

US MISSION | AFGHANISTAN



U.S. FOREIGN ASSISTANCE FOR AFGHANISTAN POST PERFORMANCE MANAGEMENT PLAN-2011-2015

Volume I - Summary

VOLUME I – SUMMARY

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ACRONYMS

ACT	Anti-Corruption Tribunal
ADS	Automated Directive System
ADSP	Agricultural Development and Stability Program
ADT	Agri-Business Development Team
AIHRC	Afghanistan Independent Human Rights Commission
AMSP	Afghanistan Municipal Strengthening Program
ANDS	Afghanistan National Development Strategy
AO	Activity Objective
APAP	Afghanistan Parliament Assistance Program
ASAP	Accelerating Sustainable Agriculture Program
ASI	Afghan Stabilization Initiative
AVIPA	Afghanistan Vouchers for Increased Production in Agriculture
AWATT	Afghanistan Water, Agriculture and Technology Transfer
BCT	Brigade Combat Team
CBSG	Community-Based Stabilization Grants
CEPPS	Consortium for Electoral and Political Processes Support
CERP	Commanders Emergency Response Program
CFW	Cash-for-Work
CHAMP	Commercial Horticulture and Agricultural Marketing
COIN	Counter-Insurgency
CSSC	Civil Society Support Centers
CSSP	Corrections System Support Program
CTO	Cognizant Technical Officer
DCA	Development Credit Authority
DOC	Department of Commerce
DQA	Data Quality Assessment
DSF	District Stability Framework
DST	District Support Team
EG	Economic Growth
EWG	Executive Work Group
F	Director of Foreign Assistance
FACTS	Foreign Assistance Coordination and Tracking System
FDI	Foreign Direct Investment
FIRUP	Food Insecurity Response for Urban Populations
GDA	Global Development Alliance
GDP	Gross Domestic Product
GIRoA	Government of the Republic of Afghanistan
HOO	High Office of Oversight
IARCSC	Independent Administrative Reform and Civil Service Commission

ICT	Information Communication Technology
IDA	International Development Association
IDLG	Independent Directorate for Local Governance
IEC	Independent Election Commission
IFC	International Finance Corporation
IFES	International Foundation for Elections Systems
IFI	International Financial Institution
IMF	International Monetary Fund
INL	International Narcotics and Law Enforcement Affairs
IPR	Intellectual Property Rights
IQC	Indefinite Quantity Contract
IR	Intermediate Result
IRI	International Republican Institute
ISAF	International Security Assistance Force
KAP	Knowledge Attitudes and Practices
LGCD	Local Governance and Community Development
M&E	Monitoring and Evaluation
MAIL	Ministry of Agriculture, Irrigation, and Livestock
MCC	Millennium Challenge Corporation
MoJ	Ministry of Justice
NAPWA	National Action Plan for the Women of Afghanistan
NDI	National Democratic Institute
NGO	Non-Governmental Organization
OAA	Office of Administrative Affairs
OP	Operational Plan
OTI	Office of Transitional Initiatives
PASA	Participating Agency Service Agreement
PEPFAR	President's Emergency Plan for AIDS Relief
PICU	Project Implementation and Coordination Unit
PIRS	Performance Indicator Reference Sheets
PMP	Performance Management Plan
PPR	Performance Plan and Report
PRT	Provincial Reconstruction Team
RF	Results Framework
RFA	Request for Application
RFP	Request for Proposal
RFP	Request for Proposal
RLS	Rule of Law Stabilization Program
SME	Small and Medium Enterprise
SO	Strategic Objective
S-T	Short-Term

STEP	Support to the Elections Process
UNAMA	United Nations Assistance Mission in Afghanistan
USAID	United States Agency for International Development
USDA	United States Department of Agriculture
USG	United States Government
USTR	United States Trade Representative
VRP	Voter Registration Project
WTO	World Trade Organization

I. EXECUTIVE NOTE

The Performance Manage Plan (PMP) is the U.S. Mission in Afghanistan’s tool to plan and manage the process of assessing and reporting progress towards assistance/foreign policy objectives identified by the President of the United States, the Secretary of State, the U.S. Ambassador to Afghanistan, and the Government of Islamic Republic of Afghanistan. The PMP establishes a systematic process to: monitor and evaluate the achievements of assistance programs, collect and analyze performance information to track progress toward planned results, use performance information and evaluations to influence decision-making and resource allocation, and communicate results achieved or not attained. Furthermore, a PMP contains a “Results Framework,” which defines the development/foreign policy hypothesis and illustrates the cause-and effect linkages between outputs, intermediate results, and outcomes/impacts.

In accordance with the London Conference and Kabul Conference communiqués, the USG intends to channel at least 50% of its assistance funds through the GIRoA’s core budget within two years while the GIRoA achieves the necessary reforms to strengthen its public financial management systems, reduce corruption, improve budget execution, and increase revenue collection to finance key National Priority Programs. In addition, the USG intends to progressively align its development assistance behind the National Priority Programs with the goal of achieving 80% of alignment within the next two years. The PMP identifies the linkages between USG managed programs and the National Priority Programs identified in the Afghan National Development Strategy (ANDS). It documents how U.S. assistance supports these programs and how the results achieved by U.S. assistance support the objectives outlined in the ANDS.

II. INTRODUCTION

A. HISTORY OF THE USAID/AFGHANISTAN PMP

Following approval of USAID/Afghanistan's five-year Strategic Plan (2006-2010), the Mission developed and approved in May 2006 a Performance Management Plan (PMP) to track and measure the implementation of its new strategy. That strategy, the first since USAID returned to the country after the 1979 Soviet invasion and subsequent rise and fall of the Taliban, addressed the need for stabilization, regulatory and economic reforms, and developing the capacity to plan and manage the implementation of these measures. The strategy aimed to support the rapid transition of Afghanistan to a more stable and productive state through the promotion of democracy, rule of law, and sustainable economic and social development responsive to citizens' needs.

The Mission designed the original PMP to plan, manage, and report performance for 2006 through 2008. The Strategic Objective (SO) teams provided data for the indicators during 2006 and 2007, but stopped thereafter, when the SO teams were unable to provide data as program priorities changed and the security situation deteriorated.

USAID/Afghanistan adopted a new foreign assistance framework in 2008 to prepare the FY 2008 Operational Plan (OP). For the first time, the Mission selected indicators at the program element level from a standard list of indicators and submitted targets and results in the FY 2008 Performance Plan and Report (PPR).

Beginning in August 2009, the U.S. adopted two new strategies. The purpose of this new PMP is to adopt a series of performance measures for the period 2011-2015, in accordance with ADS 203.3.3. The PMP covers the entire USG foreign assistance portfolio in Afghanistan, including outputs, intermediate outcomes, outcomes, and impacts and also sets a timeline of expected evaluations and impact assessments.

B. COUNTRY LEVEL STRATEGIES

The President's December 2009 West Point speech laid the foundation for the U.S. Afghanistan Strategy and identified priorities in which the U.S. will address to secure Afghanistan and establish the conditions necessary to transfer reconstruction effort to the Afghan people. In addition, approved of a Civilian-Military Campaign Plan¹ and the issuance in February 2010 of a new regional stabilization strategy,² the USG redirected its focus in Afghanistan on the Afghan people and adopted an integrated, synchronized effort by civilian and military teams to work across the security, development, governance, and information sectors in new and comprehensive ways.

The President's speech and both strategy documents highlight the importance of a strong partnership with the Government of the Republic of Afghanistan (GIROA) in order to build

¹ U.S. Embassy, Kabul and U.S. Forces Afghanistan. "United States Government Integrated Civilian-Military Campaign Plan for Support to Afghanistan, August 10, 2009.

