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UNDP – AFGHANISTAN

STRATEGY FOR SUBNATIONAL GOVERNANCE AND DEVELOPMENT

Final Draft

October 2013

ACRONYMS

AIRD	Afghanistan Institute for Rural Development
ASGP	Afghanistan Subnational Governance Programme
ASI	Adam Smith International
ASOP	Afghan Social Outreach Programme
CBO	Community Based Organisation
CBRF	Capacity Building Reform Project
CDC	Community Development Council
CO	Country Office
CSO	Civil Society Organisation
CTA	Chief Technical Advisor
DCC	District Coordination Council
DDA	District Development Assembly
DfID	Department for International Development
DG	District Governor
DGO	District Governor's Office
EQUIP	Education Quality Improvement Project
GIRoA	Government of the Islamic Republic of Afghanistan
IDLG	Independent Directorate of Local Governance
IEC	Information, Education and Communications
IP	Implementing Partner
LG	Local Governance (or Local Government)
LGAF	Local Governance & Accountability Facility
MoF	Ministry of Finance
MBAW	Making Budget and Aid Work
MP	Member of Parliament
MRRD	Ministry of Rural Rehabilitation and Development
NABDP	National Area Based Development Project
NDI	National Democratic Institute
NGO	Non-Governmental Organisation
NPP	National Priority Programme
NSP	National Solidarity Programme
PC	Provincial Council
PDC	Provincial Development Committee
RAMP-UP	Regional Afghan Municipality Programme for Urban Population
SN	Subnational
SNG	Subnational Governance (or Subnational Government)
UNAMA	United Nations Assistance Mission in Afghanistan
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme

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PREFACE

This document outlines the strategy for subnational governance and service delivery for peace in Afghanistan, which has been adopted by the UNDP Country Office.

This strategy was prepared in close consultation with key GIRoA policymakers and officials, with development partners active in this thematic area as well as representatives from Afghan civil society. It aims to provide a strategic direction and a framework to guide future programme development and policy advisory support by UNDP in the area of subnational governance and service delivery over the next 5-8 years, through and beyond the transition. In this regard, several points should be stressed:

- This report is not itself a programme document. The definition of the many details in regard to activities, geographic locations, institutions, partners, timing, resources and costs, management arrangements and implementation modalities etc., must await the preparation of programme documents for the two proposed Pillars in the months ahead and will also require more in-depth understanding of some key issues.
- The strategy outlined in the report responds directly to a number of concerns raised – and proposals made - by the recent “Programme Coherence” mission in regard to UNDP’s support to subnational governance in Afghanistan.
- While this report certainly builds on achievements of and lessons learned from UNDP’s current projects in this thematic area (primarily ASGP, NABDP, APRP), it is emphatically not an evaluation of these projects.
- Lastly, in adopting this strategy UNDP is keenly aware of the many risks and uncertainties which lie ahead in Afghanistan. Recognising this, a key element in the strategy here presented is the risk analysis, which outlines the major risks foreseen, their likely impact, and possible mitigating measures. But at the end of the day UNDP recognizes that close monitoring of events as they unfold and flexibility in changing the strategy and any operationalization will be critical for any chance of impact.

Kabul, October 2013

RATIONALE FOR THE PROGRAMME STRATEGY

THE CHALLENGES

A WEAK SOCIAL CONTRACT

State-building efforts in Afghanistan are jeopardised by a widespread insurgency which impacts very negatively on the lives and the welfare of ordinary Afghans and on government access to – and public service delivery in - many districts. While the insurgency has multiple causes¹, in large part it reflects pervasive mistrust in state institutions. The cement which forms the social contract between the government and the society is extremely fragile. The weakness of the social contract stems from several factors:

- People's unmet expectations have led to deep-seated frustrations: on the one hand, the massive engagement of the international community has led Afghan society to form unrealistic expectations; on the other hand, the limited government capacity to respond to this demand has deepened the gap and further weakened state legitimacy, especially in the rural areas.
- The government's inability to respond to grievances from constituents or to facilitate conflict resolution and maintain law and order has further frustrated Afghans who rightly believe that this core government function can be performed even with limited financial resources.
- The weakness of political representation mechanisms and political parties, and the lack of authority of elected bodies, the lack of access to information at the subnational level and the low capacity of civil society organisations (especially outside of main urban centres) have all prevented Afghan society from holding the government accountable.

