"The Road from Emergency Employment towards Integrated Rural Access"

Re-orientation of the Afghanistan National Emergency Employment Program to the Rural Access Program

November 2006
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ABBREVIATIONS & ACRONYMMS

ACC  Afghan Conservation Corps
ANA  Afghan National Army
ARTF  Afghan Reconstruction Trust Fund
ASP  Afghan Stabilization Program
CDA  Capacity Development Advisor
CDC  Community Development Council
CSO  Central Statistics Office
CTA  Chief Technical Advisor
DDR  disarmament, demobilization, and reintegration
DFID  Department for International Development (United Kingdom)
EC  European Commission
ECEPWP  Emergency Community Empowerment and Public Works Program
GOA  Government of Afghanistan
GIS  global information
IA  implementing agency
IAA  interim additional allowances
IANDS  Interim Afghanistan National Development Strategy
IDA  International Development Association
IDP  internally displaced person
ILO  International Labor Organization
IOM  International Organization for Migration
IP  implementing partner
JPMU  Joint Program Management Unit
LIWP  Labor-intensive works program
LSP  Livelihoods and Social Protection
MAC  Ministerial Advisory Committee
MCN  Ministry of Counter-Narcotics
MIS  Management Information Systems
MISFA  Micro-finance and Investment
MIWRE  Ministry of Irrigation, Water Resources, and Environment (now Energy and Water)
MPW  Ministry of Public Works
MRRD  Ministry of Rural Rehabilitation and Development
MSA  Management Services Agreement
MT  metric ton
MUDH  Ministry of Urban Housing and Development
NABDP  National Area-based Development Program
NRAP  National Rural Access Program
NDF  National Development Framework
NEEP  National Emergency Employment Program
NEEP-1  National Emergency Employment Program Phase 1
NEEPRA  National Emergency Employment Program for Rural Access
NEEP-RAL  National Emergency Employment Program for Reintegration and Alternative Livelihood
NGO  nongovernmental organization
NPP  National Priority Program
NSP  National Solidarity Program
NRVA  National Rural Vulnerability Analysis
NVP  National Vulnerability Program
PDCU  Program Development and Coordination Unit
PIP  Public Investment Program
PMA  provincial management advisor
PMU  project management unit
PRA  Poverty Rural Assessment
PRR  Priority Reform and Restructuring
PSIB  programmatic support institution building
PTA  provincial technical advisor
RITS  Rural Infrastructure and Technical Services
TA  technical assistance
TISA  Transitional Islamic State of Afghanistan
TOR  terms of reference
UNOPS  United Nations Office for Project Services
UNHCR  United Nations High Commission for Refugees
USAID  United States Agency for International Development
VAU  Vulnerability Analysis Unit (of MRRD and CSO)
WB  World Bank

GLOSSARY

Afghani / Afs.  Official Afghan currency; 50 Afs = US$1
Koi kar  Force-account delivery arm of MoPW
Kutchi  Nomadic tribes of Afghanistan. In Dari the word Kutchi means nomad, or “person who moves.”
Shura  Local/community council
EXECUTIVE SUMMARY

NEEP/NRAP has helped to maintain minimum standards of welfare, enhanced rural infrastructure and connectivity, and provided an invaluable umbrella framework to support the coordination of numerous bilateral projects. Additionally, the program has facilitated partnership among key stakeholders and is continuing to address their capacity-building needs. Developed at a time when very little information was available on rural poverty, it has benefited from experiences and lessons learnt over the last four years. To strengthen the program and ensure that an integrated approach to poverty reduction through social protection and rural roads sustainable and the infrastructure is maintained, a continuing effort needs to be made to strengthen local institutional capacity.

THE NATIONAL EMERGENCY EMPLOYMENT PROGRAM (NEEP) AND ITS REORIENTATION TOWARDS THE NATIONAL RURAL ACCESS PROGRAM (NRAP)

Afghanistan is one of the poorest countries in the world, and its social indicators rank at or near the bottom among developing countries. Decades of political instability and conflict have undermined the development of modern and democratic structures of governance, markets, and community. Large-scale formal unemployment, reportedly as high as 50 percent in Kabul and even higher outside the capital, is a significant aspect of the developmental challenge.

The Transitional Government launched the National Emergency Employment Program (NEEP) in 2002 as one of four National Priority Programs designed to provide targeted social protection for vulnerable groups throughout the country. The original NEEP rationale was as: “....the main instrument for the reconstruction and development of the country’s rural access infrastructure, which also provides a safety net to the rural poor through the provision of short-term employment opportunities.” In the first year of implementation, the government spent US$28 million on NEEP, and the following year raised this allocation to about US$65 million, reflecting the importance of the program and the degree of government commitment to it.

When NEEP was designed, few data were available on poverty in Afghanistan, because the country had been in conflict for decades and its institutions were not equipped to collect the needed data or do research. In the course of implementing the program, changes in approach have been made in the light of experience and as new survey data have become available.

After a review of the initial experience, the activities under the NEEP umbrella were reoriented in early 2005 and the program evolved into the National Rural Access Program (NRAP). NRAP emphasizes empowering rural people by taking an integrated approach to poverty reduction through the building of rural access that will empower the poor as accessibility in itself is not desirable but for the benefits it being to the poor. The building of infrastructure that improves their access to economic and social opportunities, health services, and education facilities will therefore be prioritized. Though NRAP a more integrated approach will be take to make use of both labor-based and labor-intensive technologies. And so
in a sense NRAP is reducing but not eliminating the emphasis on employment creation or social protection mechanisms than was the case in NEEP.

Since its establishment, NEEP/NRAP has been implemented through four major projects assisted by the World Bank. This paper provides an institutional record of the implementation experiences of the four projects and evaluates the impact on community members thus far.

**PROJECTS WITHIN THE NEEP/NRAP FRAMEWORK**

- The *Labor-intensive Works Program* (2002-04; IDA funding $16.4 million) provided employment in rural areas at a minimum wage, as a safety net, through the sustainable rehabilitation of irrigation capacity and provincial and district-level roads.

- The *National Emergency Employment Program Phase 1* (2003-8; Afghan Reconstruction Trust Fund funding $16.6 million) assists the government in providing employment in rural areas at a minimum wage, as a safety net, to as many people and in as short a time as feasible.

- The *National Emergency Employment Program for Rural Access* (2003-07; IDA funding $39.2 million) assists the government in providing targeted social protection and improving key rural access infrastructure, for improving the livelihoods of the rural poor through: (i) emergency short-term employment on labor-based subprojects; and (ii) technical assistance for the implementation of NEEP. The project also seeks to repair key rural access infrastructure and assist the government in mobilizing donor support for NEEP.

- The *National Emergency Employment Program for Reintegration and Alternative Livelihood* (2004-08; Japan Social Development Fund Grant, $19.6 million, administered by World Bank) supports the reintegration of ex-combatants into society and also contributes to the government’s Alternative Livelihood Program in opium poppy producing areas. It seeks to create opportunities for employment and development of vocational training and business management skills for the beneficiaries.

In addition to funds provided by IDA for programmatic support institution building (PSIB), NEEP/NRAP has received funds from sources including the UK Department for International Development, the US Agency for International Development, and the Afghan Government, which are channeled through PSIB and the Afghan Reconstruction Trust Fund (ARTF).

The lead ministry for NEEP is the Ministry of Rural Rehabilitation and Development (MRRD), in partnership with the Ministry of Public Works and the Ministry of Irrigation, Water Resources, and Environment. At the community level, community development councils and shuras (local community councils) play important roles in the selection of subprojects and workers. To implement a program as large and complex as NEEP, the government recruited implementing partners—the UN Office of Project Services (UNOPS) and the International Labor Organization—to ensure the smooth implementation of works as well as for capacity development within ministries.

**LEARNING FROM EXPERIENCE**

*Subproject selection*

The subproject selection in the initial phases of NEEP was based on Afghanistan’s Provincial Planning Exercise of 2002. The district governments liaised with district shuras to compile prioritized short-lists of four development interventions that could be implemented in each village. The short-lists
were then collected at the provincial level and finally at the center, where subprojects were selected based on their technical and financial feasibility.

This selection process had several disadvantages. First, it yielded a list of subprojects that reflected community preferences but did not necessarily strengthen the connectivity of the road network within Afghanistan. Second, though it was carried out country-wide, it reached only those communities that could already be easily accessed, so the resulting fund allocation did not necessarily reach the most vulnerable parts of Afghanistan. Third, the actual selection of subprojects mirrored the pressures that the government faced in establishing control over a divided country—such as the need to establish its credibility in provinces where central control was weak, and the need to allocate resources equitably among provinces.

Under the revised structure of NRAP, subprojects were identified through a new Provincial Planning Exercise (2004) that emphasized the poorest provinces, particularly those stricken by drought. The government is now able to rank provinces based on their vulnerabilities, and thus to focus investments towards the poorer and more vulnerable parts of Afghanistan. Other criteria used to identify appropriate subprojects include population and accessibility, the applicability of labor-based technologies, technical and financial feasibility, economic criteria, and traffic counts. An additional resource that can be leveraged in the near future is the GIS data being collected by monitoring and evaluation teams in accordance with the National Risk and Vulnerability Assessment (NRVA).

**Wage rates**

At first NEEP relied on a low but flat-wage rate to make the program self-targeting. It sought to set the wage rate low enough to attract only those workers who really needed work. Though the wage offered was intended to approximate the going rate for unskilled labor, seasonal and regional variations in market wages, labor supply, and income-generating activities made this approach difficult to apply. For example, NEEP activities in most regions could be implemented only in the summer, when they competed with existing job opportunities such as in construction and agriculture. In some areas, NEEP activities could be continued during the winter, but in many the work sites became completely covered with snow.

Using the wage rate selection process, the program also found it difficult to attract the participation of excluded groups such as women, disabled people, and Kutchi (nomadic tribes of Afghanistan). Most of the workers who participated were able-bodied men. Getting women to participate in NEEP subprojects was particularly difficult because of cultural norms, traditions, and the hard physical labor often required of workers in the subprojects. Women do work outside the home in some parts of Afghanistan and their wages are usually about half those of men. While further effort is needed to increase their participation, there is a growing realization that Afghan women can take part in construction-related activities as long as the activities are pragmatically and innovatively designed.

In addition, the flat wage rate originally used did not allow workers with different productivity levels to be remunerated accordingly. Under NEEPRA and NEEP-RAL, however, productivity-based wages have now come to be accepted among the project beneficiaries, after some teething problems.

**Changed approach to labor selection**

As more data have become available over the years, a shift has been made towards targeting groups, rather than individuals, that have a high incidence of poverty and vulnerability to external shocks. The program now pays local market wage rates and uses administrative targeting of workers from poor households.
NEEP’s labor selection process for labor-intensive subprojects was originally carried out by community development councils or shuras. Though the program designers’ intention had been to reach the workers from the poorest households, the councils actually made the selection on a rotational basis to allow all households to participate equally. This meant that the program in practice operated more as a community service to get an asset built than as a safety net. Moreover, the practice of rotating workers in and out of the program limited not only the number of days of work but also the amount of income that an individual could receive, further lessening the program’s chance of providing a meaningful safety net.

A trend that was initiated under NEEP-I and NEEPRA and carried forward to NRAP is the use of wealth rankings that identify the poor within a village for work on the subprojects. The wealth rankings are produced by communities, reflecting their perceptions of poverty. This practice draws on participatory rural appraisal techniques, promotes ownership and transparency in recruitment, and enhances local awareness of the program. Even so, experience shows that monitoring and auditing are needed to prevent elite capture of project implementation. In communities where poverty levels are high, these methods carry a risk of bias, corruption, and intimidation.

**ROAD MAINTENANCE**

NEEP/NRAP has given priority to rehabilitation and reconstruction, but to maintain Afghanistan’s rural infrastructure and ensure the benefits and the investments in this sector are sustained, there is an urgent need to ensure funding, restore and further develop systems, procedures, and organizational structures for maintenance. Investments in road maintenance and all-year access maintenance will be mainstreamed into project design, and NRAP will have a separate component for road maintenance through greater involvement of communities.