² U.S. Department of State "Afghanistan and Pakistan Regional Stabilization Strategy" February 24, 2010.

its capacity to provide its people a stable future. These strategies resulted from close collaboration with the International Security Assistance Force (ISAF), as well as the United Nations Assistance Mission in Afghanistan (UNAMA) and partner nations. Although the new strategies do not explicitly identify the timeframe covered, they typically cover a five year period between FY 2011–2015.

PRESIDENT’S WEST POINT ADDRESS

During his address to cadets at West Point, President Obama laid out three clear objectives to bolster security and clear a path for development in Afghanistan. Specifically the U.S. interventions will pursue a military strategy that will break the Taliban's momentum and increase Afghanistan's capacity over the next 18 months; work with international partners, the United Nations, and the Afghan people to pursue a more effective civilian strategy, so that GIRoA can take advantage of improved security; and that USG success in Afghanistan is inextricably linked to USG partnership with Pakistan. U.S. foreign assistance supports the second and third objectives of the President’s plan. The U.S. Mission in Afghanistan will utilize assistance resources to create a foundation necessary to support changes and capitalize on security. Assistance programs build the capacity of key Afghan ministries that provide critical services, thereby legitimizing the Afghan Government. The U.S. Mission in Afghanistan is also rapidly deploying staff throughout Afghanistan and providing with the tools and resources necessary to effect changes and transform Afghanistan to a stable and productive country. Lastly, the U.S. Mission in developing programs that address cross-border activities such as trade and economic development. These activities foster partnerships between Afghans and Pakistanis and strengthen both countries’ commitments ensure that border regions are no longer a safe haven for terrorists or the Taliban.

NATIONAL SECURITY COUNCIL STRATEGY

The primary role of the NSC strategy is to *Disrupt, Dismantle, and Defeat Al-Qa’ida and its Violent Extremist Aflilates in Afghanistan, Pakistan, and Around the World*. Specially, Afghanistan and Pakistan are the epicenters of the violent extremism practiced by al Qa’ida. The danger from this region will only grow if its security slides backward, the Taliban controls large swaths of Afghanistan, and al-Qa’ida is allowed to operate with impunity. To prevent future attacks on the United States, our allies, and partners, we must work with others to keep the pressure on al-Qa’ida and increase the security and capacity of our partners in this region.

In Afghanistan, we must deny al-Qa’ida a safe haven, deny the Taliban the ability to overthrow the government, and strengthen the capacity of Afghanistan’s security forces and government so that they can take lead responsibility for Afghanistan’s future. Within Pakistan, the USG is working with the government to address the local, regional, and global threat from violent extremists.

The USG achieve these objectives with a strategy comprised of three components:

- A. The USG military and International Security Assistance Force (ISAF) partners within Afghanistan are targeting the insurgency, working to secure key population

centers, and increasing efforts to train Afghan security forces. These military resources will allow us to create the conditions to transition to Afghan responsibility.

- B. The USG will continue to work with our partners, the United Nations, and the Afghan Government to improve accountable and effective governance. As we work to advance our strategic partnership with the Afghan Government, we are focusing assistance on supporting the President of Afghanistan and those ministries, governors, and local leaders who combat corruption and deliver for the people.
- C. The USG will foster a relationship with Pakistan founded upon mutual interests and mutual respect. To defeat violent extremists who threaten both of our countries, we will strengthen Pakistan's capacity to target violent extremists within its borders, and continue to provide security assistance to support those efforts.

The assistance under the authority of the U.S. Mission in Afghanistan supports this strategy. Specifically, assistance will create the conditions necessary to transfer reconstruction efforts to the Afghans. Furthermore, assistance is strengthening the GIRoA systems to provide services directly to Afghans and improve oversight and government accountability. The U.S. Mission uses this strategy as a guide when designing and implementing assistance programs.

AFGHANISTAN AND PAKISTAN REGIONAL STABILIZATION STRATEGY

The “*Afghanistan and Pakistan Regional Stabilization Strategy*” sets forth a “whole-of-government strategy” to protect vital U.S. interests in Afghanistan and Pakistan and bring stability to both nations. The Strategy’s core goal is “to disrupt, dismantle, and defeat Al-Qaeda and its safe havens in Pakistan, and to prevent their return to Pakistan or Afghanistan.” In Afghanistan it focuses on developing the capacity of Afghan institutions to withstand and diminish the threat posed by extremism and to deliver high impact economic development. The Strategy also mandates that civilian interventions be integrated and synchronized with military activities, while acknowledging that “the pace and reach of civilian program implementation depends on a security environment permissive enough to allow civilian efforts to proceed.” The strategy identifies six Assistance Objectives and six cross-cutting themes.

Functional Objectives

Rebuilding Afghanistan’s Agricultural Sector: The number one development priority is to restore Afghanistan’s once vibrant agricultural sector through a civilian-military agricultural development strategy. This effort is being spearheaded by the Ministry of Agriculture, Irrigation, and Livestock (MAIL) with support from USAID, the U.S. Department of Agriculture (USDA), and the Army National Guard Agri-Business Development Teams. The sector objectives are to increase agricultural jobs and income and increase Afghans’ confidence in their government.

Strengthening Afghan Governance: Foremost among the U.S. governance objectives is to help make local government more visible, accountable, and responsive, particularly in the

South and the East. Priority is to be given to “reform-oriented service delivery ministries” while broadening U.S. support and engagement at the provincial and district levels. All planned governance interventions will include support for reinvigorated Afghan plans to reduce corruption by strengthening institutions that can provide checks on government power. Other objectives in this sector include enhancing Afghan capacity by extensive training of civil servants and supporting efforts to reform Afghanistan’s electoral system and democratic institutions.

Enhancing Afghan Rule of Law: The principal focus of the U.S. rule of law effort is to reverse the public perception of GIRoA as weak or predatory by helping the Afghan government and local communities develop responsive and predictable dispute resolution mechanisms that offer an alternative to the Taliban shadow justice system. Assistance will be provided in support of Afghan efforts to strengthen the formal state justice system, stabilize the traditional justice system, and build a safe, secure, and humane civilian corrections system.

Supporting Afghan-led Reintegration: The U.S. will provide political and financial support to the Afghan government’s reintegration program that will reach out to communities, individuals, and groups. Employing USAID and CERP funds, and contributions from international donors, the reintegration program will provide targeted economic development and licit job creation, especially in agriculture, for former insurgents.

Combating the Afghan Narcotics Trade: The Strategy emphasizes interdiction instead of eradication. In addition to activities to reduce demand and public information campaigns, it focuses on creating licit jobs and income in the agricultural sector by providing farmers with sustainable alternatives to poppy cultivation.

Building an Economic Foundation for Afghanistan’s Future: This part of the new Strategy encompasses both stabilization and economic development programs that are expected to provide a foundation for sustainable economic growth. It seeks to create sustainable private sector jobs, increase government capacity in support of economic growth and development, expand and improve energy and infrastructure, and promote government fiscal sustainability. As in the Civ-mil Plan, focus is also centered primarily on population centers and key economic corridors.

Cross-Cutting Themes

Increased Direct Assistance: Increasing levels of assistance are being channeled directly through Afghan government organizations and projects, including directly to Afghan ministries that have been certified to receive direct U.S. funding. The USG intends to channel at least 50% of its assistance funds through the GIRoA’s core budget within two years.

Improved Accountability: In addition to significantly increased numbers of additional personnel employed to monitor program implementation, the number of multi-year contracts

to U.S. firms and organizations has been slashed and new mechanisms to improve performance introduced.

Decentralization: Improvement in project implementation is expected to result from greater devolution of implementation authority to USAID officials assigned to regional civ-mil platforms (Regional Commands and PRTs). Projects are expected to be more responsive to local needs as a result of this improved coordination.

Afghan First: The new U.S. strategic approach is to support Afghan leadership, capacity-building efforts, and increased local procurement.