These various structural causes to fragility need to be addressed to restore the population's confidence in the state – and also simply to promote basic service delivery. This is all the more urgent as the “transition” process risks further aggravating the situation: the withdrawal of international troops from all provinces of the country will be accompanied by a significant decrease of international aid directly spent (if not always wisely) at the provincial and district levels. The funding gap will certainly be felt by a majority of the population and could further fuel conflict.

Local governance remains for the vast majority of men and women, the most accessible level of engagement with public authority and state institutions. In Afghanistan, this suggests that the local level of governance and the services need to become a more prominent entry point for state-building and peace-building efforts. There is clearly a need for long-term engagement in this area. This strategy sets out a roadmap for engaging in local governance and local development in Afghanistan.

¹ UNDP recognises the variety of causes of the insurgency and the multiplicity of conflicts in Afghanistan. It is also understood that UNDP programmes can only have a limited impact in the peace-building process. This section limits itself to analysing the causes of insurgency that can be addressed through local governance programmes.

A WEAK, UNRESPONSIVE STATE

General Problems

There are several general problems underlying the weakness and unresponsiveness of the Afghan state, which feed the vicious circle outlined above:

A political party system, which is often driven more by clan/kinship, factional and patronage interests than by considerations of national interest and development. Relatedly, the weak and fractious nature of the National Assembly has acted as a brake on the passage of legislation on key issues, and on the effectiveness of parliamentary oversight of the executive.

A decade of dependency on international donors who have earmarked a large majority of their assistance, very often based on political considerations, and largely kept this off-budget, has greatly undermined the sovereignty and discretion of government, and its accountability to Afghan population, and has greatly compromised the integrity of public expenditure management and the quality and geographic equity of public service delivery. The duplication of support and the inequitable resource allocation has also created parallel systems and resentment.

While civil servants' capacity has increased over the past ten years, there remain great disparities across the country. Although recruitment practices have become more transparent and a merit-based appointment introduced, there remains an issue in terms of favouritism (patron-client relationships). Furthermore, remote and / or insecure districts face considerable challenges to attract and retain capable staff. Another critical issue here is the gender dimension of the workforce at subnational level. There are few women in both the civil service as well as the representative organisations at this level.

The Issue of Centralisation and Weak Subnational Institutions

Aside from these more general problems, there are specific problems deriving from the weakness of state institutions at subnational level, the highly centralised nature of state-funded public service delivery, and the very limited interactions with civil society. One of the key issues is the concentration of decision-making power and budgeting authority at the centre leaves very little space for provinces to have their priorities reflected in the planning and budgeting process. In addition, due to weak downward flows of information, provinces are often unaware of national priorities or strategies. Government provision of the various public (social, economic, administrative, judicial) services and basic infrastructure is highly centralised², with most decisions made - and most resources managed - in Kabul, far from the point of delivery. The current Provincial Development Plans and Provincial Strategic Plans that outline the priorities of the Provinces are not systematically implemented, as the provinces do not all have any budgets to plan against. These plans do not take the dynamics of the province into account but are technical documents. There is no systematic data collection to inform them. Initial steps have been taken to address this issue through the provincial budgeting pilots.

In addition, there are further issues that also need to be considered at the subnational level. Local representative bodies are weak, greatly limiting the scope both for voice of the

² The very substantial volume of infrastructure and services delivered by PRTs at Provincial level over the past decade, though apparently "decentralised", has been essentially a parallel – and highly problematic and uneven - system.

population and for downward accountability, and for oversight of the local executive departments delivering service.

At Province level, the elected Provincial Councils do not have sufficient authority or capacity to hold the Provincial executive to account, and checks and balances to prevent the executive from abusing power are weak.