Experience has shown that maintenance activities have the potential to facilitate social protection in NRAP partner communities, if maintenance contracts are awarded to the shuras or community development councils (CDCs) in communities where the program operates for extended periods and/or over the winter months, depending on the technical needs of the project. Such contracts could also provide year-round employment to some community members while generating year-long and sustainable rural access benefits to the rural poor.

**CURRENT ISSUES**

**Role of implementing partners and agencies:** A transfer of implementation capacity to the Afghan Government and a gradual phasing out of the international support provided by the implementing partners is beginning to take place. MRRD is gradually internalizing key government functions that it has thus far outsourced. Simultaneously, national rural reconstruction programs including NEEP/NRAP are transitioning into more stable long-term rural development programs with the purpose of delivering a clear rural development policy. Such a policy has not existed before, although parts are now being articulated.

To strengthen the program as a whole and ensure that the poverty reduction initiatives are sustainable, a continuing effort needs to be made to strengthen local institutional capacity. Roles and responsibilities should not be transferred from the implementing partners to the implementing agencies until delivery mechanisms can be sustained and local institutions are accountable and transparent.

**Community participation:** The promotion of labor-intensive works programs and the active participation of shuras, CDCs, and community members in the programs are crucial for effectiveness. Community priorities should be reflected in design and implementation through inclusive and transparent
mechanisms. Further, the program needs to ensure the inclusion of vulnerable groups in projects through innovative and longer-term initiatives that take into account traditional cultural norms that are especially restrictive for women.

**Monitoring & evaluation**: To guarantee effective program implementation and decision making, the systems to monitor and evaluate the impact of the program need to be strengthened. The M&E effort should seek to evaluate the impact that better access has on the lives of rural poor and vulnerable groups as well as to assess the quality of rural roads being built.

**Building access and connectivity**: So that projects are not implemented in an ad hoc manner, the selection of subprojects needs to focus on the goal of providing rural access as well as district-to-district connectivity. And to approach poverty reduction holistically and ensure complementarities in project interventions, links with other development programs such as the National Solidarity Program and the Microfinance and Investment Services for Afghanistan should be established for information-sharing purposes.

In implementing NEEP-RAL, the major challenge for MRRD and UNOPS is to establish a secure peace. Concerns over the definition of ex-combatants are becoming increasingly apparent. The project’s focus is on demobilizing and reintegrating individuals who were part of the *mujahideen* or militias during the time of the Taliban and who subsequently joined the Afghan National Army or Ministry of Defense. With the restructuring of the ANA and the MoD, these soldiers and officers are being laid off. Although they belonged to different armed groups at different times, they have always fought to defend Afghanistan. They view RAL as being for ex-combatants who have been fighting against Afghanistan, and hence they find it very difficult to be asked to leave the MoD and register for RAL.

**CONCLUSIONS**

Given the decades of conflict, acute vulnerability in Afghanistan’s rural areas, and the capacity constraints of key stakeholders, NEEP/NRAP’s achievements are substantial. But assessments by the government and by donors have found the program to be more successful in building access through rural roads and generating employment than in providing a targeted safety net for vulnerable groups.

The program has achieved wide coverage of poor households: around one fifth of the rural population, coming from all provinces of Afghanistan, participated in various cash-based labor-intensive public works programs during 2002-03, and most of these workers were from households at or near the poverty line. Since 2002, LIWP, NEEP-1, NEEPRA, and NEEP-RAL have together provided more than 12 million labor days of minimum-wage employment. The projected delivery cost to the government is USS4-5/labor day of employment provided. This compares favorably with the costs of similar programs in other post-conflict countries, and is much lower than the cost that was anticipated at the beginning of the program.

But while NEEP provided a cash injection, it has not provided a very meaningful income transfer or an insurance function for participating households. Feedback from project beneficiaries showed that the work they did only lasted a few days and that they used most of the payments they received through NEEP to purchase basic commodities such as food.

Expectations that NEEP would disproportionately benefit the poor and vulnerable proved unrealistic, as the program’s performance has been welfare-neutral. The realities of implementing NEEP in conflict-affected Afghanistan were such that the program could not provide long-term income transfers for the chronically poor (families headed by women, the disabled, internally displaced persons). Nor was it able to respond sufficiently when shocks such as drought, floods, or earthquakes occurred.
The program's physical achievements are substantial. As of mid-2006, it had improved more than 8,000 km of rural roads, key remote airstrips such as in Chaghcharan, more than 10,000 running meters of cross-drainage structures (bridges, culverts, causeways), conservation works (seeding, nursery rehabilitation, and canal cleaning), and sundry other rural infrastructure. To achieve these results, NEEP/NRAP has implemented more than 1,500 subprojects executed by local contractors and shuras, while investing US$58.18 million in infrastructure assets. More than 80 percent of the allocations have been to rural access projects, which have provided substantial rates of return on investment.

Better rural access has directly affected the delivery of public services, access to health facilities, school enrollment, and economic opportunities—benefits that rural Afghans have lacked for many years. This report documents numerous instances of the effects of project-assisted roads on local communities and on traffic flows and costs. For example, a field visit to Guldara in the Central Region found that the number of vehicles on the roads has risen to 500 per day, up from 100. Vehicles previously used much longer alternative routes to access the district center. The new road enables communities to save time in transporting perishable produce from their lands and allows the operation of public buses.

Under NEEP-RAL, nearly 2,000 ex-combatants and rural poor have been trained thus far. The classroom training component of the program is nearing completion, and the quality of construction works and the overall implementation progress have been remarkable, given the task.

Today the level of experience and understanding in Afghanistan of rural poverty, and of what is needed to provide sustainable income and employment, is more sophisticated than when NEEP began. The underlying causes of poverty are understood to be numerous, and to call for programs that address poverty from various angles. Also, survey data suggest that most of the country's rural households live in or near poverty: 70 – 80 percent of the country's rural people are extremely poor, moderately poor, or vulnerable to falling into poverty. In such circumstances, targeting the extremely poor with welfare measures may not be the most efficient way to achieve a meaningful reduction in poverty, given the very limited resources available for public programs.
1. INTRODUCTION

By 2001, Afghanistan was one of the poorest countries in the world and its social indicators ranked at or near the bottom among developing and emerging economies. Decades of political instability had undermined the development of modern and democratic structures of governance, markets, and community. Large-scale formal unemployment, reportedly as high as 50 percent in Kabul and even higher outside the capital, was a significant aspect of the developmental challenge.

The collapse of the Taliban in November 2001, the signing of the Bonn Agreement, and the Tokyo Conference marked a turning point for Afghanistan after half a decade of war and disasters. From the outset, the hopes and ambitions of the new administration were combined with high expectations that substantial aid flows and sustained support by the international community would help to restore and rebuild a stable nation in a relatively short time. Stakeholders sought to rapidly increase the visibility of the Transitional Government throughout the country as an active agent of delivery of both humanitarian and development assistance, so as to reinforce its political legitimacy. They also recognized the importance of ensuring that resource allocation was based on transparently fair and equitable needs assessments.

These considerations drove the ambitious goal of establishing a nationwide emergency employment generation program based on building and maintaining labor-intensive rural infrastructure. The Transitional Government launched the National Emergency Employment Program (NEEP) late in 2002 as one of four National Priority Programs designed to provide targeted social protection for vulnerable groups. As well as generating employment and creating infrastructure, NEEP would, as a secondary objective, provide safety nets for the poor and vulnerable groups through employment in public works, and scale up program capacities throughout Afghanistan. The government was also committed to identifying innovative contract-based partnerships with nongovernmental organizations (NGOs) as implementing partners.

With central government in the driver’s seat, through budgetary control, NEEP’s immediate goal was to secure humanitarian and other emergency assistance from donors. Since its establishment, the NEEP program has been implemented through four major projects assisted by the World Bank: the Labor-Intensive Works Program, completed in 2004, and three ongoing projects: NEEP-1, NEEP Rural Access, and the NEEP Reintegration and Alternative Livelihoods Program.

After a review of the initial experience, the activities under the NEEP umbrella were reoriented in early 2005. Targeted interventions for the vulnerable poor were by-and-large left to other ongoing programs (such as the National Solidarity Program), while NEEP evolved into the National Rural Access Program (NRAP). NRAP’s goal is to provide rural roads to improve accessibility and stimulate growth; though the program makes use of labor-based technologies, providing employment is not its main goal.

This paper provides an institutional record of the implementation experiences of all the four World Bank-assisted NEEP/NRAP projects and evaluates the impact on community members of the improved rural access that the projects have provided. It is based on desk reviews of project documentation, supervision mission notes, field visits to communities in rural areas, and detailed discussions with project team members and staff involved in implementation based in Afghanistan.
Chapter 2 describes the program’s evolving objectives, structure, and implementation arrangements. Chapter 3 evaluates NEEP’s record in providing a social safety net, and Chapter 4 describes the arrangements for community participation in program decision making and the perceptions of community members about the program’s benefits. Chapter 5 describes the Reintegration and Alternative Livelihoods Program (NEEP-RAL), which has a similar theme to those of the other NEEP projects, but different dynamics and implementation arrangements from them. Chapter 6 reviews key findings and lessons learned, and Chapter 7 concludes.

THE NATIONAL DEVELOPMENT FRAMEWORK AND THE INCEPTION OF NEEP

In April 2002 the Transitional Government of Afghanistan proposed the National Development Framework (NDF) to respond to the destruction of basic infrastructure and mechanisms for service delivery, along with the widespread disruption and distortion of livelihoods. The NDF reflected the government’s development priorities and a development strategy based on three pillars:

- Humanitarian assistance and social policy to create conditions for people to live secure lives and to lay the foundations for the formation of sustainable human capital.
- External assistance to build the country’s infrastructure and develop natural resources that would lay the foundation for private sector-led sustainable growth.
- Development of a competitive private sector, to become both the engine of growth and the instrument of social inclusion, through the creation of economic opportunities.

The NDF provided a clear justification for public investment in the restoration and protection of human welfare, and it resulted in the prioritization of resources for immediate poverty reduction programs in Afghanistan’s early national development budgets (2002 and 2003).

The NEEP strategy was presented to the international assistance community and launched by the Government in April 2003. Responsibility for the preparation and execution of NEEP was assigned to the Ministry of Rural Rehabilitation and Development (MRRD) in partnership with the Ministry of Public Works (MoPW) and the Ministry of Irrigation, Water Resources, and Environment (MIWRE). MRRD was given leadership in line with its responsibility as lead ministry for the Livelihoods and Social Protection Public Investment Program. In the first year of implementation, the government spent US$28 million on NEEP, and the following year raised this allocation to about US$65 million, reflecting the importance of the program and the degree of government commitment to it.

PROGRAM RATIONALE AND CORE PRINCIPLES

The original NEEP rationale was as: “....the main instrument for the reconstruction and development of the country’s rural access infrastructure, which also provides a safety net to the rural poor through the provision of short-term employment opportunities.” The same overall core principles remain in place to date (November 2006), although as NEEP has evolved into the National Rural Access Program the emphasis on social protection mechanisms is now more limited (Table 1.1).

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1 Other partner ministries for the Livelihoods and Social Protection Public Investment Program were also expected to play a role in guiding the evolution of NEEP strategy and implementation.
2 NEEP JPMU, Strategic Framework and Work Plan SY 1384.
3 Transitional Islamic State of Afghanistan Strategic Framework and Work Plan (SY 1384), prepared by the NEEP Joint Program Management Unit.
4 NEEP JPMU, Strategic Framework and Work Plan SY 1384.
Table 1.1: Core principles of the National Rural Access Program Strategy

<table>
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<th>Accountability and transparency</th>
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Private sector-led development with the Government in a facilitating role

Resource allocations proportional to geographic (provincial) distribution of the rural population and adjusted with a composite provincial vulnerability index

Resource allocation takes already resourced projects into account

Equality in opportunity for the targeted population

Adherence to international labor standards and conventions

Setting wage rates at the level of unskilled agricultural labor in the agricultural slack season

Timing, location and size of activities designed to avoid competition for unskilled labor

Specific targeting through the selection of appropriate labor-based activities

Specific targeting through piece work and task work implementation modalities

Equality in opportunity for the targeted population

Adherence to international labor standards and conventions

Setting wage rates at the level of unskilled agricultural labor in the agricultural slack season

Timing, location and size of activities designed to avoid competition for unskilled labor

Specific targeting through the selection of appropriate labor-based activities

Specific targeting through piece work and task work implementation modalities

Quality and durability

Functionality

Available capacities for planning, implementation, and supervision

Competitive bidding in contracting works to private contractors or NGOs

Multi-year planning and resource allocation mechanisms linking physical planning and available resources

Planning, prioritization and selection of infrastructure schemes based on rational processes

Infrastructure works' life-cycle costs to be considered, including maintenance costs

Prioritization of still maintainable infrastructure including economic criteria and using objectively verifiable information.