True Partnership: Afghans are at the center of the design, procurement, and implementation of U.S. assistance programs, a process promoted by some 55 U.S. advisors working in core Afghan ministries. Moreover, USG activities are aligned not only with the Afghan National Development Strategy, but several Afghan sector strategies. The USG intends to align its development assistance behind the National Priority Programs with the goal of achieving 80% of alignment within the next two years

Advancing the Rights of Afghan Women and Girls: Women’s empowerment is inextricably linked to the achievement of USG objectives in Afghanistan – including improvements in areas such as security, economic opportunity, governance, and social development. Accordingly, the Strategy emphasizes assistance to build women’s capacity to participate fully in Afghan society by:

- Improving the security of women and institutions that serve women;
- Supporting women’s leadership development in the public, private, and voluntary sectors;
- Promoting women’s access to formal and informal justice mechanisms;
- Enforcing existing law and Constitutional rights of women;
- Improving women’s and girls’ access to education and healthcare;
- Strengthening and expanding economic development opportunities for women, especially in the agriculture sector; and
- Increasing women’s political empowerment and participation.

INTEGRATED CIVILIAN-MILITARY CAMPAIGN PLAN

The *United States Government Integrated Civilian-Military (Civ-mil) Campaign Plan for Support to Afghanistan* aims to reverse insurgent momentum by refocusing U.S. efforts on the Afghan population and implementing a Counter-Insurgency (COIN) or stabilization campaign. Civ-mil teams are organized at the district, provincial, and regional levels to implement the COIN measures, including new investments in critical infrastructure and service delivery systems. This approach requires that increased GIRoA capacity be sustainable at all levels from the local village to the capital Kabul. The plan also establishes 11 key counter-insurgency “transformative effects” or change objectives cutting across security, development, governance, and information operations.³ The effects are:

³ All of these effects are encompassed within the six Assistance Objectives included in the Af-Pak strategy.

1. Population Security;
2. Claiming the Information Initiative;
3. Access to Justice;
4. Expansion of Accountable and Transparent Governance;
5. Elections and Continuity of Governance;
6. Creating Sustainable Jobs for Population Centers;
7. Agricultural Opportunity and Market Access;
8. Action against Irreconcilables;
9. Countering the Nexus of Insurgency, Narcotics, Corruption and Criminality;
10. Community and Government-led Reintegration; and
11. Cross-border Access for Commerce not Insurgents

At the core of the civ-mil campaign plan is a geographic focus on unstable districts and regions of the country. Some 80 “key-terrain” districts have been identified for interventions in 2010 and 2011. The highest COIN priority is to target southern Afghanistan and, most notably, Helmand and Kandahar provinces, the heart of the insurgency. The second priority is eastern Afghanistan. The objective is to protect the population and “create space for previously isolated communities and government” to undertake security, reconstruction, and governance. The civ-mil strategy and activities assume that “securing the most unstable provinces will have a cascading impact on the rest of the country.”

The Plan also presents the organizational and management framework for all USG elements to work together in concert with ISAF elements at the five primary levels of operational responsibility: national, regional, sub-regional, provincial, and district.

National Level: A deputies-level senior decision-making body (including USAID) makes national policy and decisions regarding the Campaign Plan. Working-level civ-mil groups are responsible for further development, monitoring, and assessment of their respective counter-insurgency activities in the Plan. They also oversee execution of the Plan, assess progress periodically, and work with relevant GIROA and international partners on implementation.

Regional Integrated Team (IT-R): Led by the RC Commander (CDR), a three-star General, these four regional commands provide support and guidance to subordinate levels, develop and implement an integrated civ-mil plan, assess progress, and allocate resources. Each regional command has a Civ-Mil Fusion Cell where civilian, international, and military elements are represented.

Sub-Regional Integrated Team (IT-S): This civilian team synchronizes all USG civilian efforts in the sub-regional area. It includes sub-regional military commanders and the brigade combat team commander, the USG Senior Civilian Representative, and representatives of other government agencies.

Provincial Integrated Team (IT-P): The IT-P focuses on implementation, but also supports and guides district level activities. It is led by leaders of the Provincial

Reconstruction Team (PRT), the Agri-Business Development Team (ADT) the battalion equivalent, SOF elements, the ANSF mentor and partner teams and the provincial USG civilian lead. The PRT, USAID, DOS and USDA representatives and other implementing partners operating in the province support the latter.

District Support Team (DST): Comprised of all USG civilian elements plus ISAF military forces in the district, the DST is a joint civilian and military action group directed by the USG civilian lead, commanders of the primary military elements, and the ANSF mentor and partner team. Although focused primarily on implementing activities at the district level, it also formulates a civ-mil plan for district support, assesses progress in achieving stability in the area, allocates resources, and engages key international community and GIROA partners.

The U.S. Mission in Afghanistan utilizes the Civil-Military Campaign Plan as a tool to understand the effect of assistance efforts on COIN objectives. The plan is a tactical document to inform the implementation of reconstruction projects and ensure their coordination with military efforts. USG assistance interventions link to all 11 transformative effects, but it is important to note that the USG does not use this plan to design programs. The USG designs programs based on the President's West Point address, the Regional Stabilization Strategy, the Afghan National Development Strategies. These strategies are recognized as the primary USG policies that assistance is to follow. USG assistance programming is in line with the objectives identified during the Kabul Conference.

AFGHANISTAN NATIONAL DEVELOPMENT STRATEGY

The Afghanistan National Development Strategy (ANDS) serves as Afghanistan's Poverty Reduction Strategy Paper and uses the pillars, principles and benchmarks of the Afghanistan Compact as a foundation. The pillars and goals of the ANDS are:

1. **Security:** Achieve nationwide stabilization, strengthen law enforcement, and improve personal security for every Afghan.
2. **Governance, Rule of Law and Human Rights:** Strengthen democratic processes and institutions, human rights, the rule of law, delivery of public services and government accountability.
3. **Economic and Social Development:** Reduce poverty, ensure sustainable development through a private-sector-led market economy, improve human development indicators, and make significant progress towards the Millennium Development Goals (MDGs).

The U.S. Mission in Afghanistan utilizes the ANDS as a guide to design and implement assistance programs to support GIROA identified priorities and programs. The ANDS is an integral part of assistance and is the foundations that will build the sustainable development and ensure that reconstruction efforts are Afghan led. The USG is committed to supporting the ANDS and will progressively align its development assistance behind the National Priority Programs identified in ANDS with the goal of achieving 80% of alignment within the next two years.

C. FUNDING ASSUMPTIONS

Funding levels expected to achieve the planned results over the five year (2011-2015) implementation period have yet to be determined. Resources requested for year one (FY 2011) that cover the civilian activities described in this PMP total \$ 3.853 billion. By Activity Objective this level includes the following: Rebuilding the Agricultural Sector, \$240 million; Strengthening Governance, \$1.760 billion; Enhancing Rule of Law, \$248 million; Combating Narcotics, \$437 million; Building a Foundation for Afghanistan's Future, \$1.152 billion; and Other \$16 million. Although long-term budget forecasts for the years FY 2012 – FY 2015 are unknown, there is a high degree of confidence that Congress, USAID, and Department of State will sustain the civilian surge and provide appropriate resources to achieve the performance results identified in this PMP.

D. MEASURING PUBLIC PERCEPTIONS

The annual *Survey of the Afghan People* conducted by The Asia Foundation (TAF) is a useful nationwide assessment of Afghan public opinion for policy makers and actors in government, civil society, the international community, and the broader Afghan citizenry. The Survey provides a snapshot of national perceptions in key policy areas including governance, democratic values, women and society, security, and the economy. Assistance Objective teams use the TAF survey to gauge changes in public perceptions as result of USG assistance activities.

III. IMPLEMENTING THE PMP

A. DATA COLLECTION

BASELINE AND TARGET DATA

There are many indicators that do not have baseline data or targets. Some are Mission outcome or impact indicators that are either new or were in the previous PMP but for which data was never collected. Still others are suggested indicators for new activities now in the design stage that Technical Teams need to decide upon once leadership authorize the activities. A few Mission custom output indicators also need baseline data for the same reasons explained above. Some indicators may have baseline data, but lack target data, so targets for these indicators are required. This PMP proposes setting baseline and targets in the first and second quarter of FY 2011. Targets for all F indicators have to be set in the first quarter as part of the Performance Plan and Reporting process. In some cases AO teams need to finalize the indicators before baseline and target information is collected.

