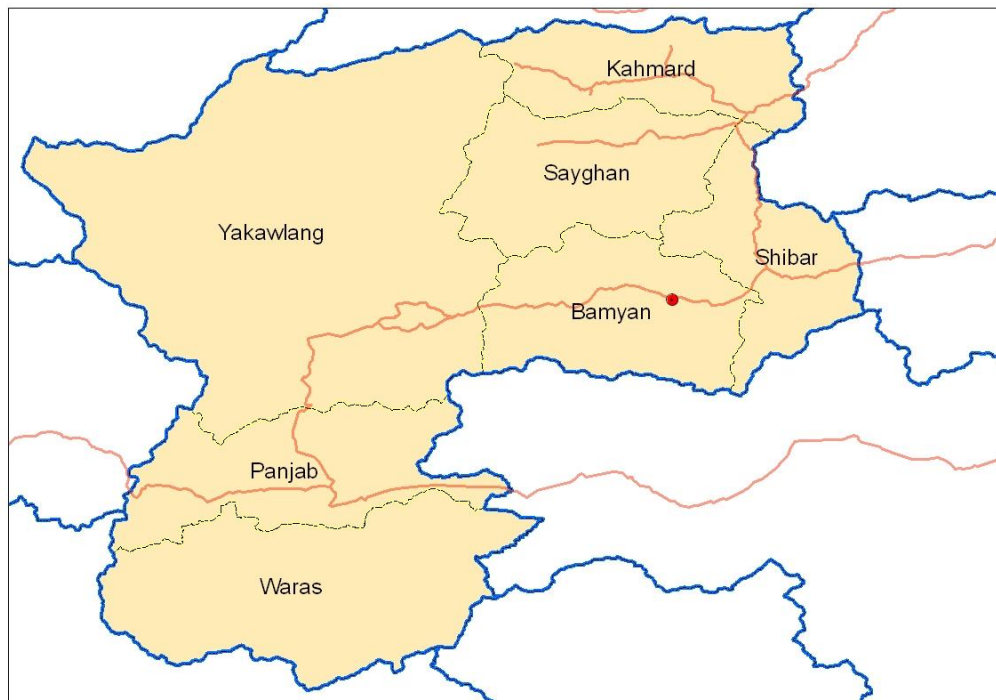


The two most prominent ‘features’ of Herat are its extremely high level of revenues primarily from the border crossing with Iran and to a lesser extent the border crossing into Turkmenistan. The province has strong trade and other links to Iran, due to the proximity to the border. In addition, many refugees have now returned to Herat, strengthening these connections. There are a large number of NGOs and other agencies active in the province such as CARITAS, UNICEF, World Vision, IOM, Action Contre la Faim, WFP, WHO, MSF, MDM, Order of Malta, CHA, IbniSina, HRS, ICRC, UNHCR, Iranian Red Crescent, Ockenden Int’l, IMC, DACAAR, NPO/RRAA, UN Habitat, Bangladesh Rural Advancement Committee, and etc. (Full provincial profile is attached).

Under NSP projects and activities, CHA, DACAAR, IC, IRC, NPO/RRAA and UN-Habitat as Facilitating Partners are mobilizing over 2000 communities within 15 districts. As of 21 September 2012, there has been more than 4000 subprojects in Hirat, of which, 74 subprojects are recently approved, 2699 subprojects completed and, 1274 subprojects are ongoing.

Within Hirat province, sub-projects selected by communities have included education, health, irrigation, power, transport and water supply and sanitation. As of 22 September 2012, US\$ 92.1million has been disbursed by NSP as community block grants for financing over 4000 subprojects.

#### 4.2. Bamyan:



Bamyan is one of the poorest, most mountainous, and agriculturally least productive areas in the country. Much of the land is barren and inaccessible, with acute water shortages, small landholdings, extensive food insecurity, and poor soil quality characterizing much of the region. While specific communities in Bamyan have benefited from short-term relief and development efforts and some infrastructure improvements, substantial need for well-planned initiatives remains.