Labor productivity as basis for costing infrastructure works and labor payment

Source: NEEP JPMU, Strategic Framework and Work Plan SY 1384.
2. FROM EMERGENCY EMPLOYMENT TO RURAL ACCESS PROVISION

This chapter outlines the program objectives, financing, contracting, and implementation plans and the changes made as the program shifted its overarching objectives from creating emergency employment to providing rural access. Table 2.1 summarizes how the development objectives of NEEP/NRAP evolved through the four projects and explains the implementation arrangements for the various individual projects.

Table 2.1: Project Objectives and Implementation Arrangements under NEEP/NRAP

<table>
<thead>
<tr>
<th>Objective</th>
<th>Implementing arrangements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide employment in rural areas at a minimum wage, as a safety net, through the sustainable rehabilitation of irrigation capacity and provincial and district level roads</td>
<td>US$3.5 million went to MRRD who used CARE as oversight consultant. Funds were used for building schools, roads, water supply systems etc.</td>
</tr>
<tr>
<td>Assist the government in providing employment in rural areas at a minimum wage, as a safety net, to as many people and in as short a time as feasible.</td>
<td>UNOPS was selected as the IP. Closing date extended from September 2005 to March 2008 for utilization of additional US$35 million funds. Funds were divided between MoPW and MIWRE as follows:</td>
</tr>
<tr>
<td></td>
<td>- MIWRE received US$3.472 million;</td>
</tr>
<tr>
<td></td>
<td>- MoPW received US$12.9 million for both Level-1 and Level-2 projects. US$2.3 million of the works allocation was implemented by MRRD for building of tertiary roads (both Level-1 and Level-2 projects).</td>
</tr>
<tr>
<td>Assist the government in providing targeted social protection, and in the improvement of key rural access infrastructure, for improving livelihoods of the rural poor in Afghanistan through: (i) the provision of emergency short-term employment opportunities for the poor on labor-based rural access infrastructure improvement subprojects; and, (ii) technical assistance for the implementation of NEEP. A secondary objective of the project is to repair key rural access infrastructure and assist the government in mobilizing donor support for its National Emergency Employment Program. The project will achieve this objective through labor-based rural access infrastructure subprojects, and technical assistance to NEEP</td>
<td>US$12.9 million went to MoPW who used UNOPS as its implementing partner (IP). Funds were used for labor-intensive works</td>
</tr>
</tbody>
</table>
MoPW received US$20.4 million from the total IDA funds for secondary roads, airport, and bridge projects (all Level-2 and above); MRRD received US$18.8 million from the total IDA funds for which UNOPS was also hired as the IP to build Level-2 type roads. MRRD utilized US$4 million of these funds to set up the Joint Program Management Unit which is today the Program Development and Coordination Unit. For this, ILO provided the technical assistance while UNOPS provided technical and procurement support.

**Objective**

Assist the government in creating opportunities for employment and development of vocational training and business management skills for ex-combatants to facilitate their re-integration into society and to contribute to the recipient’s Alternative Livelihood Program in opium poppy producing areas.

**Implementing arrangements**

Funding is provided to UNOPS under this separate project for disarmament, demobilization, and reintegration purposes, and is being implemented in 12 provinces of the country.

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**From LIWP (May 2002) to NEEP-I (March 2003):** NEEP began as part of Afghanistan’s Labor-intensive Works Program (LIWP) which in turn was part of the Emergency Community Empowerment and Public Works Project (ECEPWP). The Labor-intensive Works Program component separated from the larger Emergency Community Empowerment and Public Works Project to become NEEP Phase I, which provided bridge financing from the Afghanistan Reconstruction Trust Fund for an 18-month period. NEEP-I focused on the labor-intensive rehabilitation of access-based infrastructure (both secondary and tertiary), through the Ministry of Public Works and Ministry of Rural Rehabilitation and Development (MRRD), respectively, and on labor-intensive irrigation-based and natural resource management subprojects. NEEP-I was implemented by the Ministry of Public Works, MRRD, and MIWRE.6

Under a proposed extension of NEEP-I—which provides only for the rehabilitation of a rural road network—MoPW (secondary roads) and MRRD (tertiary roads) will be the implementing agencies. As with IDA’s support for programmatic institution building, the subprojects undertaken with this additional funding are to be implemented through an amendment to the existing NEEPRA Management Services Agreement (MSA) between MRRD, MPW, and the UN Office of Project Services (UNOPS). UNOPS has begun startup activities such as feasibility studies, identification of subprojects, surveys, and designs, and physical activities are expected to commence shortly.

**NEEPRA (May 2003):** Subsequently, supplementary funding (US$39.2 million) became available under a new and larger program under NEEP—the National Emergency Employment Program for Rural Access (NEEPRA), which became effective in July 2003. NEEPRA relies on an IDA-funded blend of credit and grant. Just over half of its resources, US$20.4 million, are earmarked for secondary roads subprojects implemented through MoPW, leaving US$18.8 million for tertiary roads subprojects implemented through MRRD. Eighty-seven subprojects (primarily tertiary roads and twelve medium to large bridge projects) were identified through a provincial prioritization exercise for implementation through NEEPRA. Contracts are awarded to communities for Level-1 subprojects and to the private sector through open competitive tendering for Level-2 subprojects. Social targeting is applied to Level-1 community contracts.

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5 This consisted of the current NSP and NEEP programs, which are now being implemented independently of one another.
6 Now the Ministry of Energy and Water.
7 Road projects in NEEP/NRAP broadly fall into two categories as explained further later in this chapter. Level-1 projects are implemented by community members and use labor-intensive technology; Level-2 projects use labor-
NEEP-Rural Alternative Livelihoods (2004): Through a new grant of US$19.6 million from the Japan Social Development Fund (JSDF), the government is now implementing a fourth project under NEEP. This project focuses on providing “rural alternative livelihoods” (RAL) for ex-combatants, to facilitate their reintegration into society. NEEP-RAL has also contributed towards the government’s alternative livelihood program in opium poppy growing areas. The project is funded by a grant from the Japan Development Fund administered by the World Bank, with MRRD as executing ministry. Within NEEPRA, there is a separate allocation for technical advisory services through the establishment of the Joint Project Management Unit (JPMU), which is now called the Program Development and Coordination Unit (PDCU).

**Evolution Towards the Provision of Rural Access**

After a government-led review, in early 2005 the activities under the NEEP umbrella were reoriented, as noted above. The successor to NEEP, the National Rural Access Program (NRAP), focuses on building roads to improve rural access using labor-based technologies. Compared with NEEP, it places less emphasis on labor-intensity in construction and maintenance. Table 2.2 outlines the key aspects of this reorientation.

<table>
<thead>
<tr>
<th>Goal</th>
<th>Terminology</th>
<th>Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goal</td>
<td>Welfare</td>
<td>Labor-INTENSIVE public works</td>
</tr>
<tr>
<td>Terminology</td>
<td>Labor-INTENSIVE public works</td>
<td>• Livelihood protection</td>
</tr>
<tr>
<td>Objectives</td>
<td>• Consumption smoothing through</td>
<td>• Income enhancement through</td>
</tr>
<tr>
<td></td>
<td>emergency cash injection</td>
<td>creation of sustainable infrastructure</td>
</tr>
<tr>
<td>Impact</td>
<td>Poverty reduction</td>
<td>Poverty reduction</td>
</tr>
<tr>
<td>Time frame</td>
<td>Short-term immediate impact</td>
<td>Long-term sustainable impact</td>
</tr>
<tr>
<td>Rationale for intervention</td>
<td>Emergency relief</td>
<td>Sustainable infrastructure creation and maintenance</td>
</tr>
<tr>
<td>Coverage</td>
<td>MAXIMIZE employment</td>
<td>OPTIMIZE employment</td>
</tr>
<tr>
<td>Targeting mechanism</td>
<td>Self-targeting and job rotation</td>
<td>Community targeting and means testing</td>
</tr>
<tr>
<td>Wages</td>
<td>Fixed at below the market wage</td>
<td>Based on productivity norms and not connected to market wage</td>
</tr>
<tr>
<td>Mode of payment</td>
<td>Periodic (daily, weekly or fortnightly)</td>
<td>Piece-meal and lump sum payments</td>
</tr>
<tr>
<td>Nature of infrastructure</td>
<td>Secondary concern</td>
<td>Primary concern</td>
</tr>
<tr>
<td>Benefit incidence</td>
<td>Project participants</td>
<td>General community</td>
</tr>
</tbody>
</table>

The NRAP development objective is to “....enhance human security and promote equitable economic growth by ensuring year-round access to basic services and facilities in rural Afghanistan by promoting local productive capacity, through a private-sector-led development of physical rural access infrastructure and employment creation for the poor.” The emphasis is on empowering the rural poor based technology but involve contractors, engineers, and workers who might not necessarily be from nearby communities.

* The review team was led by Shanthini Dawson, Wahidullah Azizi (GoA), and included expertise from the ILO (David Salter, Bas Athmer), UNOPS (P.V. Ramesh), CARE, IOM, WFP, and UNHCR, in addition to the World Bank (Amer Z. Durrani, Christine H. Allison, Abi Masefield, Aized H. Mir, Peter Middlebrook, Satyendra Prasad, Jalpa Patel, and Maha Ahmed). It resulted in a Final Review Report from the Government of Afghanistan in March 2005.
through the creation of rural infrastructure that improves access to economic and social opportunities, health services, and education facilities.

The Government of Afghanistan attaches high priority to improving rural accessibility, and has incorporated this goal in the Interim Afghanistan National Development Strategy (IANDS), which aims to "provide tangible benefits to the population." The government recognizes the importance of rural growth, as reflected in the large number of benchmarks included in IANDS that relate to progress in rural areas. The strategy includes a target of connecting "40 percent of villages, thus increasing access to markets, employment, and social services" by the end of 2010.

NRAP’s rural access road projects broadly fall into two categories. Level-1 projects, such as constructing gravel roads, are generally implemented by community members, and use labor-intensive technology requiring a low level of skills and training; these projects also aim to create community ownership to ensure sustainability. Level-2 projects, by contrast, use labor-based technology; they require specialized training, and hiring of contractors, engineers, and workers who might not necessarily be from nearby communities. These roads are of higher quality and durability, creating rural and district-to-district connectivity. Due to their durability they will have a lasting impact on communities and poverty reduction as a whole.

**CHANGES IN IMPLEMENTATION STRUCTURES UNDER NRAP**

Conditions remain difficult for implementing development projects in Afghanistan. The conflict over the past two decades has meant that institutions are not well developed and security and working conditions continue to be a challenge.

Two key sets of institutions that dictate the implementation and institutional arrangements of NEEP/NRAP are the participating ministries—the Ministry of Rural Rehabilitation and Development (MRRD) and the Ministry of Public Works (MoPW)—at the center and provincial levels and the community development councils (CDCs) and shuras (local community councils) at the community level. NEEP was initiated with MRRD as the lead ministry, in partnership with MoPW and the Ministry of Irrigation, Water Resources, and Environment (MIWRE).

The government recruited implementing partners for NEEP/NRAP to ensure the smooth implementation of works as well as to help develop capacity within ministries. The implementing partners are the UN Office for Project Services (UNOPS) and the International Labor Organization (ILO). The Program Development and Coordination Unit (PDCU) was established to promote coordination among the various stakeholders, including the government, the implementing partners, and the World Bank.

In addition to funds provided by IDA for programmatic support institution building (PSIB), NRAP receives funds from various sources including the UK Department for International Development, the US Agency for International Development, the Afghan Government, which are channeled through PSIB and the Afghan Reconstruction Trust Fund (ARTF).