At District level, where the Constitutional provision for elected councils has not yet been implemented, there has been a mosaic of quasi-representative bodies established under different donor programmes (the DDAs of NABDP, the DCCs of SPAD, the ASOP Councils, etc.). These bodies have certainly played an important developmental role, but have suffered from problems of overlap, differing terms of reference, etc. There is now new draft legislation, which sets out the District Coordination Councils.

At Municipality level, where elected municipal councils have not yet been formed, the role is carried out by the Municipal Advisory Boards.

At Village level, where similar Constitutional provisions for elected councils have also not yet been implemented, although the CDCs have played a critical role in local collective action for development.

Interaction between subnational Civic Groups and SN government is limited. A further problem lies in the limited engagement between SN government bodies and civil society and the population. This relative disconnect stems both from lack of guidance to subnational Civic Groups³ on how to engage with SN governments, but – equally – from the fact that, currently, un-resourced, un-empowered SN governments do not always engage the civil society extensively in decision making. Afghan Civic Groups suffer from a trust deficit as they lack capacity to engage in a constructive manner. Some organisations also suffer from weak representation, low quality work and nepotism. In addition, in Afghanistan, Civil Society Organisations (CSOs) are sometimes more like business contractors who do not represent a constituency. Worldwide, effective subnational governance is seen to require a productive interaction with such non-state bodies, whereby:

- a. Civic Groups can help articulate the demands, needs and priorities of all segments of society, including those traditionally marginalised or vulnerable, and help feed these into SNG policies, plans and budgets.
- b. Civic Groups can mobilize communities to come together to define local solutions to local problems and establish partnerships with the government to implement them.
- c. Conversely, Civic Groups can also play a key watchdog role, helping to hold SN governments to account, monitoring their service delivery.
- d. Communities and Civic Groups also need to have their capacity built into order to be able to constructively engage with the subnational authorities both through CSOs and as individuals. This engagement is crucial to rebuild the social contract.

The roles and responsibilities of the line ministries, provincial and district governors in the delivery of services and the accountability relationships are not clear. There are different laws that outline these relationships but the civil servants and the population on the ground are often not aware of these different legislations.

³ CSOs include NGOs but also youth movements, women organizations, private sector actors, ulemas and religious leaders, elders, etc.

THE OPPORTUNITIES

An Emerging Subnational Framework to Build on ...

While development partners cannot hope to address the range of problems underlying the weakness of the state, which are outlined above, there is an important set of opportunities to address the subnational tier of government and public delivery capacity.

Some of the groundwork of subnational government has already been laid down⁴. Provincial and district civil servants have terms of reference and basic training, and deliver (if often only minimal) social and administrative services throughout most of the country; they use basic systems to plan, implement projects and report on progress to the central government with various utilisation rates. There is a system for coordination among line ministries at the subnational level, the Provincial Development Committee, which should produce yearly plans under the leadership of the provincial governor. Provincial Council (PC) elections have already taken place twice. PC members, including women councillors, are able to conduct basic monitoring. Finally, most provincial municipalities can now generate revenues and are engaged in prioritising investments.

Importantly, there has been a more recent series of initiatives which, taken together, constitute an opportunity to further develop a framework for more accountable subnational governance and some degree of decentralisation⁵ and a more balanced distribution of service delivery responsibilities – and concomitant resources – between centre and subnational levels.

In 2010, after many years of policy ambiguity, GIRoA ratified a policy statement outlining its vision for subnational governance. Although lengthy, and not always consistent or clear on some key issues, this did constitute a key first step⁶. Building on this, GIRA has in 2012 further articulated its subnational policy priorities – and a detailed plan to achieve them - in two national priority programmes (NPPs)⁷ and in the Subnational Governance Policy Implementation Plan⁸.

The confusion over governance entities at the critically important district level has been addressed through a major agreement between IDLG and MRRD, through which they will cooperate to establish and support District Coordination Councils (DCCs), as the sole mandated representative body, as interim solution before District Council elections. The policy, operations manual and a roadmap have been developed by both ministries, although this remains to be approved at the Cabinet level.

The government is also drafting new bills, on provincial councils, local administration and municipalities, which aim to clarify roles and powers, and to enhance the oversight role of the Provincial Councils. These remain with the Cabinet to be approved.