There are few major investment projects in Bamyan and, in the current political climate, it is becoming increasingly difficult to encourage donors to invest in areas such as the Central Highlands as the majority of donor funding is diverted to the provinces in the south of Afghanistan.



Through the financial support of the Asian Development Bank, 100km road project from Bamyan centre to Yakawlang district has been recently completed with total support volume of US\$ 100 million. Other NGOs and private investments are also going on in Bamyan through USAID funded projects, AKDN support activities and PRT developmental projects. The National Solidarity Programme (NSP) is an important source of investment in the province and a key development activity. NSP is being implemented by both UN Habitat and AKDN in Bamyan. (Full provincial plan is attached).

For NSP, UN Habitat and AKDN as Facilitating Partners are mobilizing 705 communities within 7 districts of Bamyan province establishing 705 CDCs. As of 21<sup>st</sup> September 2012, 1472 subprojects proposals have been submitted and approved. Out of this, 1302 subprojects are completed, and 170 are ongoing.

Within Bamyan province, sub-projects selected by communities have included, education, irrigation, power, transport, water supply and sanitation. As of 21<sup>st</sup> September 2012, US\$ 21.4 million has been disbursed by NSP as community block grants for financing over 14,000 subprojects.

### 4.3 Ghor



Ghor is also located in the west region and lies 386 KM from Herat city. Since is the province is mountainous and semi-mountainous, majority parts of the province experience food insecurity and lack of access issue. The deterioration of security is an emerging challenge in the province which is an issue of concern. In Ghor province, the provision of basic infrastructure such as water and sanitation, energy, transport and communications is one of the key elements necessary to provide the building

blocks for private sector expansion, equitable economic growth, increased employment and accelerated agricultural productivity. (Full provincial plan is attached).

For NSP, Afghan Aid, CHA, MADERA, as Facilitating Partners are mobilizing 1341 communities within 10 districts of Ghor province establishing 1341 CDCs. As of 21<sup>st</sup> September 2012, 2865 subprojects proposals have been submitted and approved. Out of this, 2080 subprojects are completed, 785 are ongoing.

Within Ghor province, sub-projects selected by communities have included, education, irrigation, power, transport, water supply and sanitation. As of 21<sup>st</sup> September 2012, US\$ 42.3 million has been disbursed by NSP as community block grants for financing over 2865 subprojects.

## 5. Future of NSP

5.1. Over the next three years, MRRD envisions the completion of the roll-out of the program to the entire country including the completion of all sub-projects selected and funded through block grants and top-up block grants awarded to ‘graduated’<sup>2</sup> CDCs based on strict criteria. The goal of the government is to complete national coverage to cover all of the estimated 40,000 communities in the country by September 2015 and provide second round of block grant to around 12,000 CDCs which they have successfully completed their first round of block grant under NSP I and II.

5.2. Full coverage of the country would assure equity and thereby solidarity across all rural communities without bar. Furthermore, MRRD envisions the village governance structures set up to continue functioning in a meaningful and sustainable manner to which end the project will facilitate the development and adoption of an appropriate legal framework that would legitimize CDCs and their role in community-led development and facilitate the bottom-up participation of CDCs in district and provincial level development planning.

5.3. The total budget need for the 4408 contracted and existing CDCs in the selected provinces of Herat, Bamyan and Ghor has been around US\$ 38 million from which US\$ 16.1 million has been made available by NSP donors for 1392. Existing and immediate **shortfall** to cover the financing needs for the existing communities is around US\$ 23.9 million and if timely funding is secured, we will be able to reach 100% of our target for disbursement and completion of proposed subprojects by end of September 2015.