**PROJECT SELECTION AND FUND ALLOCATION PROCESSES**

The subproject selection in the initial phases of NEEP was based on the Provincial Planning Exercise of 2002. The district governments liaised with district shuras to compile prioritized short-lists of

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9 The MRRD component under LIWP was implemented with CARE International as the oversight consultant. All other projects have been implemented through the United Nations Office for Project Services (UNOPS) as the main implementing partner.
four development interventions that could be implemented in each village. The short-lists were then collected at the provincial level and finally at the center, where subprojects were selected for implementation based on their technical and financial feasibility.

This selection process had several disadvantages. First, it yielded a list of subprojects that reflected community preferences but did not necessarily emphasize the connectivity of the road network within Afghanistan (this explains the ad hoc nature of implementation). Second, although the exercise was carried out country-wide, it reached only those communities that could easily be accessed, so the resulting fund allocation did not necessarily reach the most vulnerable parts of Afghanistan. Third, in carrying out the selection process, the government faced a number of political pressures, such as the need to establish its credibility in provinces where central control was weak, and the need to achieve an equitable allocation of resources for all provinces. The actual selection of subprojects mirrored the pressures that the government faced in establishing control over a divided country.

Under the revised structure of NRAP, subprojects were identified through a new Provincial Planning Exercise (2004) that emphasized the poorest provinces, particularly those stricken by drought. Interventions are thus being concentrated in the nine poorest provinces of Afghanistan: Nuristan, Ghor, Nangarhar, Faryab, Badakhshan, Day Kundi, Kunar, Uruzgan, and Samangan. Other criteria used to identify subprojects included population and accessibility, and the applicability of labor-based appropriate technologies, technical and financial feasibility, economic criteria, and traffic counts.  

**SHIFT FROM SELF-TARGETING TO ADMINISTRATIVE TARGETING**

Two decades of conflict left Afghanistan with a severe lack of data on which to base project design, so that much of NEEP/NRAP has been a process of learning by doing. At first NEEP relied on self-targeting mechanisms that were intended to attract the poorest of the poor towards the jobs it offered. But seasonal and regional variations in wages, labor supply, and income-generating activities made this approach difficult to apply. Lack of data on household poverty made it impossible to measure program performance or assess the effectiveness of the self-targeting mechanism—a problem typical of conflict-affected countries—but most of the workers employed in the programs were observed to be able-bodied men. A shift has now been made towards targeting groups, rather than individuals, that have a high incidence of poverty and vulnerability to external shocks. As described in Chapter 3, the program now pays market wage rates and uses administrative targeting of workers from poor households.

Special efforts are being made to attract vulnerable groups through activities such as gabion making for women (Box 4.1 below) and mixed work groups, which pay equal individual wages based on productivity norms. Such activities are few in number, although the new Social Inclusion Unit within MRRD is working towards increasing their involvement in activities across all provinces.

**Fund allocation.** Funds have been distributed equitably under NEEP, in that each of Afghanistan’s 34 provinces has received investment through the program, even though within provinces the distribution of funds remains unequal. As more data have become available over the years, more

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10 Another key aspect of the fund allocation process is the maintenance of the assets generated. For the first time, an allocation of US$400,000 has been made for each ministry, earmarked for completed tertiary/secondary roads. This is based on an estimate of US$750 per km for labor-based routine earthwork maintenance. The Ministry of Rural Rehabilitation and Development’s NEEP project implementation unit has prepared a proposal for piloting labor-based routine earthwork maintenance activities. During this pilot, implementation and contracting modalities will be tested. The findings from the pilot will be used in designing a more comprehensive and larger maintenance component in the coming years.
research studies and evaluations have been done, allowing better targeting than at the time NEEP was originally designed.

With the mixed experience in targeting vulnerable workers, it became clear that geographical targeting was a more effective way to direct resources towards the vulnerable poor. From the government’s perspective, this is a crucial recognition, and one that directs new attention towards developing area-based vulnerability indices and measures. With the gradual availability of data over the years, such as those from the National Rural Vulnerability Analysis (NRVA) 2005\(^{11}\), such indices are becoming simpler to create. The government is able to rank provinces based on their vulnerabilities, thereby ensuring better targeting, planning, and resource allocation to the most vulnerable among them. The further development of such area-based targeting measures will lead to more efficient allocation of resources and geographical targeting of the poor and most vulnerable.

From the community’s point of view, the emphasis of NEEP on streamlining the fund allocation process through *shuras* or community development councils strengthens these institutions, making them robust platforms for community participation, control over resources, and decision making (Box 2.1).

**Box 2.1: Field Experience of Livelihood Projects, Connectivity, and Cash Injection**

In the East, NEEPRA as well as the RAL program have pioneered the provision of alternative livelihoods, creating, for the first time, recognition of livelihood opportunities other than the cultivation of opium poppy for the people of Nangarhar. In the Southeast, the road subproject has provided the people of Zarmat, Pakita, with an opportunity to replace unlawful activities with jobs in construction. The completion of the Zarmat district center road has yielded a number of indirect benefits, including a whole new economy based on construction of buildings closer to the road; access to vocational schools, enabling community members to enhance their skills and seek better employment opportunities; and repatriation of refugees based in Pakistan. In the North, roads constructed under NEEP have provided dwellers in far-flung communities with all-weather access to markets and grazing grounds. In the West, the emergency injection of cash benefit of NEEP has provided important benefits to people who faced severe drought and subsequent floods. In the Center, road construction through NEEP has provided motorized access to metalled highways, and thus the lucrative markets of Kabul city; it has also had a major impact on the price of land, which has increased threefold in all three of the districts visited: Paghman, Guldara, and Shakardara.

Connectivity was a consideration in the selection of subprojects in the Center, West, and Southeast but less so in the North and East. The two roads assessed in the West and Southeast fell under the portfolio of MRRD and linked district centers with provincial boundaries. The sections built earlier, which linked the provincial centers with district centers, were constructed by MPW under LIWP and NEEP-I. In the center, the Paghman road, constructed under NEEPRA by MPW starts where the asphalted road coming out of Kabul ends, and leads to the district center at the Chandal Bahi market. The MRRD roads in Shakardara and Guldara begin from the main Kabul – Parwan highway and lead to the respective district centers.

The Paghman road is an example of the shift towards more sustainable and longer-lasting projects. The construction and asphalting of this 9.1 km road has led to significant time savings (where previously it took the community an hour to reach the district center via a longer route, now it takes them 15 minutes) and a threefold increase in land prices, increasing the wealth of the district. The mobility of villagers has increased since heavier vehicles such as buses have started coming into the district center.

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\(^{11}\) The NRVA 2005 was conducted by the Vulnerability Analysis Unit of the Ministry of Rural Rehabilitation and Development together with the Central Statistical Office. The main objective of the NRVA 2005 was to collect nationwide household information to better understand the livelihoods of both males and females in Afghanistan from rural, urban, and migratory populations. The previous NRVA was in 2003.
The building of the Gardez airstrip is another example of this shift in the nature of subprojects. The project has had a major psychological impact in Paktia, since for the first time since the war, donor attention has focused on the people there, enabling them to rebuild their lives.

**Geographical coverage** of resources under NEEP has been relatively successful, with all 34 provinces being covered. Afghanistan’s political environment played a part in this, as coverage was achieved primarily to underline the government’s political commitment and to demonstrate tangible development activities throughout the country. As noted above, the area-based targeting mechanism that is now in place focuses investments towards the poorer and more vulnerable regions of Afghanistan.

**Wage rates.** To attract the poor and to avoid problematic negotiations with communities, particularly given the lack of robust data on the labor market at the time, it was initially common practice under LIWP and NEEP-1 to set wages at a flat US$2 per day. This rate was thought to approximate the going rate for unskilled labor, but in retrospect it is clear that it ignored the considerable regional and seasonal variation in wages that exists in Afghanistan.

Previous reports found that wages under NEEP, although fixed on paper at US$2 per day, actually varied significantly across regions, with US$1.67 paid in the Northeast compared to US$3.50 in the Central Highlands. This differential was not formally addressed in the planning documents at any level. Moreover, the flat rate of US$2 per day did not allow workers with different productivity levels to be remunerated accordingly. Previous reports also found that due to weather constraints, NEEP activities in most regions were implemented only in the summer, thus competing with other job opportunities such as in construction and agriculture.

Regional wage variations in NEEP/NRAP have continued in more or less the same manner and are likely to persist. In the North, where agriculture is widespread, and in the center, where job opportunities are greater, given the proximity to Kabul, the wages paid have been as high as US$4 per day (Table 2.3).

<table>
<thead>
<tr>
<th>Region</th>
<th>Wage Rate (US$ per day)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Center</td>
<td>4.00</td>
</tr>
<tr>
<td>West</td>
<td>3.20</td>
</tr>
<tr>
<td>East</td>
<td>2.00</td>
</tr>
<tr>
<td>North</td>
<td>4.00</td>
</tr>
<tr>
<td>Southeast</td>
<td>3.00</td>
</tr>
<tr>
<td>Average</td>
<td>3.24</td>
</tr>
</tbody>
</table>

Given the early experience with uniform wage rates, productivity norms are now increasingly being used for the payment of wages under NEEPRA and NRAP. The use of such norms, whereby remuneration is based on the amount of work completed (thus making payment transparent) has been accepted across Afghanistan, after some teething problems. Workers accept payment based on the work they do, allowing them the flexibility to work less and still earn wages, albeit lower than normal, or to work more, earn more, and move on to other employment opportunities. Community laborers have expressed their preference for the use of productivity norms, as this rewards hard work.

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12 The norm calculates the average amount of work an individual can undertake within a day. If an individual carries out more work than the average for a day, say 1.5 times, he is paid 1.5 times the prevailing daily market wage rate for unskilled labor.
The use of productivity norms has enabled the adoption of labor-based construction techniques that make more cost-effective use of labor. It allows women to work from their homes or work less than eight hours a day, while disabled persons can work at a lower level of productivity but get remunerated fairly. Workers are not left to come forward for participation in the program but are instead identified by the community, and the successful adoption of productivity norms has made it clear that wages are no longer a key variable of the program.

**SHIFT FROM LABOR-INTENSIVE TO LABOR-BASED TECHNOLOGIES**

Since the start of NEEP, there has been a steady decline in the numbers of Level-1 subprojects and a corresponding rise in Level-2 subprojects (Annex 1). This reflects a shift towards an integrated approach and more technically complex, more sustainable subprojects that have a more lasting impact, and the greater use of labor-based technologies that optimize the use of labor, as opposed to labor-intensive technologies that maximize the use of labor. Under NEEP-1, the Ministry of Irrigation, Water Resources, and Environment (MIWRE) received US$3 million earmarked for irrigation rehabilitation works and natural resource management. These projects not only targeted women but were extremely labor-intensive, with labor intensity going as high as 95 percent. Under NEEPRA, MRRD carried out US$4.3 million worth of Level-1 subprojects but used the bulk of its funding for Level-2 subprojects.

Overall, the labor intensity of subprojects has fallen from more than 80 percent in LIWP to 61 percent under NEEP-1 and 51 percent under NEEPRA.
3. THE PROJECT AS A SOCIAL SAFETY NET

NEEP overall has progressed satisfactorily, given Afghanistan's continuing insecurity and lack of institutional and private sector capacity. The program was intended to provide an efficient self-targeting and widespread social safety net, based on cash-for-work, in a short time frame, by building rural connectivity and improving key rural road access. The initial objectives of NEEP were "to establish effective mechanisms for developing infrastructure assets through labor-based methods—based on a private sector approach" and to "provide a safety net for vulnerable people by creating productive employment opportunities." Since 2002 the program has created more than 12 million labor days across the 34 provinces, by providing "emergency employment" for the rural poor (Figure 3.1.)

![Figure 3.1: Number of Reported Generated Labor Days by Gender/Province (Level-1 projects, ongoing and completed)](image)

Over the last two years, however, assessments by the government and by donors have found NEEP to be more successful in building rural roads and generating employment than in providing a targeted safety net for vulnerable groups. The assessments raised two types of concerns.