AO AND IR LEVEL PERFORMANCE DATA

Many of the AO and IR level indicators are custom Mission outcome or impact indicators and will, in some cases, require conducting surveys to obtain data. This PMP suggests that surveys on outcome and impact indicators be conducted in Quarter 1 or Quarter 2 of FY 2011

(baseline survey) and follow-on surveys a year or two later, depending on the periodicity of the proposed survey. A number of these surveys will be conducted by third party entities that normally collect this kind of data, so USAID will be obliged to adjust its schedule for obtaining the data based on when these entities conduct the surveys.

ACTIVITY LEVEL DATA

This data relates to F standard and custom indicators reported annually; so the U.S. Mission in Afghanistan needs to acquire this information during the first quarter from implementing partners (at least a month before the Performance Plan and Report is due). Mission COTRs and Activity Managers should make sure that partners regularly collect performance data, particularly OP indicator data, to avoid any delays in compiling and submitting that data to USAID for the Performance Plan and Report.

REVIEWING PERFORMANCE INFORMATION

The main mechanisms for reviewing performance data are the semi-annual performance reviews (also called portfolio reviews). Performance reviews not only offer an opportunity to review progress on program implementation, but also the results of the projects to ensure annual targets have been met or are on track for being met. Performance reviews take place in the first and third quarter of the year. In addition to performance reviews, the U.S. Mission in Afghanistan will hold quarterly reviews data collected to ensure quality. The USAID Program Office will lead these efforts and work with all USAID Technical Office and relevant Embassy Sections.

B. REPORTING

PERFORMANCE RESULTS

Performance results on Standard F indicators are reported in the first quarter of the fiscal year (November 30th). Mission custom indicator data should also be reported during that time. The Mission should encourage implementing partners to schedule their surveys for assessing project outcomes during the last quarter of the year so that survey results can also be reported to USAID as part of the annual reporting. Surveys done by third party partners are harder to schedule, but USAID should work with the third party entities implementing these surveys to have them done according to their normal schedule (e.g., every 3-5 years for DHS or similar surveys).

ON- DEMAND

Although performance monitoring is essentially a semi-annual and annual process within the framework of established results management approaches, demands for performance information are constant and various in a high profile program such as Afghanistan's. The Afghan Info database, enabled to track performance indicators in addition to activity inputs and outputs, will be the basis for contributing to other regular, on-going reporting exercises and to the many ad-hoc requests for performance analysis that are a constant element of the environment of high profile programs. To meet these needs, the addition of the PMP

tracking capability, user friendly input interfaces (so that data is recent and accurate), and an agile reporting and analytical module will be essential.

C. PERFORMANCE MANAGEMENT

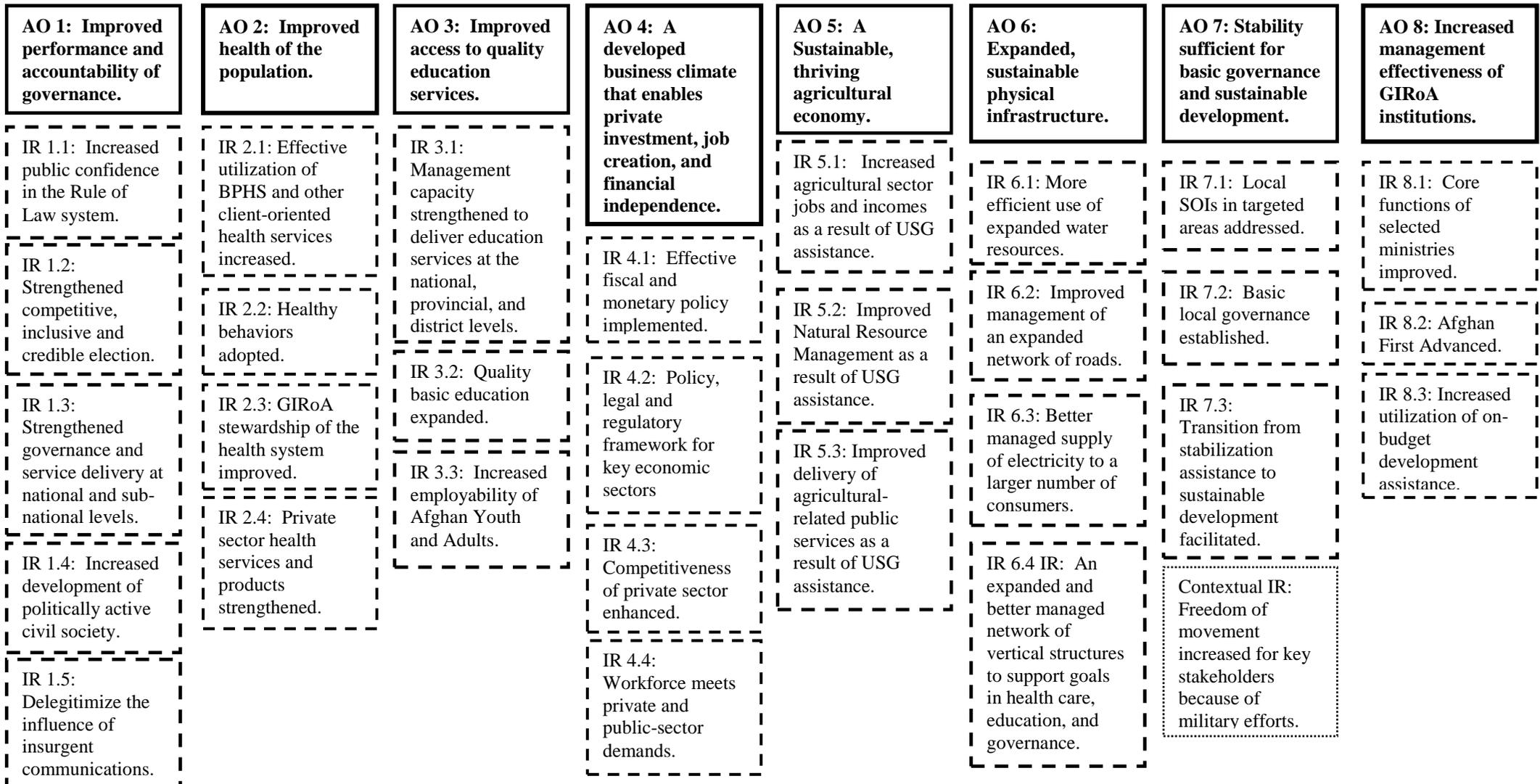
Performance management is a shared responsibility that depends for its success on the “ownership” of USAID activity managers, implementing partners, and senior management. Experience shows that the only way to successfully develop a performance monitoring and reporting system for a large program spanning so many operating units is to collaborate closely with those units. USAID and its USG collaborators should continue this participatory approach and involve as many actors as possible along the way. Thus, the overall approach to PMP system development and execution is a combination of technical inputs by the Program and technical offices and frequent communication and discussion with implementing partners.

D. IMPLEMENTING PARTNER RESPONSIBILITIES

The U.S. Mission in Afghanistan will adopt language to be included in bilateral contracts and grants that specify the duties of the implementing partners to perform monitoring functions, adopt Mission performance indicators whenever possible, and especially provide data in the formats specified by the Mission. It is important that this language always be inserted in RFPs and RFA’s so that bidders will adequately budget for their M&E responsibilities.