5.4. The NSP continues to increase its focus on CDC sustainability by facilitating the development of legislation that would provide a legal framework under which CDCs can become the legitimate bodies through which development assistance and public investments are channelled at the community level. Legal and policy discussions and dialogues have been going on at different levels of the Afghan Government about this issue. MRRD will take the lead in advocating for and assuring the adoption of such draft

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<sup>2</sup> ‘Graduated’ CDCs are those that have gone through two full years of training and successfully utilized both the initial and follow-up block grants.

legislation into law by the cabinet and parliament. The ground work on this component has started such as stakeholder consultations on the potential content of the legislation, reviews of similar legislation from the region and draft terms of reference for the consultancies.

## **6. Rationale for Donor Involvement**

- 6.1. NSP remains one of the most significant development initiatives in Afghanistan today. The Agriculture and Rural Development Cluster has recently approved CDCs as component of local institutions NPP. NSP has made significant progresses against its stated goals and objectives and is considered Afghan government's and donors' flagship programme.
- 6.2. A program the size and reach of NSP could not have been implemented by the Government of Afghanistan without the generous support of donors. Financial and technical support provided by donors has been invaluable in the evolution of the program over the last 10 years. Throughout the next three years of the program, donor generosity will continue to be of fundamental importance to the success of NSP's goals - rural capacity building, economic development, good local governance, and poverty reduction, overall.

## **7. Specific Work Plan in Herat, Ghor and Bamyan**

- 7.1. From January 2013 to September 2015, NSP will continue its activities in the current 1253 communities (Herat 412, Ghor 326 and Bamyan 515) to mobilize and help them elect Community Development Councils (CDCs) using a participatory and transparent process. In addition, these communities will formulate and complete their Community Development Plans (CDPs) and design and prepare more than 2229 sub-project (Herat 824, Ghor 652 and Bamyan 753) proposals with the help of FPs, which will then be submitted to the NSP provincial management unit for review. The proposal will be communities prioritized needs that would cover a wide range of sectors.
- 7.2. The overall required NSP budget for to respond to the financing needs of existing 1253 communities contracted during the period of January 2013 – September 2015 will be more than USD 38 million. Ministry of Rural Rehabilitation and Development anticipates the grant from the Government of Italy will remarkably assist to the funding requirement and respond to the existing need within preferred provinces of Herat, Ghor and Bamyan.

## **8. Implementation Methodology**

- 8.1. As the NSP mobilizes new communities and remobilizes the existing communities, the facilitating partner (FP) holds preliminary discussions with key stakeholder groups in the community to introduce NSP. The community must confirm their interest in participating in the program in a community-wide meeting. If interested, the FP then helps the community complete a Community

Profile that identifies the number of families and other socio-economic indicators.

- 8.2. After the number of families is identified by examining a variety of sources (community meetings, consultations with the local leaders; existing lists for community contributions for *ashar*, mosque repair, etc.; and/or collection of signatures of heads of households), a Community Development Council is established through an election. When setting up the election and throughout the entire CDC development process, measures are taken to promote inclusiveness for women, returnees, and different socio-economic, factional, and ethnic/tribal sub-divisions within the community.
- 8.3. The election of the Council follows a number of rules including: every person who is entitled to vote in government elections is eligible to vote and to be members of the CDC; each registered voter has one vote; voting is conducted through secret ballot; at least 60% of the community must vote for the election to be valid, etc. Upon election of the CDC, the CDC members elect officers to serve as Chairperson, Deputy-Chairperson, Treasurer, and Secretary.
- 8.4. A Project Management Committee—comprised of elected members of the community and/or CDC—is also elected in a community-wide assembly and is designated to withdraw funds and procure goods and services on behalf of the community.
- 8.5. The Facilitating Partner assists the community in developing a Community Development Plan and an eligible sub-project proposal(s), specifying how it chooses to use its Block Grant. Once the Community Development Plan is prepared, the community must select which sub-project(s) will be targeted for Block Grant financing and prepare a sub-project proposal.
- 8.6. While the FPs guide the sub-project implementation, it is expected that the primary responsibility for sub-project implementation is with the community, including both the CDC and greater community. The Facilitating Partner supports the community during the sub-project implementation by providing technical assistance and oversight related to procurement of goods and sub-contractors, organization of the CDC, and supervision of construction quality, etc. Additionally, the FP trains CDC members in skills needed to comply with NSP Operations, including book-keeping, procurement procedures, and operations and maintenance, gender, conflict resolution, linkages and etc.
- 8.7. In order to ensure the long-term sustainability of the sub-projects, operations and maintenance is critical. The communities are required to establish an O&M Committee or otherwise designate who will be responsible for O&M duties which include: submission of quarterly reports, progress reports, developing and updating a Public Notice Board, facilitating community-wide meetings, and maintaining NSP logbooks and importantly promote linkages with other government and non-government entities.