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13 See, for example, “Afghan Reconstruction Trust Fund (ARTF) Assessment.”
First, NEEP was unable to target the most vulnerable workers through the choice of wage rates. As explained in Chapter 2 above, the premise had been that the wage rate should be set low enough to only attract those workers who really needed work, while others who were able to earn more in alternative jobs would do so, thus making the program self-targeting. This premise did not operate effectively in the Afghan context, due to large seasonal variations in the supply of labor, limited alternative employment opportunities, the nature of the work needed on the construction projects, mobility restrictions facing certain vulnerable groups, and the general low wage rates during some seasons of the year. The program faced wide fluctuations in the labor supply: in some seasons and areas, it encountered high levels of interest from a large proportion of the rural population, and at other times and places it encountered shortages of labor regardless of higher wage rates. Often the NEEP activities coincided with peak agricultural and construction activities, which provided workers with lucrative alternative employment. In some areas where it was possible to continue or complete work, NEEP activities continued during the winter months. In others, however, it was exceedingly difficult to do this, since work sites became completely covered with snow.

Second, the program found it difficult to attract the participation of excluded groups such as women, disabled people, and Kutchi. Partly because the wage rate was set too high to act as a filter, but also because of the nature of the works, environment, and culture, most of the laborers hired were able-bodied men. Targeted vulnerable groups were not being adequately employed. In Level-1 type projects, very few labor days have been reported for women in any region, and able-bodied males (young and old) have made up the vast majority of the labor force.\(^\text{14}\)

The program failed to respond to the situation of women. Getting women to participate in NEEP subprojects was difficult in many instances, partly because of cultural norms and traditions, but mainly because of the hard physical labor that tended to be required of workers in the subprojects. In some provinces, special efforts were made to reserve employment space for women and the disabled, but this practice was the exception rather than the norm. Women do work outside the home in some parts of Afghanistan and their wages are usually about half those of men. For women who cannot afford not to work, the high wages set by the program created unfair competition for work that was intended for the most vulnerable.

Workers’ participation was also affected by labor selection processes. The shura compiles a list of available workers in the village through a participatory process, and though the intention in NEEP was to select the workers from the poorest households, the selection has actually been made on a rotational basis so that all households can participate equally—approaching the task more as a community service to get an asset built than as a safety net. Further, the practice of rotating workers in and out of the program limits not only the number of days of work but also the amount of income transferred, again lessening the chance of providing a meaningful safety net.

As a safety net, NEEP was not well targeted. Nearly four out of five poor households had no workers employed in the program, and nearly one in five of the workers who were employed came from relatively wealthy households. NRVA 2003 data established, only after NEEP had been designed, that 78 percent and 76 percent of the poorest households were not participating in cash-for-work or food-for-work programs respectively. The data also showed that 17 percent of the participants in the cash-for-work programs and 16 percent in the food-for-work programs came from the richest 20 percent of households.

Arguments are made that inter- and intra-household resource-sharing traditions and mechanisms exist in Afghanistan, so that vulnerable groups benefit indirectly from such programs. This is true but it is not how the project intended to reach these vulnerable groups.

Around one fifth of the rural population participated in various cash-based labor-intensive public works programs during 2002-03, and most of these workers were from households at or near to the poverty line. Feedback from project beneficiaries showed that the work they did only lasted a few days and that they used most of the payments they received through NEEP to purchase basic commodities such as food. While NEEP provided a cash injection, it did not provide a very meaningful income transfer or an insurance function for participating households.

Most of the country’s rural households live in or near poverty; NRVA (2003) data suggest that 70 – 80 percent of the country’s rural people are extremely poor, moderately poor, or vulnerable to falling into poverty. Targeting the “extremely” poor with welfare measures may not be the most efficient way to achieve a meaningful reduction in poverty in such circumstances, given the very limited resources available for public programs. NEEP now has an emphasis on empowering rural people through the creation of infrastructure that improves their access to economic and social opportunities, health services,
and education facilities. Reflecting this change in emphasis by the Government of Afghanistan, the World Bank, and other donors to the program—towards infrastructure development and away from the safety-net function—a 2004 review noted that “NEEP is in the first place a rural infrastructure development project...a national labor-based infrastructure development program is not the most appropriate instrument to target exclusively the most vulnerable groups in society.”

Box 3.1: Building on Existing Social Protection Systems in Rural Afghanistan

In 2004, NEEP commissioned a study on the formal and informal social protection systems in rural Afghanistan. Entitled “Social Protection Systems in Rural Afghanistan,” the study was conducted by the NGO AfghanAid, targeting twelve sample villages in six provinces: Jawzjan, Samangan, Bamyan, Badakhshan, Herat, and Kandahar. The sample villages were selected to represent villages: (a) with better access to markets, greater NGO involvement, and greater access to natural resources; and (b) with less access to such resources.

The study found that both formal and informal social protection systems exist throughout the country. Their nature and strength vary from community to community, and in some areas informal social protection systems have been weakened by the fall of the Taliban. A number of factors prevent the poorest and most marginalized from accessing resources through these systems, namely:

- Formal and informal social protection systems are being appropriated by powerful members of the community at the expense of the poorest
- Resource allocations in both the formal and informal practices tend to favor men over women
- Both formal and informal social protection systems tend to weaken during winter months
- Returnees are often not reached through informal social protection systems. They are often seen as outsiders who are using the limited community resources

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15 Athmer, December 2004. World Bank internal review paper, “From NEEP to NEEP INFRA.”
4. COMMUNITY DEVELOPMENT AND PARTICIPATION IN BUILDING RURAL ACCESS

COMMUNITY MANAGEMENT OF NEEP

The implementation of NEEP depends heavily on the smooth functioning of arrangements at the community level. Capacity is being built at the field level, where development activities are coordinated by the shuras that exist at the village and district levels. The village-level shura is the first point at which villagers can articulate their development preferences. These are then represented at the district level. At this stage, the district shura head and district governor work together to ensure that community preferences are upheld. Where a district-level shura is not formally established, there exists an informal mechanism to convey community choices at the district level to the governor’s office at the same level. Such arrangements allow for growth and accountability to develop at the community level. Through community-driven and participatory processes, development priorities are identified, and the capacity for prioritization of needs, project implementation, design, and planning is growing at the community level.

PRO-POOR COMMUNITY-LED TARGETING

Targeting during labor selection takes place in the context of Level-1 contracts, and is carried out by the CDCs or shuras. The contracts they administer are for building infrastructure that does not require specialized skills, is labor based, and is relatively straightforward—such as earthworks for basic access or preparation of construction materials, stone dressing, ditch digging, gabion making, road maintenance, or snow clearing. The solicitation of labor for work is sometimes initiated through advertisements in local mosques and the shura head chooses workers from the list of applicants.

A trend that was initiated under NEEP-I and NEEPRA and carried forward to NRAP is the use of wealth rankings that identify the poor within a village for labor selection. The wealth rankings are formulated by community members, reflecting their perceptions of poverty. This practice draws on participatory rural appraisal techniques, promotes ownership and transparency in recruitment, and enhances local awareness of the program. Monitoring is carried out periodically and plans are in place to have project staff such as the social inclusion officers and engineers conduct it on a daily and monthly basis, with more frequent reporting to management.

Monitoring and auditing are needed to prevent elite capture of project implementation. Experience has shown that where poverty levels are high, project implementation that entails community participation leaves room for a risk of bias, corruption, and intimidation. Also, the community’s concepts of equity and vulnerability may not match a donor’s priorities; in some cases, such as for the Kutchi, a group may not be considered part of a community and so may be excluded from village-level wealth rankings. The opportunity cost to villagers of engaging in participatory processes or research techniques can be high, making it worthwhile to explore links with other development programs in Afghanistan’s rural areas—such as the National Solidarity Program, which also compiles wealth rankings that can be used to identify workers for NEEP/NRAP subprojects.
As noted in Chapter 3, involving women in the program is a challenge. Evidence shows that most of the workers selected for NEEP activities by shuras or CDCs are able-bodied men. Women from female-headed households have been employed on subprojects in very small numbers. Nevertheless there is a growing realization that Afghan women can take part in construction-related activities as long as these activities are innovatively designed around cultural norms or barriers. Such an example is a gabion-making project that employed women from Samangan, Balkh Province (Box 4.1). Further effort is needed to increase the participation of women in such projects for income-generation purposes. The construction of rural roads will increase women's mobility, access to public and social services, and employment opportunities. However, during project implementation women need to be involved through innovative, tailor-made programs that attract them to work and earn an income, and also allow them to enjoy the benefits of the project.

**Box 4.1: Women’s Gabion-making Project in Samangan, Balk Province**

Afghan women face specific risks in addition to those that affect all very poor households. Addressing the concerns of poor and destitute women whenever possible during project implementation is important. Between December 2004 and May 2005, UNOPS implemented six gabion-making projects that targeted only local women. Women were paid wages by unit costs (per gabion box), resulting in 600 gabions being built. Women were seen to use this income on general household goods and school supplies for their children.

This project was very successful in including a part of Afghan society that has been denied the opportunity to earn an income for decades many during the wars. Women in the project were able to organize themselves in a group, which created a space for them to identify problems and discuss solutions. Through these activities, they learned skills and earned esteem.

Regional project staff and women have suggested that they would be very keen to work on other such projects and suggested that in addition to gabions they can also, for example, make pipe castings for bridges and plant tree nurseries.

NEEP’s inability to solicit high levels of participation from women, disabled people, or nomads does not undermine the beneficial impact the program has had in creating rural access, injecting cash, or providing short-term income to rural households. NEEP has been a pioneer in providing alternative employment to poppy farmers and unemployed youth, working not only with the poorest of the poor but with groups engaged in unlawful activities who needed an opportunity to employ themselves in legal productive work.

In Level-2 activities, which are implemented through private contractors, labor selection is carried out by the contractors. As noted earlier, workers in Level-2 projects are skilled (e.g., engineers, supervisors, technicians, masons, carpenters, steel fixers), not necessarily local, and trained to build durable and higher quality roads. CDCs or shuras can recommend unskilled laborers from the community to assist on Level-2 projects, and even though there are no institutional arrangements mandating this, district governors maintain a say in the selection of labor for both Level-1 and -2 subprojects.

The shift that has taken place in NEEP, away from maximizing employment to optimizing employment through the use of labor-based technologies, has caused a fall in the demand for unskilled labor and a corresponding rise in the demand for skilled labor, thus implying a declining role of the shuras in the labor selection process.

Efforts are being made to ensure that the labor-based approaches introduced under NEEPRA will continue under NRAP. To this end, the Program Development and Coordination Unit has placed five
social inclusion advisors in the Center, Southeast, North, and West to work with communities and road construction engineers. Plans are in place to increase their numbers. The program intends to continue working through participatory processes with the shuras and other community organizations.

**COMMUNITY VIEWS ON THE IMPACT OF NEW ROAD ACCESS**^16^

Though an assessment to show the impact of rural roads on communities has yet to be conducted in Afghanistan, a number of field visits have reported positive developments. During research conducted in late 2005 to early 2006 for this report, projects being implemented in five regions of the country were visited. The project team and implementing staff found that although the aim of the World Bank and GoA is to create rural access by employing the rural poor, communities perceive these subprojects as much more than just that (Box 4.2).

**Box 4.2: Some Results of Road Access**

In the North, community members talked about how roads are the lifeline of the community during the cold winter months. In the Southeast, a new road directly led to a change in the security situation through employment of youth and indirectly through the generation of economic opportunities. In the East, the new road has provided opium poppy farmers with a legal alternative source of income. In the drought-affected West the new road has led to an injection of emergency cash into the local economy. In the Center, the new road has led to significant increase in wealth due to better access to big cities such as Kabul.

Community members who were interviewed talked about how road rehabilitation has increased their access to health and education services. In Western Afghanistan, community members perceived that before the road was built, mortality among expectant mothers was higher, due to poor access to hospitals in Herat city. Increased access to education services was cited as a benefit in all the communities that were visited.

Road rehabilitation works (widening, surface treatments, etc.) through NEEP have increased access for motor vehicles. A field visit to Guldara in the Central Region found that the number of vehicles on the roads has risen to 500 per day, up from 100. Vehicles previously used much longer alternative routes to access the district center. The new road enables communities to save time in transporting perishable produce from their lands and allows the operation of public buses.

In four villages of Soz Ma Qala District, rural roads being built nearby under NEEP/NRAP and other donor-funded projects have increased the availability and reduced the costs of public transport. Previously, public buses operated less frequently and at a fare of around 50 Afghani per person; now the fare has come down to 20 Afghani. Community members in all four villages said that road rehabilitation works has led to an average reduction of 75 percent in travel time. For villagers in Afghanistan, the time it takes to reach the nearest hospital in Saripul has been halved from approximately three hours to one and a half, and the time it takes to reach the school in the district center has also been halved from one and a half hours to 45 minutes.