IV. U.S. FOREIGN ASSISTANCE RESULTS FRAMEWORK

Goal: Stable and Effective Afghan-Led Development



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U.S. FOREIGN ASSISTANCE FOR AFGHANISTAN

POST Performance Management Plan-
2011-2015

I. Annex I – Assistance Objective 1: Improved Performance and Accountability of Governance

Annex I – Assistance Objective 1: Improved Performance and Accountability of Governance

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I. OVERVIEW

A. CONTEXT

President Karzai's second inaugural address in November 2009 set forth an ambitious agenda and the U.S. Embassy is encouraging the Afghan government to take strong actions. Activities include combating corruption, improving governance, providing better services for the people of Afghanistan, and maintaining and expanding on the important democratic reforms and advances in women's rights that have been made since 2001.

The hallmark of the Kabul Process is Afghan leadership and ownership. The London Conference, the Peace Jirga, and the 2010 Kabul Conference highlight the Afghan government's commitment to improving governance, as well as security and economic opportunity. In the area of Governance, Rule of Law, and Human Rights the Kabul Conference communiqué states "Good governance, the rule of law, and human rights form the foundation of the strategy to achieve a stable and prosperous Afghanistan ... It is also crucial that the Government, in pursuing its reforms, continue to consult with the people through their representative bodies, civil society, and other mechanisms." Key areas of specific commitments include:

- A strategy for long-term electoral reform;
- Access to the delivery of justice throughout Afghanistan;
- Measures to increase transparency and accountability and tackle corruption;
- Implementation of Sub-National Governance Policy, and strengthening local institutional capacity, including training of civil servants and development of training curricula, and development of sub-national regulatory, financing, and budgetary frameworks; and
- Human rights, legal awareness and civic education program implementation targeting communities across Afghanistan to foster a more informed public and civil society, and to increase Government accountability.

B. STRATEGIC COHERENCE

The Afghanistan and Pakistan Regional Stabilization Strategy,⁴ reflects the urgency US policy attaches to building on the democracy and governance gains made since 2002. The AfPak Strategy consists of governance elements that are integrated and synchronized with military activities to achieve short, medium, and long-term objectives. Democracy and governance programming will, therefore, support and reinforce military and police efforts to improve security in Afghanistan.

The Afghanistan National Development Strategy (ANDS) "Governance, Rule of Law and Human Rights" strategic priority is to strengthen democratic processes and institutions, human rights, the rule of law, delivery of public services and government accountability. The ANDS governance agenda addresses three major challenges: pervasive corruption, low public sector capacity, and human rights deprivations of girls and women. One of the governance deficiencies

⁴Afghanistan and Pakistan Regional Stabilization Strategy, Office of the Special Representative for Afghanistan and Pakistan, Updated February 24, 2010.

mentioned is “weak community and civil society institutions.” The proposed USG AO activities will contribute to addressing these challenges.

One key component of the USG’s stabilization strategy is to improve governance and to provide better services for the people of Afghanistan. In a supply – demand model, while improved government capacity is critical, it is also important to increase the ability of citizens to demand accountability and better services. Civil society organizations (CSO) provide a mechanism for citizens to channel their issues to decision makers. The USG will strengthen linkages between communities and the government, and provide citizens with skills and networks to better solve community problems and influence decision making. The expansion of civil society support will increase the number of citizens actively engaged in governance activities and processes. This is consistent with U.S. policy towards “broadening our support and engagement at the provincial and district levels to enhance the visibility, effectiveness, and accountability of the institutions that impact Afghan lives the most.” In addition, related to USG stabilization priorities on Rule of Law and Human Rights, this activity will build civil society’s capacity to advocate for women and contributes to empowering Afghan women as civil society leaders.

The USG has a vital national interest in helping the Afghans build an effective and legitimate state and government. Democracy and governance activities planned during the strategy years (2011 – 2015) include combating corruption, improving governance and the rule of law providing better services for the people of Afghanistan, and maintaining and expanding on the important democratic reforms and advances in women’s rights that have been made since 2001.

The USG will focus democracy and governance support at those Afghan ministries that can have a direct impact on service delivery, particularly in the geographic heart of the insurgency – the South and East. Adapting programs to account for local realities, and broadening support and engagement at the provincial and district levels will enhance the visibility, effectiveness, and accountability of the institutions that impact Afghan lives the most. USG provincial and districts programs will help the Afghan government provide economic opportunities that increase stability and reduce the strength of the insurgency. Democracy and governance programming will advance the rights of Afghan women and girls by improving access to justice, improving basic service delivery, and increasing women’s participation in the political process.

C. PROGRESS TO DATE

Since 2002, USG assistance in democracy and governance assisted in the creation of an Afghan government with the capacity to be a legitimate alternative to Afghanistan’s authoritarian political past. The USG has substantively met previous intermediate results over the past four years. The results include: enhanced rule of law, strengthened election and political processes, strengthened institutions for good governance, and increased presence and performance of civil society.

USG support to civil society and the media has increased pluralism and transparency that are the foundation for a democratic and anticorruption regime. Since 2005, the USG supported components of a robust Afghan civil society infrastructure through a network of ten Afghan intermediary support organizations (ISOs) and Civil Society Support Centers (CSSCs) in provinces across the country to serve as conduits to remote geographical regions and smaller,

regional CSOs. USG support has helped develop the capacity of more than 220 Afghan CSOs and awarded more than \$10.5 million in grant support for CSO projects.

The USG Media Development Program supported independent radio stations and a national radio production unit that, so far, has produced more than 500 hours of public affairs programming aired on the radio network. Programs ranged from extensive coverage of the 2009 elections to local stories. More than 7 million Afghans are within the footprint of an independent radio station supported by this program.

Capacity building of Afghan CSOs has been a major accomplishment with a special emphasis on Afghan women-led CSOs and gender policy activities. The civil society sector has grown and developed significantly but is far from sustainable maturity. Few ordinary citizens understand how civic engagement improve their lives, and CSOs are still deficient in their capacity to provide effective channels for citizen participation in the political process.

II. USG RESPONSE

The USG will address the democracy and governance challenges through the implementation of activities that support **Assistance Objective (AO) 1: Improved performance and accountability of governance system**. The USG identified five Intermediate Results expected to be achieved:

- Increasing the public confidence in the rule of law system,
- Strengthening election and political processes to be competitive, inclusive, and credible
- Strengthening governance and service delivery at national and sub-national level,
- Increasing development of politically active civil society,
- Delegitimize the influence of insurgent communications.

To support the assistance objective and intermediate results the USG will implement projects in rule of law, elections and political competition, governance, and civil society and independent media. The projects support the establishment of a broadly accepted national government that promotes national unity and effectively serves the needs of the Afghan people.

A. IR 1.1 – INCREASED PUBLIC CONFIDENCE IN THE RULE OF LAW SYSTEM

This outcome is central to the USG strategy to develop the capacity and sustainability of the judiciary at national, provincial, and district levels. To achieve this strategy, the USG will implement governance and rule of law programs that expand the availability and quality of legal education, strengthen the public's awareness of legal rights and processes, and increase confidence in the formal and informal judicial systems. USG interventions will complement ISAF's expanded emphasis on training capable Afghan National Police. Critically important outcomes include:

- improved and expanded access to the formal justice sector by increasing capacity and reducing corruption in key state justice institutions;

- a safe, secure, and humane corrections system developed in partnership with the Afghan government;
- a stabilized traditional justice system, with an emphasis on informal dispute resolution councils to ensure dispute resolution needs in communities are being met;
- sustainable leadership capacity of the Afghan government's justice sector; and
- public legal outreach and awareness strengthened.

Formal Justice System: At the local and district levels, the USG will support capacity development of the formal state courts. The USG will partner with the Supreme Court of Afghanistan to provide technical assistance and training to increase the ability of state courts to provide competent justice services. The results of these efforts include: increased professional abilities of individual judges, continuing reforms of the case filing and management systems deployed by the Supreme Court to increase the speed and efficiency of the courts at the provincial and district levels, enforcing internal judicial ethics, and developing a cadre of vetted judges capable of handling corruption cases including those judges on the newly-formed Anti-Corruption Tribunal (ACT) in Kabul and various regional capitals.