## **9. Monitoring and Evaluation Plan**

9.1. The following five types of M&E are conducted within NSP:

1. Implementation monitoring (IM) of on-going sub-projects which focuses on measuring progress against work plans (outputs) and the quality of facilitation and community participation (processes).
2. Post-Implementation monitoring (PIM) of completed sub-projects which focuses on the quality of completed sub-projects (how well they are designed and constructed) and sustainability (the community has adequate arrangements for operations and maintenance).
3. Program Evaluation provides a more in-depth assessment of development outcomes and impacts, the effectiveness and efficiency of implementation (institutional arrangements, policies, procedures, and management systems).
4. Community Participatory Monitoring (CPM) seeks to involve key project stakeholders with special focus on target group (communities) more actively in assessing and reflecting the progress of their project and in particular the achievements of their results and proposing solutions for deviations and problems based on local realities

In addition to monitoring results, NSP Management and the FPs are responsible for tracking program activities and inputs. Program activities are specified in work plans and include the coordination, technical assistance, training, procurement, and other tasks undertaken by program implementers.

## **10. Financial Management**

10.1. NSP financial management department focuses on two primary roles. The first is the overall execution of detailed financial management tasks, including accounting, periodic reporting, establishment of appropriate internal procedures and controls. The second relates to the disbursement of block grants to eligible sub-projects of communities between minimum US\$ 5,000 and max. US\$ 60,000 per community.

10.2. For accounting purposes, the government's budgeting and accounting systems are used. The project follows standard Afghan government financial management policies and procedures, including using the Chart of Accounts developed by the Finance Ministry to record all project expenditures.

## 11. Budget

11.1. **Overall NSP Financial Overview** (for the period: September 2012 till September, 2015).  
Amount in US\$ million

Phase	Required	Received	To be Received	Commitment for 1392 (2013)
NSP I	430	430	0	
NSP II	700	700	0	
NSP III	1,436	550	886	260
<b>Total</b>	<b>2,566</b>	<b>1,680</b>	<b>886</b>	<b>260*</b>

\*The USD 260 million includes the commitments of Bilateral donors for 1392 (2013).

## 12. Budget

12.1. **Overall NSP III Requirement for Herat, Ghor, Bamyan** (for the period January 2013 till September 2015).

Components	US\$ million	In %
Block Grant to Communities	26.6	70
Facilitating Cost including trainings	7.6	20
Management Costs	3.8	10
<b>Total</b>	<b>38</b>	<b>100</b>

**Attachments:**

- 1- NSP III PROGRAMME DOCUMENT AND ANNEXES
- 2- NSP FINANCIAL MANAGEMENT MANUAL
- 3- NSP OPERATIONAL MANUAL VI
- 4- NSP STATUS REPORT IN THE THREE SELECTED PROVINCES AS OF 20 SEPTEMBER 2012
- 5- NSP OPERATION AND BUDGET PLAN FOR 1392, 1393, AND 1394 IN HIRAT, BAMYAN AND GHOR PROVINCES
- 6- PROVINCIAL PROFILES OF HIRAT, GHOR AND BAMYAN