The monitoring and evaluation team within MRRD and the MoPW engineers are finalizing the design of indicators and a more thorough methodology that will measure the impact of rural access. They plan to collect data that will measure the socioeconomic impacts on rural communities and the broader economic impacts of access and connectivity.

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^16^ This section is based on field visits, interviews, and observations and the information here is mostly anecdotal.
5. NEEP-REINTEGRATION AND ALTERNATIVE LIVELIHOODS PROGRAM (NEEP-RAL)

NEEP-RAL falls under the NEEP umbrella and was instituted to provide training and employment within the field of construction, to assist with the reintegration of demobilized soldiers. NEEP-RAL was initiated by the UNDP and ties in with Afghanistan’s New Beginnings Program (ANBP).

ANBP is designed to disarm ex-combatants and reduce the militarization of Afghan society. It targets all forces associated with the command and control structure of the Ministry of Defense (MoD), including the police, mujahideen, factional armies, and existing officers of the MoD who are unable to join the new Afghan National Army (ANA).\(^{17}\) NEEP-RAL is funded by a Japan Social Development Fund grant, and administered by the World Bank.

NEEP-RAL’s intended beneficiaries are:

- Demobilized ex-officers, who are provided with employment and apprenticeship training as construction supervisors and technicians. Candidates identified by the MoD to apply for the ANBP Disarmament, Demobilization, and Reintegration program, who have a higher-level university degree and are under 47 years of age, were eligible to appear for an exam to join the Afghan National Army. Many former combatants who have joined the RAL program are people who did not pass this exam.
- Demobilized ex-soldiers, who are provided with employment and given apprenticeship in construction crafts training;
- The rural poor in the poppy-growing areas, who are provided with employment and apprenticeship training in rural building crafts.

The NEEP-RAL\(^{18}\) program consists of:

- Provision of employment opportunities for demobilized soldiers and ex-officers, so that they may be more effectively reintegrated into society, and for the rural poor in opium poppy-growing areas, so they may have an alternative means of livelihood.
- Provision of extensive work-based training and skills enhancement for the construction industry.

\(^{17}\) A number of the RAL trainees are ex-MoD officers whose contracts were terminated as a result of a restructuring of the Ministry.

\(^{18}\) The original name of the program, “DDR/RLS,” was a misnomer, as no disarmament was done through the program. Therefore the program was more appropriately renamed the Reintegration and Alternative Livelihoods (RAL) Program.
• Rehabilitation of at least 360 km of roads all over Afghanistan. Subprojects designed as work-based training modules will be used for craft training and for training supervisors and technical overseers.

INSTITUTIONAL ARRANGEMENTS

The lead ministry for RAL is the Ministry of Rural Rehabilitation and Development (MRRD), with the UN Office for Project Services (UNOPS) as the implementing partner. The Ministry of Defense (MoD) is also a key participant, in that it identifies the officers who can participate. MoD works in coordination with the New Beginnings Program (ANBP) to ensure disarmament and demobilization, and MRRD and UNOPS liaise with ANBP for labor selection purposes. The Ministry of Counter-Narcotics (MCN) is increasingly getting involved in program implementation because of the focus on opium-producing areas. The number and profile of these stakeholders requires the use of formalized channels for inter-ministerial coordination.

PROGRAM DESIGN AND WORKER SELECTION PROCESS

The employment component of RAL focuses on implementing larger road rehabilitation projects, wherein trainees are recruited as part of the contractors’ workforce. “Protection” is afforded to these trainees; it is built into the contractors’ bill of quantities, thereby making it mandatory for the contractors to hire these workers. Most of the trainees who complete their on-the-job-training are hired by the contractor as part of the workforce.

Figure 5.1: RAL’s Master Plan

Various road constructions implemented by private sector NGOs/UN/USAID etc

Ex-soldiers and rural poor from poppy-growing areas
Training: road construction, supervision, technical and various craft skills

360 km rehabilitation of tertiary roads (27 subprojects)

Workers trained and recruited through RAL are selected by MoD in accordance with that Ministry’s agreement with UNDP. MoD makes its selection from a list of demobilized ex-combatants who have expressed an interest in training in road construction techniques. The list is further screened by RAL staff, in order to give preference to rural poor from poppy-growing areas, therefore limiting the control of MRRD and UNOPS over the labor selection process. For demobilized soldiers targeted by
RAL, the reintegration options offered by ANBP range from agriculture, vocational training, de-mining, and teacher training to construction. Within RAL, as mentioned above, trainees can either learn crafts skills, or receive supervisory and/or technician training, and categorization is based on their education levels. The range of crafts is widespread and includes carpentry, plumbing, welding, and stone masonry. It is the contractor that selects whom to hire among those who have completed their training.

RAL has been carefully designed to give the various ranks of battle units incentives to continue training as well as the opportunity to retain a level of authority that they would have been accustomed to during war time. Most of its trainees, teachers, and the more educated officers of the MoD receive wages that are higher than the competitive labor market rate. The more educated and higher-ranked officers are provided with supervisory training that not only implies higher wages (on average US$8 per day), but also carries with it a certain amount of respect, allowing them to retain their previous status. The importance of this psychological dimension has been seen to be particularly strong especially in the Southeastern areas of the country. At each stage, the officers have the option to leave the program and find employment through the competitive labor market. The more successful candidates are accommodated within construction subprojects implemented through NEEP-RAL, NEEPRA, and other UNOPS programs. Those officers who pass their exams choose to continue with the program, because it provides secure employment and a continuing steady stream of income. RAL has given some of its trainees a chance to break away from poppy cultivation for the first time, and given them the confidence to pursue further vocational education. Although the program has been beneficial for these trainees, continuous mentoring is required to ensure they remain enthusiastic about it. (Box 5.1.)

Box 5.1: Experience of Craft Skill Training in the Opium Poppy-producing Areas of Nanghar

MRRD through the RAL Program ran a craft skill training program for poppy growers in the districts of Sorkhrod and Chaparhar in the province of Nangarhar. The group comprised 66 men hailing from 52 villages, their ages ranging from 18 to 35. Among them, 35 trainees were illiterate and the others had education ranging from primary to higher school. The trainees underwent a six month on-the-job training program in a local auto workshop, working nine hours a day, six days a week under the supervision of a senior mechanic. They received US$6 per day to meet their accommodation and daily expenses.

The trainees expressed a strong preference for this training over poppy cultivation, since it enables them to acquire a skill and earn a decent living. Their enthusiasm can be used to mobilize other members of their community to leave poppy cultivation and join either the RAL or other such alternative livelihoods programs. The trainees emphasized the need for an extension of six months in their training program, since the additional experience would boost their confidence and enable them to further strengthen their skills.

The Training Component

The training component of RAL primarily targets the rural poor in poppy-producing areas, demobilized soldiers, and ex-officers. Participants from the latter two groups are referred to RAL by ANBP. The rural poor and the demobilized soldiers are provided either alternative employment or work-based crafts skill training. Such training lasts for 12 months after which the trainees are expected to enter the competitive labor market. Ex-officers, by virtue of being more literate, start off with supervisory training after which they are tested. If they are suitably qualified, they move on to technician training and, thereafter, graduated technician training. At the end of each stage, the trainee has the option to join the competitive labor market.
Achievements under NEEP-RAL have been significant. The classroom training component of the program is near completion, and the quality of construction works and the overall implementation progress have been remarkable, given the task. Out of the nearly 2,000 ex-combatants and rural poor who have been trained, around 300 ex-employees of the Ministry of Defense who did not qualify as “combatants”\(^{19}\) were recommended by the Afghan New Beginnings Program (ANBP) and later trained under RAL. (Box 5.2.)

**Box 5.2: Case Studies of Three NEEP-RAL Trainees**

**Living a child's dream**

“When I was a child I liked to dream of myself knowing how machines run and driving them around, knowing how they work” quips Mr. Saifullah, an ex-soldier who is now re-integrated into employment and training on the operation and maintenance of road construction equipment. “I chose the MRRD UNOPS package as I was informed that I will not only have my dream come true but will be able to find employment in the open market for persons with skills on the operation of a roller and loader.” Having been in the MRRD UNOPS RAL package for less than three months, Mr. Saifullah cannot wait for the day that his skills and competencies are satisfactory to the labor market.

“Someday I will prove that I can make people happy”

Mr. Ghafur grew up in a village in Parwan. His childhood memory is clear on the day he saw grown up men from Tajikistan employed by a big construction company to build their village road.

“These men were respected as they are of able body with sound mind given their ability to operate huge machinery and equipment. They seem to be very much in control,” says Mr. Ghafur, “and everyone in the village agrees that the ability to operate machines is important if Afghanistan is to do better. When I was given the option for reintegration, I chose road construction equipment operation as I am able to accomplish three things at the same time: get the skills, support my family while learning, and in a short span of time, get employed.” Mr. Ghafur believes that “when I use my skills to operate this equipment to build roads, I feel I am helping my country after years of wars and destruction. I am part of rebuilding roads which people will use everyday. My work will make people happy. I have respect and dignity in my work.”

**Ex-officer supervises Qarga: a dam reconstruction facility**

As any Kabuli will be quick to reply, Qarga Dam offers a good weekend treat for family gatherings. These days reconstruction of the facilities is in full swing and nearing completion.

Mr. Abdul Ghafar is one of the three supervisors of the reconstruction on the facility. Mr. Ghafar said that “the remaining walls of the dam next to the recreation area are completely rehabilitated. As a result the boats and kayaks are orderly moored. There is now more space for families to gather near the shoreline. The gardens have been sculpted to the shape of the pools with the flowers all in colorful bloom this time of the year. The construction of the guesthouses is in high gear, from brick layering of the walls to the finishing works,” proudly giving the information to anyone who drops by. “I will always remember the lessons I learned from the RAL program as the basic skills are those I use in my work every day.” Mr. Ghafar was part of the pilot phase of the RAL Program, having spent five months, April to August 2004, in the employment and training as construction supervisor. He has been working on the Qarga Dam recreation facility reconstruction since September 2004.

Overall, 1,966 ex-combatants and rural poor have been trained, with the last batch of classroom trainees expected to graduate in the very near future. Of this total, 817 ex-officers have been trained as supervisors, and the better-performing 150 ex-officers have been trained as technicians. A total of 438 ex-soldiers were provided employment (through the Kunduz Pilot phase), and 91 ex-soldiers and 485 rural poor have received vocational training (Table 5.1).

\(^{19}\) All prospective trainees recommended by ANBP are interviewed by the RAL program staff. Some of those referred are not necessarily combatants, as they could be from non-battle units.
Total ex-combatants employed/trained immediately following demobilization

Ex-combatants and rural poor will have received vocational/craft skills, training in the operation and maintenance of road construction equipment
- Ex-soldiers
- Rural poor

Selected ex-combatants and rural poor will have received training on construction supervision
- Ex-officers
- Rural poor

Selected ex-combatants and rural poor will have received training as technicians of road construction
- Ex-officers
- Rural poor

Labor-days of employment generated (for ex-combatants, those living in poppy producing areas, and other vulnerable poor combined): (M)

a) Under the employment and training program
b) Under the contractors workforce

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<th>Total</th>
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<th>Vaccinal/craft, operation and maintenance</th>
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<td>b) Under the contractors workforce</td>
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Note: Due to revision of the implementation approach and target groups, it was decided not to provide short-term employment to demobilized soldiers through this program. However, by this time 438 soldiers had already been provided employment during the pilot phase in Kunduz.

MAJOR CHALLENGES FOR RAL

The major challenge for the implementing agency is to re-establish a secure peace.\textsuperscript{20} Peace cannot be simply the cessation of fighting; it requires the dynamic management of human, political, and economic development and change by non-violent means:

- Non-violent management of change involves reintegrating a large number of population groups (demobilized combatants, internally-displaced populations, refugees, and the resident population affected by the conflict) into normal civilian life.

- Once demobilized and with nothing to do, “unemployed” men or women with fighting experience can, if organized among themselves, cause new security threats and a recurrence of conflicts on a national, regional, or local scale.