Informal Justice System: The informal justice system program, in support of counterinsurgency efforts, will aid in re-establishing traditional dispute mechanisms. Innovative activities implemented with the awareness of the Afghan government and Afghan NGOs will include:

- educating the population about their legal rights under the Afghan Constitution;
- supporting tribal elders/religious leaders who conduct *shuras*;
- establishing linkages, as appropriate, between the informal and state systems;
- mapping the operation and function of the informal justice sector in the south and the east to support future stabilization efforts; and
- working with the Afghan Ministry of Justice (MOJ) to formalize links between the two systems to maximize the benefits of both systems and to reduce the weaknesses.

The USG plans to link traditional justice mechanisms with the evolving formal justice sector, which will play a significant role in expanding enforcement of the rights of women and other traditionally marginalized groups.

Legal Skills Development: Activities planned will lead to increased support for secular and Islamic law schools to ensure that the next generation of legal professionals is fully competent and capable of leading reform efforts started by the U.S., international community, and GIRA. The future of Afghanistan's rule of law is based on their current law students and young lawyers; programs will assist them to better engage reliable and relevant rule of law practices with the introduction of practical legal skills courses, moot court and advocacy skills will produce more capable young lawyers, prosecutors, and judges. Study tours and scholarships for law professors will focus on developing their teaching skills and introducing them to modern teaching techniques.

Anti-Corruption Assistance: Various USG cross-cutting efforts will increase transparency and accountability and reduce opportunities for corruption. Assistance to the High Office of

Oversight (HOO) is a key component and the agency now has an operational structure and strategy. Public awareness and transparency of government officials' interests is enhanced by registration of assets of officials starting with 1500 registrations to be received over the next 12 month period. Future activities will strengthen HOO independence and legal mandates and provide further operational assistance. With this the HOO can act without political interference and with knowledgeable conviction to curb corrupt practices. Frequent meetings amongst all donors indicate that there will be a renewed international effort to encourage prosecutions for narcotics and corruption-related crimes and expand support for the Afghan Independent Anti-Corruption Tribunal, Major Crimes Task Force, and Anti-Corruption Unit.

Correction Systems Improvements: The USG will support the Afghan government to improve its corrections system, with a focus on the South and East by supporting de-radicalization teams, reintegration efforts, and rehabilitation programming for prisoners. The USG will train officials in Afghanistan's Central Prison Directorate with emphasis placed on women's rights. The USG Corrections System Support Program (CSSP) will renovate and construct Afghan corrections facilities supplanting the inhumane detention system that fostered insurrection with one that respects human rights and actual corrections.

Promoting Women's Rights: Rule of law programs will help Afghans to know and apply globally accepted human rights practices into real improvements in their lives. Specifically these programs will focus on women's rights by ensuring, protecting, and promoting gender rights in the Afghan judicial systems. Other programs will build civil society's capacity to advocate for women and monitor enforcement of laws protecting women, including the Elimination of Violence Against Women law. The USG will encourage the re-establishment of the Afghan Women Judges Association and development of an Afghan women lawyers network will be encouraged.

B. IR 1.2 - STRENGTHENED COMPETITIVE, INCLUSIVE, AND CREDIBLE ELECTION AND POLITICAL PROCESSES

Efforts contributing to this IR will utilize Afghan-developed expertise to strengthen the Independent Election Commission (IEC) and a voter registry for the National Assembly elections scheduled for 2010. The Support to the Elections Process (STEP) program will strengthen the institutional capacity of the IEC to ensure transparency and broad-based participation in the electoral process throughout Afghanistan. This will in turn ensure a more representative government, seen as legitimate by the Afghan population. The Voter Registration Project (VRP) implemented through the United Nations Development Program (UNDP) includes support for a national voter registration system that allows broad public participation and public education about the voter registration system. These programs will strengthen the ability of political stakeholders to articulate, organize, and compete in elections.

In addition to these programs, the USG will support civic and voter education, media development, the IEC operational and logistical systems, and observation of local elections to National Assembly elections. Support for the Increased Electoral Participation in Afghanistan program will enable the IEC to implement outreach and recruitment activities that are equally

accessible to all Afghan citizens and provide technical assistance to the Elections Complaints Commission (ECC) to decrease the possibility of electoral fraud.

Also contributing to the intermediate results are USG activities that will expand Afghan women's involvement in the political process and increase female leadership development initiatives. USG assistance will enable the GIRoA to carry out valid elections, encourage women's electoral participation as candidates, and train female National Assembly candidates and future leaders elected at the grassroots level. Assistance will also emphasize the importance of equal rights principles enshrined in the Afghan Constitution. U.S. election assistance will also help facilitate women's voting, making it a more inclusive process.

C. IR 1.3 - STRENGTHENED GOVERNANCE AND SERVICE DELIVERY AT NATIONAL AND SUB-NATIONAL LEVELS

Improving the Afghan people's confidence in their government requires improved service delivery, greater accountability, and more protection from predatory practices, particularly in communities where the Taliban is providing its own brand of governance. A crosscutting element of all governance programs is support for reinvigorated Afghan plans to fight corruption with concrete measures towards greater accountability.

The USG continues to build core governance capacity at the national level through support for eight key offices that support the President, including the Office of Administrative Affairs (OAA), the Independent Directorate for Local Governance (IDLG), the High Office of Oversight (HOO), and the Government Media and Information Center (GMIC). The USG provides program support to the Independent Administrative Reform and Civil Service Commission (IARCSC) and the Afghan National Assembly.

Assistance to Parliament: USG activities will strengthen the National Assembly to operate as a strong, independent, and effective legislative, representative oversight body. The Afghanistan Parliament Assistance Program (APAP) provides technical assistance and training to MPs, parliament staff, leadership offices, and National Assembly Committees to strengthen legislative capacities, oversight abilities, and constituency representation.

Civil Service Reform: The USG will provide assistance to improve civil service skills in key anticorruption areas (e.g. public financial management, financial institution regulation, procurement, budgeting, and human resource management) because a merit-based and qualified Afghan civil service strengthens governance and supports anti-corruption efforts.

Sub-National Government Capacity Building: To give Afghans a greater stake in their own government, the USG will implement local governance programs to broaden public support at the provincial and district levels. Civ-mil initiatives such as the District Development Working Groups and District Support Teams expand sub-national capacity building efforts in key population centers in the East and South.

Supporting programs such as the National Solidarity Program (NSP) and the Local Governance and Community Development (LGCD) provide community cash grants to provincial-level and

district-level shuras and communities in less secure provinces in Afghanistan’s South, East, and West. Representative governance, albeit informal, is take shape at the village level, with transformative effects on how people view government and the role of women in society. The Performance-Based Governor’s Fund provides critical operating funding so that governors’ offices can better respond to needs in their provinces. The Afghanistan Social Outreach Program is designed to put in place mechanisms to ensure ongoing communication and collaboration between government and communities through the creation of community councils at the district level. Governance programs closely aligned with the priorities of the Independent Directorate for Local Governance (IDLG) and other Afghan government entities.

The Sub-National Governance Structure/RC East and RC South program, working with IDLG, provides training and support to 20 provincial councils for oversight and enhancement of the provincial development process. The USG places emphasis on understanding and meeting constituent needs. The USG provided technical assistance on budget and fiscal responsibilities, public opinion polling, town hall meetings, and the development of media strategies. The USG designs these programs to build capacities of local councils so they may better serve their constituents.

Other closely related USG efforts, including stabilization programming with IDLG reinforce programs that strengthen governance and service delivery at the national and sub-national level. Infrastructure development at the sub-national level, specifically water supply, roads, and energy, is critical for improved service delivery. Infrastructure improvements also support improved civilian perceptions of GIRoA effectiveness. Through the USG “Afghan First” policy, projects will employ Afghans and Afghan firms, provide on-budget assistance to GIRoA ministries and agencies, purchase goods in country, and develop and implement assistance through the Afghan Reconstruction Trust Fund. This policy will increase Afghan confidence in the national government, while further building capacity.