⁴ A good part of this has been achieved thanks to UNDP support, through ASGP.

⁵ In this report the term decentralisation refers generically to all variants: de-concentration, devolution and delegation.

⁶ The development of this policy statement must partly be credited to early UNDP support to IDLG through ASGP.

⁷ The Local Governance NPP (as part of the Governance cluster) and the Local Institutions NPP (as part of the Agriculture and Rural Development cluster)

⁸ A plan from the Independent Directorate for Local Governance (IDLG)

The two key central government institutions (IDLG and MRRD) have instituted important internal reforms to enable them to better drive, oversee and monitor implementation of SNG policy and the two NPPs, and to support the SNG institutions under their respective authority. The MoF – in concert with IDLG and with the World Bank – has begun to institute important reforms which will allow some degree of de-concentration of the recurrent and development budgets to Provincial line departments - an essential step for any meaningful local involvement in setting budget priorities. The policy will be developed with key partners by the end of 2013.

... And Prospects for Greater State Legitimacy

Two further contextual opportunity factors likely contributing to broader legitimacy of the Afghan state are also worth underlining.

An important opportunity resides, paradoxically, in the expected sharp decrease in external assistance after 2014. While the ending of aid flows through the PRTs will certainly cause problems, there are also positive outcomes. The cessation of such a large resource flow mainly channelled off-budget, and allocated through various ad hoc, cherry picking mechanisms unconnected to government's own budget processes – and often causing major geographic inequities, further fuelling mistrust - will pave the way for much greater budget coherence and government accountability to the population.

Finally, and relatedly, since the Kabul Conference⁹, the Government of Afghanistan has increasingly demonstrated its political will and its capacity to take the lead on development and governance. This national leadership is reflected in the quality of the policy and strategic framework that Government has set up during the last two years. Further, the *Inteqal*¹⁰ process, which restores the leadership of the Afghan government, also constitutes a formidable opportunity for applying the New Deal principles which recognise national leadership and transparency as critical for success in fragile states. The work at the subnational level should support all five of the Peacebuilding and Statebuilding goals.¹¹

RATIONALE FOR UNDP SUPPORT

A Match with UNDP's Mandate

These opportunities highlighted above do not, of course, translate automatically into a robust and accountable subnational governance framework for development and peace. However, they do provide both the rudiments on which to build such a framework in the years ahead (so long as the broader security context permits), and also steps from the central government ministries to start reforms in the executive and representative function at the local level. Both factors encourage support from UNDP and other partners.

It should be underlined here that the rationale for providing such support is:

- Resilience building. Significant emphasis will be directed towards longer-term efforts to deepen the responsiveness of governance and ensure more resilient societies able to input. Key governance issues will be oversight, transparency of public accounts, improvements in public administration, and reinforcement of local governments to deliver

⁹ July 2010

¹⁰ The *Inteqal* process is the transition process, co-led by the ISAF and the Afghan government, which consists in withdrawing international troops and placing the Afghan government in the driving seat for ensuring security and delivering governance and development.

¹¹ The five Peacebuilding and Statebuilding Goals are: Legitimate Politics; Security; Justice; Economic Foundations and Revenues and Services.

basic services, working with the non-governmental and private sectors to increase the legitimacy of the government. Building resilience of societies, particularly by strengthening their capacity to adapt and cope, should reinforce their self-sufficiency.

- Pro-poor public service delivery and development. Greater local control of the financing, planning, management and oversight of – and greater local accountability for – (i) basic social services such as education, health, social protection, water-sanitation, etc., and (ii) other judicial, policing, and administrative public services such as basic law enforcement, conflict resolution, or issuance of birth certificates and ID cards is essential if they are to be more equitably, efficiently and accountably delivered in the highly variable local contexts of Afghanistan, where centrally-driven standard programmes are simply inappropriate. Continued failure in this area will severely compromise poverty reduction and development in the poor, rural areas of Afghanistan and undercut any chance of attaining the MDGs, which are critically dependent on these various public services. Building trust between the population and the government is not only manifested between the delivery of goods and services but more actively in the way that these goods and services are negotiated, how they are accessed and who delivers them. Conflict sensitivity should be an integral part of the planning and implementation. Fragility and crisis represent major challenges to the legitimacy of state and societal institutions and the allocation of resources can become a trigger for escalating tensions.