- The impact of violent conflicts on society is usually devastating. Wars weaken social, community, and family cohesion. The number of combatants to be demobilized (target group) is large enough to justify the required investment of time and finance.

- All these groups need employment and income-generating opportunities

Almost all the NEEP-RAL trainees have completed the classroom phase of their training and are now awaiting the startup of rehabilitation activities to continue with their training. Initial implementation experience has been successful and a number of trainees are working in jobs as construction supervisors. As their involvement in the program increases, the trainees are becoming increasingly satisfied with the

\textsuperscript{20} Information compiled from and provided by the NEEP-RAL team, ILO, and UNOPS.
skills they are learning and with the reintegration options that have become open to them. Nevertheless, they share a concern regarding job insecurity and the uncertainties of what will transpire once the training has ended.

Similarly, concerns over the definition of ex-combatants are becoming increasingly apparent. According to the ANBP project document, the focus is on demobilizing and reintegrating those members of the MoD who were part of the mujahideen or militias during the time of the Taliban and who subsequently joined the Afghan National Army (ANA) or MoD. With the restructuring of the ANA and the MoD, these soldiers and officers are being laid off. Although they had been part of different armed groups at different times, they have always fought to defend Afghanistan. However, according to their understanding, ANBP and RAL are for ex-combatants who have been fighting against Afghanistan. Thus it is difficult for these trainees to be asked to leave the MoD and register with ANBP.
6. KEY FINDINGS AND LESSONS LEARNT

This chapter briefly outlines key findings from a government-led review and also draws from a summary report of March 2005 that documented key lessons learnt during the implementation of NEEP. The discussion also makes use of material from subsequent visits to program sites.

NEEP/NRAP HAS BEEN DRIVEN BY "OUTREACH" AIMS IN A SECTOR POLICY VACUUM

Whether delivering rural roads and related infrastructure, or irrigation and conservation, NEEP was driven mainly by the desire to attain maximum geographical coverage while injecting cash to address emergency needs in rural areas. Afghanistan had no explicit rural development strategy within which to establish this national program. More poignantly, though the bulk of NEEP’s investments were in rural roads, the program was not underpinned by a cohesive rural transport or an overall transport policy. The implementing partners and the sector ministries did try to rationalize rural access investments from a development perspective using standard allocation parameters and consultative mechanisms. The absence of a policy framework however was laid bare by, among other things, the lack of planning for the sustainability of these investments. NEEP/NRAP and the other National Priority Programs must now rise to emerging challenges, including provincial allocations, fiscal devolution, and the conflation of ministerial mandates.

In the rapidly changing socio-political landscape of Afghanistan, NEEP/NRAP should better integrate with ongoing initiatives for governance improvement, fiscal decentralization, devolution of power, and implementation of other rural development programs. Inter-ministerial coordination needs to work smoothly and more ownership is needed from the Ministry of Public Works. As ministry-based budgeting gains strength (over the earlier thematic budgeting), an opportunity to consolidate and clarify ministerial and sector mandates is emerging that NEEP/NRAP can benefit from.

Overall, NEEP/NRAP’s experience to date highlights issues associated with agendas for state-building and reconstruction, including the requirement to: (i) rationalize ministerial mandates around infrastructure investments; (ii) address private sector capacity constraints in an ongoing conflict environment; (iii) accelerate initiatives for strengthening sub-national institutions in the public sector; (iv) increasingly transfer a degree of ownership to provincial governance structures; (v) promote pro-poor participatory planning processes in support of community-driven development; and (vi) ensure that the responsibilities and capacities for managing the assets created are organized so as to enable the sustainability required for a lasting impact on poverty.

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21 The review covered the activities of the two key implementation ministries (MoPW and MRRD), the large donors, and the implementing partners UNOPS and ILO. The review was led by the Government of Afghanistan and conducted during November 2004 to March 2005. The team included expertise from ILO, UNOPS, CARE, IOM, WFP, UNHCR, and the World Bank.
RELIANCE ON DONOR FINANCING

Projections show that in the medium term the Afghan Government will barely meet its recurrent expenditure obligations through internal revenue generation. Against that backdrop, while the Priority Reform and Restructuring (PRR) effort aims to make government more efficient, the Ministry of Finance will concentrate on keeping the overall public sector wage bill in check. Donors are reluctant to finance public service wages as part of national development programs such as NEEP, because this would restrict the ability to develop government-based implementation mechanisms.

In the long term, within a stable Afghanistan where the rural reconstruction urgencies have diminished and donor funding has tapered off, MRRD will not require a large implementation mechanism, and MoPW will naturally evolve into a stable government works ministry that will outsource implementation. The government-led review (2004-05) recommended that the implementing partners’ support for NEEP be phased out over a three- to five-year period, making way for full government ownership of program implementation. But in the short to medium term, it is not possible to move completely away from the implementing partner model for delivery of fast-disbursing national reconstruction programs such as NEEP/NRAP, even though the need to do so appears pressing.

ROLE OF IMPLEMENTATION PARTNERS

The implementing partners have delivered nationally despite the various constraints in a surprisingly cost-effective manner and their staff have been very motivated. However, due to the security risks and harsh working conditions, the program suffers from high levels of staff turnover. Those implementing partners (IPs) whose activities are financed through the project budget have worked to develop uniform and cost-effective delivery mechanisms (procurement, contract documents, standards, operating procedures), hence laying the basis for developing national implementation capacities both in the public and the private sector.

A fundamental issue, related to the long term planning for effective infrastructure construction, maintenance and the institutional strengthening, is the national budget, public administration reforms and coordinated donor financing. Similarly the macro agenda is a concern for the implementation of capacity transfer and further analysis of this would be needed in order to better prepare for transfer of capacity from implementing partner to implementing agencies.

The IPs’ ability to monitor, evaluate, and report on program implementation in a timely fashion needs to be strengthened, and the analytical skills of local staff needs further development. A consolidated management information system for NRAP is being developed and local staff are building sound data-collection abilities. However, the capacity to analyze data and produce good reports needs to be further improved and this is being done through on-the-job training, formal training, and guidance from IPs to ensure better-informed management and government decision making.

CAPACITY BUILDING TO STRENGTHEN THE GOVERNMENT’S DELIVERY MECHANISMS

The rapid Priority Reform and Restructuring (PRR) audit of the Ministry of Rural Rehabilitation and Development found a number of issues that needed to be dealt with, especially regarding capacity building, recruitment, and the skills of staff.

Capacity improvements were seen to be apparent at various levels, but remained scattered, and recruitment and re-skilling processes had not yielded the best candidates. The audit found that some civil servants were using public service as a safety net while engaging in other businesses and that key MRRD
line positions were staffed by contract employees who received much higher wages than the employees of the overall Priority Reform and Restructuring (PRR) effort. All this has affected the incentives that staff face, and is threatening the sustainability of MRRD’s organizational structure. Moreover, the quality of many MRRD and MoPW staff remains inadequate.

Afghanistan has a severe shortage of nationals with needed skills—especially with good management and analytical skills. The high pay scales demanded by existing national staff are unsustainable in the medium to long term. It is unlikely that simply establishing elite delivery units with high salaries within the civil service will allow the government to attract and retain staff with the types of skills that the implementing partners have “poached” from the market, because people with these skills have plenty of job opportunities in other reconstruction activities, especially those that have direct external financing. The answer lies, eventually, in having an efficient government that outsources its non-core functions. At present, however, even the government’s own core functions are supported by IPs.

An often-neglected aspect of the NEEP/NRAP implementation mechanism has been the respective roles of the private and public sectors, especially in the case of actual delivery of the civil works—the contracting arrangements. MoPW, where NEEP was piloted, was heavily biased towards force-account contracting. In fact the Koi kar (the force-account delivery arm of MoPW) thwarted much of the early attempt to contract out larger (Level-2) works to the private sector. But in the competitive procurement process the Koi kar could not compete with the private sector. Early on, the NEEP team also reviewed the ability of the existing equipment pool of MoPW to assist in emergency activities (such as snow clearance) or to be leased to private contractors, but these possibilities did not materialize—primarily because of the inherent public sector inefficiencies but also because NEEP had to be implemented rapidly. There is, however, some merit in equipping a small machine pool for rapid deployment, with a force-account arm that can respond to natural calamities where obstructed access can be a matter of life and death for local communities. Examples of this approach abound internationally.

LOCAL CAPACITY BUILDING FOR SUSTAINABLE PROGRAM DELIVERY NEEDS TO CONTINUE

The transfer of implementation capacity to the Afghan Government and the gradual phasing out of the international support provided by the implementing partners is beginning to take place, although change is slow and requires an enabling environment with support from various stakeholders until ministerial and national level capacity matures. MRRD is gradually internalizing key government functions that it has up to now outsourced. Simultaneously, the national rural reconstruction programs, such as NEEP/NRAP, are also transitioning into more stable long-term rural development programs with the purpose of delivering a clear rural development policy, parts of which are now being articulated.22

The Program Development and Coordination Unit (originally the Joint Program Management Unit) which was set up with technical expertise from the implementing partner ILO, has now been restructured with a significantly higher presence of Afghan nationals in key positions. The restructured unit is led by MRRD, with a joint management team from the IPs (UNOPS and ILO) and the implementing agencies (MRRD and MoPW). Since the transfer of capacity and capabilities has not fully matured, representatives from MRRD and MoPW continue to liaise extensively with representatives of the IPs.

A move was made towards developing in-house capacity for program delivery with the establishment of program implementation units (PIUs) in each of the participating ministries, headed by

22 A. Durrani (former task team leader), draft World Bank review note, “From implementing partners to implementing agencies.”
government-appointed counterparts to the chief technical advisors (CTA) that head each ministry’s portfolio within UNOPS. The CTAs and heads of PIUs collaborate closely to ensure that the government’s priorities are upheld during project implementation, as well as to understand the international rules and procedures regarding project management that will enable them to continue with program implementation once the support of UNOPS has been phased out. Under the new implementation structure, PIUs will also be established at the MoPW and MRRD regional and provincial offices respectively.

MRRD has established provincial rural rehabilitation and development (PRRD) departments in each of Afghanistan’s 34 provinces. These departments are adequately staffed and are functioning effectively. Each has a provincial technical advisor (PTA), seconded to the ministry by UNOPS, who helps identify infrastructure requirements within a particular area, liaises with shuras, and ensures the smooth implementation of projects. These advisors also work with the regional representatives from UNOPS to ensure adherence to the quality standards that UNOPS has set for project implementation. MoPW has regional representation with one regional and four provincial engineers in each of the eight UN-demarcated regions of Afghanistan. These engineers liaise with provincial governors to explain the central government’s priorities and solicit community feedback, which is then communicated back to the center, where the subprojects to be implemented are selected.

Overall, the implementation experience to date has shown that the key governmental institutions involved and the shuras are becoming stronger. But to ensure sustainability in development initiatives and the NEEP/NRAP program specifically, capacity building is still required from IPs as institutions. Various functions in the ministries require an enabling environment that is coordinated, reasonably efficient, and transparent. MRRD has achieved a faster pace in reforms and in implementation than other ministries. But the overall pace of change is slow, suggesting that the transition from IPs to implementing agencies should not be attempted in the near future as it would stunt the implementation of the ministry’s larger programs. Strategic steps need to be taken to develop institutional arrangements that would ensure better and more sustainable implementation of NEEP/NRAP, which will lead to substantial capacity building in the government. This momentum should be maintained in order to ensure a lasting impact and sustainable project delivery.

**NEEP DID NOT PROVIDE A LONG-TERM “SAFETY NET”**

At the time of project design, the necessary data were not available, because the country had been in conflict for decades and its institutions were not equipped to collect the needed data or research needed for targeting. Data recently gathered suggests that the underlying structural causes of rural poverty and vulnerability in Afghanistan are numerous and that short-term transfers like those provided by NEEP can provide only a short-term palliative to help smooth consumption. The realities of implementing NEEP in conflict-affected Afghanistan were such that the program could not provide long-term income transfers for the chronically poor (families headed by women, the disabled, internally displaced persons), nor could it respond sufficiently when shocks such as drought, floods, or earthquakes occurred.