D. IR 1.4 – INCREASING DEVELOPMENT OF POLITICALLY ACTIVE CIVIL SOCIETY

This IR focuses on strengthening the capacity of civil society and the media to provide channels for citizen participation in the political process and to hold government accountable. A serious governance deficiency identified in the Afghanistan National Development Strategy (ANDS)⁵ is “weak community and civil society institutions.” IR 1.4 will address the civil society and independent media capacity building needs for Afghan citizens to be able to more effectively participate in the political process, solve community problems, and advocate for good governance from their leaders.

The USG strives to promote gender equality, in which both men and women have equal opportunity to: benefit from and contribute to economic, social, cultural, and political development; enjoy socially valued resources and rewards; and realize their human rights. Activities under this IR will partially respond to U.S. Congressional earmarks specifying that “assistance for Afghanistan shall be made available, to the maximum extent practicable, in a manner that utilizes Afghan entities and emphasizes the participation and leadership of Afghan women and directly improves the security, economic and social well-being, and political status

⁵ *Islamic Republic of Afghanistan- Afghanistan National Development Strategy (ANDS)*, 1387 – 1391 (2008 – 2013)

of Afghan women and girls” and in particular for women-led nongovernmental organizations. The National Action Plan for the Women of Afghanistan (NAPWA) is the main resource for gender mainstreaming in Afghanistan's government institutions. One of its main pillars is Governance, Rule of Law and Human Rights, with two sub components of 1) Legal Protection and Human Rights, and 2) Leadership and Political Participation. Cooperation on NAPWA implementation between ministries and civil society groups is specified in a number of areas.⁶

The USG will strengthen linkages between communities and the government, and provide citizens with skills and networks to effectively resolve community problems and influence decision making.

Civil Society Sector Strengthening: The USG supports the development of a strong and active civil society through technical assistance, capacity building, and grants to non-governmental organizations (NGOs). Priorities include supporting improvement of the NGO legal enabling environment, as well as increased transparency and accountability involving cooperation with relevant ministries and parliament. The USG will invest in a nation-wide Afghan civil society strengthening and support network, expanding the reach of civil society support centers to citizens in all parts of Afghanistan. Finally, the USG will support expanded citizen understanding of the role of civil society in the Afghan context, encouraging citizen mobilization through community dialogues and policy advocacy on a local and national level. Increased numbers of citizens will be empowered to be actively engaged in their communities and the political process. Strengthening the capacity of CSOs will support citizen participation in policy and decision-making processes, policy analysis, advocacy, coalition-building and oversight of public institutions.

Media Development: The USG media development strategy builds upon previous investments and advances into new programmatic areas. A focus of the strategy is building Afghan capacity to meet international journalistic standards. Strengthening independent media is integral to supporting democratic development in Afghanistan. The growth and sustainability of a diverse and uniquely Afghan media industry and increasing the number of private individuals alternatively creating and sharing news and information are priorities. Capacity building in the provinces and districts at all levels and expansion of the availability of reliable information will allow Afghans to make informed choices about goods, services, their government, and the future of Afghanistan.

Empowerment of Afghan Women and Girls: To promote gender equality, participation, and leadership of Afghan women, the USG aims to improve the security, economic and social well-being, and political status of Afghan women and girls. Afghan girls and women now live under a Constitution that ensures their access to education, employment, and legal rights as well as an official framework to support their personal and professional development. However, further efforts are needed to prevent losing hard-won gains and securing an enduring role in decision-making and public life. USG activities will strengthen the ability of women-focused CSOs in Afghanistan to manage, implement, communicate, and advocate and play a greater role as partners in development. Contributing to Congressional directives addressing the needs and protecting the rights of Afghan women and girls will include cooperation with the Afghan

⁶ National Action Plan For The Women of Afghanistan (NAPWA), section 4.6, p. 30

Independent Human Rights Commission⁷, the Afghan Ministry of Women's Affairs as appropriate, and support for women-led nongovernmental organizations.

E. IR 1.5 – DELEGITIMIZE THE INFLUENCE OF INSURGENT COMMUNICATIONS

This IR focuses on strengthening the capacity of the media to provide legitimate channels of communication and information that demonstrate to Afghans that through partnership with GiRoA and international community Afghanistan will improve. The USG strategic communication strategy aligns all communication plans, resources, and initiatives to ensure the people of Afghanistan reject violent extremism, accept that GiRoA and the International Community are legitimate and capable long-term partners, and actively share in risks to achieve security, stability, and prosperity. Specifically, the USG strategic communication efforts will:

- Counter extremist voices by delegitimize and decreasing the influence of insurgent communications while demonstrating to Afghans how reform and partnership with GiRoA, ISAF, and the International Community will lead to a better Afghanistan;
- Strengthen people to people ties to promote a shared vision of Afghanistan’s future, and to strengthen Afghanistan’s culture and opinion leaders;
- Build Afghan Communication Capacity to increase the effectiveness of communications by GiRoA, the independent media, and the Afghan public; and
- Expand Media Engagement to inform and persuade key publics, and increase engagement with priority media categories.

III. CRITICAL ASSUMPTIONS

The following assumptions are critical to the AO 1 Results Framework:

1. The Afghan government will implement its reinvigorated plans to fight corruption, with measures of progress toward greater accountability.
2. Justice and rule of law programs will focus on creating predictable and fair dispute resolution mechanisms to eliminate the vacuum that the Taliban have exploited.
3. USG programs will successfully address local officials’ lack of education, experience, and limited resources.
4. GiRoA action will counter obstruction from local powerbrokers whose activities are sometimes inconsistent with the Afghan constitution.

⁷ This is pending GiRoA steps to “ensure the necessary political and financial support for the AIHRC while guaranteeing its constitutional status, and initiate discussions with the AIHRC within six months to explore its budgetary status.” Kabul Communiqué July 2010.

IV. MAJOR ISSUES OR CONCERNS

Security: Security is a precondition for governance and helps local government be more visible, accountable, and responsive. New civ-mil initiatives, such as the District Development Working Groups and District Support Teams, and supporting programs are structured to give Afghans a greater stake in their own government and also assist Afghan efforts to reduce corruption.

Gender Considerations: Women’s empowerment is linked to the achievement of USG objectives in Afghanistan including improvements in security, economic opportunity, governance, rule of law, and social development. Governance goals are to assist the Afghans to improve the security of women and institutions that serve women, support women’s leadership development in the public sector, and increase women’s political empowerment and participation. In addition to specific efforts already mentioned, the USG will expand women’s civil service opportunities through internships for women in Afghan ministries and diplomatic training to emerging Afghan women leaders from the Afghan Ministry of Foreign Affairs. The USG will support the increasing number of women leaders, actively participating in the National Assembly and in their communities, to forward peace processes, and promote peace, justice, and human rights through its programming.

Afghan First: The U.S. strategy articulated in the “Afghanistan and Pakistan Regional Stabilization Strategy” is to support Afghan leadership. AO1 programming supports Afghan capacity-building efforts at the national and sub-national levels.

Annex II –A contains detailed Performance Indicator Reference Sheets (PIRS) for each indicator. Each reference sheet is fully consistent with the guidance in ADS 203.