This two-fold agenda squares directly with the UNDP mandate.

Building on UNDP's Accomplishments and Advantages – but Recognising Need for Change

UNDP works on local governance and peacebuilding in a wide variety of contexts across the world. This is reflected in the recent UNDP Strategic Plan that prioritises both areas of support.

UNDP has a recognised comparative advantage in working with GIRoA in addressing this subnational agenda, with other partners. Through its privileged access to policy-makers, its long-term partnership with key government institutions (including networks across the provincial and district levels), and its corporate expertise on institutional and human capacity development, UNDP is well placed to contribute to the implementation of the NPPs related to subnational governance.

UNDP's two principal projects in the SNG arena have achieved a great deal (several of the achievements have been noted above¹²). But the findings of recent UNDP strategic and coherence reviews, allied with the major opportunities outlined above, argue strongly for adoption of a renewed strategic direction to support subnational governance and development.

¹² In-depth evaluations of ASGP and NABDP will be carried out of both projects in Quarter 4 of 2013.

PROGRAMME STRATEGY

OVERVIEW OF THE STRATEGY

By addressing the challenges and seizing the opportunities outlined above, the goal is to help build the accountability, inclusiveness and responsiveness and – ultimately – the legitimacy of those subnational state institutions, far from Kabul, which constitute the only interface of the state with which the great majority of Afghans can hope to interact.

The approach focuses on the population and the services they will receive rather than the administration. There is an urgent need in Afghanistan to concentrate on service delivery and peacebuilding as the main core function. This strategy is as much about peacebuilding as delivery; the administrative functions and civic capacities built will support these two aims.

This strategy proposes a focus on the ultimate aim of ensuring service delivery. In order to deliver services effectively, transparently and in a participatory manner, the following core government functions and capacities among representative bodies will be focused on at the different levels:

1. Conflict sensitive participatory planning and budgeting,
2. Monitoring by relevant government bodies and civil society; and
3. Peacebuilding capacities.

To this end, the strategy aims to build on the opportunities inherent in the emerging and more coherent subnational institutional and financing/budgeting framework, outlined above. There are two mutually reinforcing pillars to the programme strategy:

- **Pillar A – Building Capable and Responsive Subnational State Institutions for service delivery.** This programme pillar aims to promote the capacities of subnational executive state institutions at Provincial, District and Municipal levels, ensuring more involvement of women, as well as at the national level insofar as central government institutions facilitate subnational governance, to provide basic services in an inclusive and responsive manner. This pillar may be conceived as promoting the “supply” of good, conflict sensitive local governance and service delivery. Applying a Human rights-based approach to this strategy, this pillar captures the obligations of the “duty-bearers”.
- **Pillar B – Empowering the population, subnational civic groups and subnational elected bodies to hold SN governments accountable, ensuring peacebuilding and inclusion.** This programme pillar aims to ensure that the population, representative bodies, civil society associations and civic groups have the ability to engage with, to influence and to hold subnational state institutions to account for the effectiveness, quality and equity of public service delivery. This pillar will ensure that marginalised and vulnerable groups are part of prioritising and monitoring service delivery. This pillar may be conceived as promoting the “demand” for good local governance and service delivery. In reference to a Human Rights-based approach to development, this pillar represents the interests of the “claim-holders”.

Pillars A and B, by virtue of their very different institutional focus and logic, will need quite different modus operandi and it is envisaged that several projects will be required to deliver expected results. However, it is important that the implementation of Pillar A and B goes hand in hand as capacity building for enhanced service delivery and articulation of needs / confidence building measures are interrelated.

As key third element to the strategy, the UNDP Country Office will engage pro-actively in Policy Advocacy and Advisory activities on issues of Subnational Governance and Service Delivery, leveraging the lessons and the evidence emerging from these two programme pillars. This is spelt out in more detail in a later section.

Figure 1 below provides a schematic illustration of the strategy.