One dimension where NRAP can still successfully function as a safety net is through block grant programs that engage vulnerable groups and through maintenance contracts with communities. CDCs or shuras can ensure that this type of work is given to the poorest and most vulnerable people and to households in the community who can work during seasons when general labor demand is low.

**ROAD MAINTENANCE FOR SUSTAINABLE ACCESS AND INCREASED SOCIAL PROTECTION**

To maintain Afghanistan’s rural infrastructure, there is an urgent need to develop appropriate systems and procedures, together with organizational structures within MRRD, and to restore those that
already exist in MoPW, which are suffering from neglect as a result of decades of conflict. MRRD has no dedicated organization for managing rural road maintenance. To date, priority has been placed on road rehabilitation and reconstruction. The decision over how maintenance will be funded, managed and implemented is yet to be concluded. However various stakeholders are realizing the importance of investments in maintenance of rural roads and the need for it to be mainstreamed into the NRAP project design.

Towards the end of 2007, the National Rural Access Project is likely to have systems in place for planning, implementing, and managing rural road maintenance. Its Social Inclusion Unit is developing community contracts for routine road maintenance under which villages can take responsibility for maintenance even though the building of roads is managed professionally. The Unit is currently reviewing how the proposed road maintenance contract documentation would work in selected sites. Following the results of trials, recommendations will be made to MRRD regarding the establishment of a maintenance organization within that Ministry. One option is to administer the community-based contracts through the shuras or community development councils (CDCs) developed under the National Solidarity Program. This would put NRAP in a position to support the sustainability of previous rural road investments and ensure year-round access to basic services to remote villages.

Maintenance activities have the potential to facilitate social protection in NRAP partner communities. Through the award of community-based maintenance contracts, NRAP could assist the poorest and most vulnerable in communities where it is operating for more extended periods and/or over the winter months, depending on the technical needs of the project. Community-based maintenance contracts could also serve as an instrument of medium-term social protection by providing year-round employment to some members of the community.

Social protection systems tend to weaken during the winter (Box 3.1), and the experience of the NRAP 2005/06 winterization project indicates that winter snow-clearance activities (which would come under the umbrella of ‘maintenance’) may provide a useful means of delivering social protection services to communities isolated by heavy snowfall. In the past, such activities have been implemented in response to emergency needs in each region. Under the NRAP 2005/06 winterization project, by contrast, provincial MRRD offices made advance arrangements with CDCs and shura elders in potential risk areas to be ready to quickly clear snow from the key rural roads, connecting districts to districts, and district centers to provincial centers, and ensuring that the roads would remain open throughout the winter. Standard operating procedures were developed to award these winterization contracts and the disbursement of funds through NRAP regional offices.

Monitoring of compliance with the agreed labor selection process is of critical importance to effectively support the social protection aspect of such maintenance contracts. Without adequate monitoring, there is a high probability that capture by elites will reduce NRAP’s effectiveness as a provider of social protection.

COMMUNITY DEVELOPMENT COUNCILS AS AN ENTRY POINT

The need for Community Development (CDCs) to act as an entry point for various development interventions is growing and would also benefit this project. Funding or block grants for maintenance and other inclusive sub-project activities can be channeled through CDCs. Similarly linkages with other projects working through CDCs such as micro-credit (MISFA) can lead to a better integration at the community level of poverty reduction activities and approaches. This should be explored further particularly with the NSP and MISFA programs.
7. CONCLUSIONS

NRAP is moving towards empowering the poor through the creation of rural access with an integrated approach to social protection and rural roads, as accessibility is not desirable in itself but for the benefits it brings to rural poor. Given the decades of conflict, acute vulnerability in Afghanistan’s rural areas, and the capacity constraints of key stakeholders, NEEP/NRAP’s reorientation to integrate social protection and rural access for a more effective investment in higher quality, sustainable rural access through labor-based works is appropriate. Through investments in community roads and maintenance projects, the program should continue to target the rural poor, with emphasis on responding to community priorities and ensuring community participation and inclusion in decision making and implementation.

Despite the focus by the government and international partners on the program’s social protection aspects, communities have perceived NEEP as an infrastructure program rather than one specifically designed to provide the poor with a safety net.23 Today the level of experience and understanding in Afghanistan of rural poverty, and of what is needed to provide sustainable income and employment, is more sophisticated than when NEEP began. Numerous underlying causes call for programs that address poverty from various angles and adopt an integrated approach to poverty reduction. Through short-term income transfers, NEEP/NRAP has helped to maintain minimum standards of welfare and provided an invaluable umbrella framework to support the coordination of numerous bilateral projects. Additionally, the program has facilitated partnership among key stakeholders and is continuing to address their capacity-building needs.

The program’s achievements have been encouraging despite the prolonged and ongoing conflict in Afghanistan, weak institutions, low levels of capacity, lack of security, above-average snow and rainfall, hostile topography, record poppy production, associated rural development constraints, and the lack of a formal contracting sector. As a social protection instrument to provide the rural poor with a safety net, LIWP, NEEP-I, NEEPRA, and NEEP-RAL have provided more than 12 million labor days24 of minimum-wage employment covering more than a fifth of the rural households in all provinces of Afghanistan. The projected delivery cost25 to the government is USS 4-5/labor day of employment provided. This compares favorably with the costs of similar programs in other post-conflict countries, and is much lower than the cost that was anticipated26 at the beginning of the program.

Similarly NEEP has made significant contributions in roads (secondary, tertiary, and sub-tertiary), irrigation (small-scale community-based), and a variety of other kinds of rural infrastructure,

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23 “Two jobs, one shovel. Can Afghanistan’s NEEP be both an effective social safety net and a productive rural infrastructure program?” Abi Masefield.
24 Extrapolating from the actual 6.9 million labor days paid against a works field disbursement of USS43 million for the World Bank-managed components (excluding the Japanese Social Development Fund monies—Source: UNOPS MIS)—total NEEP disbursements for all donors’ projects are US$83.11 million (Source: JPMU).
25 Results extrapolated from and based on an allocation of USS67.21 million to generate 15.65 million labor days (LIWP, NEEP-I, and NEEPRA).
including environment and conservation and natural resource management initiatives through the Afghan Conservation Corps. The income transfers have been accompanied by the improvement of more than 8,000 km of rural roads, key remote airstrips such as in Chaghcharan, more than 10,000 running meters of cross-drainage structures (bridges, culverts, causeways), conservation works (seeding, nursery rehabilitation, and canal cleaning), and sundry other rural infrastructure. To achieve these results, NEEP has implemented more than 1,500 subprojects executed by local contractors and shuras, while investing US$ 58.18 million in infrastructure assets.\textsuperscript{27} More than 80 percent of the allocations have been to rural access projects, which have provided substantial rates of return on investment.

NEEP proved to be critical in establishing national mechanisms for harnessing resources, and in establishing the credibility of the government. Its performance as a successful national program owned and implemented by the government can also be gauged from the fact that 75 percent of all financing committed by donors for NEEP was channeled through the government budget—allowing the program’s resources to be allocated based on local priorities.

NEEP has now been reshaped into the National Rural Access Program and has benefited from experiences and lessons learnt over the last four years. To strengthen the program as a whole and ensure that the poverty reduction initiatives are sustainable, a continuing effort needs to be made to strengthen local institutional capacity. The gradual transfer of roles and responsibilities from the implementing partners to the implementing agencies should only take place when delivery mechanisms can be sustained and local institutions are accountable and transparent. A key issue regarding long term planning for effective implementation of this project (roads, maintenance and institutional strengthening) remains the national budget, donor financing and public administration reforms. Similarly the macro agenda is significant for the programs achievements and implementation capacity transfers should be carried forward bearing this in mind.

The promotion of labor-intensive works programs and the active participation of shuras, CDCs, and community members themselves in the community-level programs are crucial for effectiveness. Community priorities, with community participation in design and implementation through inclusive and transparent mechanisms, should be adhered to in order to address rural poverty effectively. Further, the program needs to ensure the inclusion of vulnerable groups in projects through innovative initiatives that take into account traditional cultural norms that are especially restrictive for women.

To guarantee effective program implementation and decision making, the systems to monitor and evaluate the impact of the program need to be strengthened. The M&E effort should seek to evaluate the impact that better access has on the lives of poor and vulnerable groups in rural Afghanistan as well as to assess the quality of rural roads being built.

Rural access as well as district-to-district connectivity needs to be ensured so that projects are not implemented in an ad hoc manner. And to approach poverty reduction holistically and ensure complementarities in project interventions, linkages with other development programs such as the NSP and MISFA should be established for information-gathering and sharing purposes.

Over the years the program has been committed to addressing the crucial need of the rural poor for better access. Experience has shown that rural access has directly affected the delivery of public services, access to health facilities, school enrollment, and economic opportunities—benefits that rural Afghans have lacked for many years. Despite the challenges faced during program implementation, there is broad agreement that the infrastructure being created through NEEP/NRAP is essential to

\textsuperscript{27} Seventy percent of the total disbursements in the field (US$88.45 million). The average investment in works is 70 percent of total investment in NEEP based on the averages from LIWP, NEEP-1, and NEEPRA.
empowerment of the poor in rural communities and in Afghanistan as a whole. It is this need and the benefits that rural access generates that should carry the program forward and motivate the implementation of sustainable rural infrastructure and stronger local institutions that can meet the needs of the poor.
## ANNEX I: FIGURES FOR LEVEL-1 AND LEVEL-2 CONTRACTS, BY PROGRAM

(as of May 2006)

<table>
<thead>
<tr>
<th></th>
<th>LIWP (MPW)</th>
<th>LIWP MRRD</th>
<th>NEEP-1 (MPW)</th>
<th>NEEP-1 MRRD</th>
<th>NEEPRA MRRD</th>
<th>NEEPRA MPW</th>
<th>NEEPRAL</th>
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<tbody>
<tr>
<td>Total Allocation for Subprojects (US$ million)</td>
<td>8,750,000.00</td>
<td>3,600,000.00</td>
<td>6,902,265</td>
<td>2,300,755</td>
<td>8,319,033.00</td>
<td>15,000,000.00</td>
<td>10,800,000.00</td>
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<td>Commitments + disbursements to Subproject by UNOPS (US$ million)</td>
<td>8,166,907.70</td>
<td>3,630,000.00</td>
<td>6,632,177</td>
<td>2,297,907</td>
<td>8,094,649.00</td>
<td>14,301,545.13</td>
<td>5,084,538.00</td>
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<tr>
<td>Disbursement to Subprojects by UNOPS (US$ million)</td>
<td>7,951,877.75</td>
<td>2,850,000.00</td>
<td>6,164,574</td>
<td>2,111,552</td>
<td>6,983,808.54</td>
<td>9,373,526.42</td>
<td>380,000.00</td>
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<thead>
<tr>
<th><strong>Level-1 Contracts</strong></th>
<th>LIWP (MPW)</th>
<th>LIWP MRRD</th>
<th>NEEP-1 (MPW)</th>
<th>NEEP-1 MRRD</th>
<th>NEEPRA MRRD</th>
<th>NEEPRA MPW</th>
<th>NEEPRAL</th>
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<tr>
<td>Number of Awarded Contracts for Level-1</td>
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<td>50.00</td>
<td>183.00</td>
<td>50.00</td>
<td>174.00</td>
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<tr>
<td>Value of Awarded Contracts for Level-1 (US$ Million)</td>
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<td>3,630,000.00</td>
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<td>4,205,426.31</td>
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<tr>
<td>Length of Roads</td>
<td>3,486.00</td>
<td>332.00</td>
<td>1,876.93</td>
<td>211.80</td>
<td>606.00</td>
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<thead>
<tr>
<th><strong>Level-2 Contracts</strong></th>
<th>LIWP (MPW)</th>
<th>LIWP MRRD</th>
<th>NEEP-1 (MPW)</th>
<th>NEEP-1 MRRD</th>
<th>NEEPRA MRRD</th>
<th>NEEPRA MPW</th>
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<td>Number of Awarded Contracts for Level-2</td>
<td>28.00</td>
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<td>Value of Awarded Contracts for Level-2 (US$ Million)</td>
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<td>Length of Roads</td>
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<td>60.00</td>
<td>785.00</td>
<td>360.00</td>
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ANNEX II: NEEP DIAGRAM

NEEPRA is at the core of the GoA rural access program (2002 – present)