V. U.S. MISSION IN AFGHANISTAN DEMOCRACY AND GOVERNANCE RESULTS FRAMEWORK

AO 1: Improved performance and accountability of governance

IR 1.1: Increased public confidence in the Rule of Law system	IR 1.2: Strengthened competitive, inclusive and credible election and political processes	IR 1.3: Strengthened governance and service delivery at national and sub-national levels	IR 1.4: Increased development of politically active civil society	IR 1.5: Delegitimize the influence of insurgent communications.
IR 1.1.1: Formal Rule of Law system Improved	IR 1.2.1: Capability of GIRoA to effectively administer elections strengthened	IR 1.3.1: Administrative capacity and program execution of the executive branch improved.	IR 1.4.1: Civil society legal and regulatory framework improved	IR 1.5.1: Counter extremist voices
IR 1.1.2: Availability of quality legal education expanded	IR 1.2.2: Citizen awareness of electoral process increased	IR 1.3.2: Interagency coordination and policy formulation strengthened	IR 1.4.2: Citizen mobilization and capacity for civil society policy advocacy increased	IR 1.5.2: Strengthen people to people ties
IR 1.1.3: Citizen awareness of legal rights and legal processes of judicial system increased	IR 1.2.3: Democratic political party system enhanced	IR 1.3.3: Sub-national government made more operational, visible, and participatory	IR 1.4.3: Access to independent media and objective sources of information increased	IR 1.5.3: Build Afghan Communication Capacity
IR 1.1.4: Strengthened traditional dispute resolution and justice in contested areas	IR 1.2.4: Elected bodies at all levels are more representational	IR 1.3.4: Increased citizen awareness of reformed governance structures	IR 1.4.4: Participation of women-focused civil society strengthened organizations strengthened	IR 1.4.5: Expand Media Engagement
IR 1.1.5: Enhanced implementation of national anti-corruption		IR 1.3.5: Institutional capacity and oversight capacity of elected bodies at all levels strengthened		

VI. INDICATORS AT A GLANCE

(* denotes indicators reported in the PPR)

A. ASSISTANCE OBJECTIVE 1: IMPROVED PERFORMANCE AND ACCOUNTABILITY OF GOVERNANCE

- 1a. GIRoA performance, weighted net favorability index
- 1b. Number of women holding seats in national parliament
- 1c. Management of public affairs is transparent, accountable, responsive and effective governance

B. INTERMEDIATE RESULT 1.1: INCREASED PUBLIC CONFIDENCE IN THE RULE OF LAW SYSTEM

- 1.1a. Percent of population who have confidence in rule of law
- 1.1b. Percent of population reached by campaigns supported by USG to foster public awareness and respect for rule of law

SUB-IR 1.1.1: FORMAL RULE OF LAW SYSTEM IMPROVED

- 1.1.1a. Number of judges trained with USG assistance
- 1.1.1b. Percentage of judges that has completed the basic or “stage” training.
- 1.1.1c. Increase in documented narcotics arrests
- 1.1.1d. Kilos of illicit narcotics seized*
- 1.1.1e. Number of trained personnel of the Counter Narcotics Police of Afghanistan
- 1.1.1f. Number of justice sector personnel trained
- 1.1.1g. Number of corrections personnel trained
- 1.1.1h. Percent reduction in prison overcrowding as a result of USG assistance
- 1.1.1i. Percentage of judges trained
- 1.1.1j. Percentage of prosecutors trained

SUB-IR 1.1.2: AVAILABILITY OF QUALITY LEGAL EDUCATION EXPANDED

- 1.1.2a. Number of students involved in moot court competitions
- 1.1.2b. Number of students involved in legal clinic work
- 1.1.2c. Number of law students, lawyers, judges, prosecutors, court personnel or police benefiting from improved teaching facilities and curricula*
- 1.1.2d. Number of legal aid groups and law clinics assisted by USG*
- 1.1.2e. Number of new legal courses or curricula developed with USG assistance*

SUB-IR 1.1.3: CITIZEN AWARENESS OF LEGAL RIGHTS AND LEGAL PROCESSES OF JUDICIAL SYSTEM INCREASED

- 1.1.3a. Percentage of people who have a great deal or a fair amount of confidence in the Government justice system

SUB-IR 1.1.4: STRENGTHENED TRADITIONAL DISPUTE RESOLUTION AND JUSTICE IN CONTESTED AREAS

- 1.1.4a. Number of community council decisions recorded and transferred to the district level

SUB-IR 1.1.5: ENHANCED IMPLEMENTATION OF NATIONAL ANTI-CORRUPTION

- 1.1.5a. Number of government officials receiving USG-supported anti-corruption training*
- 1.1.5b. Number of mechanisms for external oversight of public resource use supported by USG assistance implemented*
- 1.1.5c. Increase in Transparency International Corruption Perception Index
- 1.1.5d. Percentage of population experiencing corruption
- 1.1.5e. Percent of officials who complete required asset declarations

C. INTERMEDIATE RESULT 1.2: STRENGTHENED COMPETITIVE, INCLUSIVE, AND CREDIBLE ELECTION AND POLITICAL PROCESSES

- 1.2a. Percentage of citizens who agree that parliament is addressing the major problems of Afghanistan
- 1.2b. Percentage of citizens who think that voting can lead to improvement in the future

SUB-IR 1.2.1: ABILITY OF GIROA TO EFFECTIVELY ADMINISTER ELECTIONS STRENGTHENED

- 1.2.1a. Number of election officials trained with USG assistance

SUB-IR 1.2.2: CITIZEN AWARENESS OF ELECTORAL PROCESS STRENGTHENED

- 1.2.2a. Political freedom in Afghanistan

SUB-IR 1.2.3: DEMOCRATIC POLITICAL PARTY SYSTEM ENHANCED

- 1.2.3a. Restrictive article on political affiliation removed/amended
- 1.2.3b. Number of political parties and political groupings receiving USG assistance to articulate platform and policy agendas effectively.*
- 1.2.3c. Number of USG-assisted political parties implementing programs to increase the number of candidates and members who are women, youth and from marginalized groups.*

SUB-IR 1.2.4: ELECTED BODIES AT ALL LEVELS ARE MORE REPRESENTATIONAL

- 1.2.4a. Percent of individuals on elected bodies who come from minority groups including women, ethnic groups, and tribes

D. INTERMEDIATE RESULT 1.3: STRENGTHENED GOVERNANCE AND SERVICE DELIVERY AT NATIONAL AND SUB-NATIONAL LEVELS

- 1.3a. Percent of citizens expressing confidence in institutions of national government
- 1.3b. Progress on implementation of the Afghan Sub-national Governance Policy

SUB-IR 1.3.1: ADMINISTRATIVE CAPACITY AND PROGRAM EXECUTION OF THE EXECUTIVE BRANCH IMPROVED

- 1.3.1a. Number of executive branch personnel trained in core administrative functions
- 1.3.1b. Percentage of government programs whose budgets are administered and accounted for in the prior year.

SUB-IR 1.3.2: INTERAGENCY COORDINATION AND POLICY FORMULATION STRENGTHENED

- 1.3.2a. Number of interagency meetings held with full participation of relevant groups
- 1.3.2b. Number of new policies formulated which have been vetted by necessary agencies and do not conflict with existing policy

SUB-IR 1.3.3: SUB-NATIONAL GOVERNMENT MADE MORE OPERATIONAL, VISIBLE, AND PARTICIPATORY

- 1.3.3a. Number of districts with all governance bodies elected or appointed
- 1.3.3b. Number of civil servants hired into previously vacant positions

SUB-IR 1.3.4: CITIZEN AWARENESS OF REFORMED GOVERNANCE STRENGTHENED

- 1.3.4a. Percent of public who, through research or focus groups, see governance reform as progressing.

SUB-IR 1.3.5: INSTITUTIONAL CAPACITY AND OVERSIGHT CAPACITY OF ELECTED BODIES AT ALL LEVELS STRENGTHENED

- 1.3.5a. Number of meetings conducted between community councils and governmental entities, disaggregated by level and type of administrative unit.

E. INTERMEDIATE RESULT 1.4: INCREASED DEVELOPMENT OF POLITICALLY ACTIVE CIVIL SOCIETY

- 1.4a. Percentage of people responding “some” or “a lot” to the question: How much influence do you think someone like you can have over government decisions?

SUB-IR 1.4.1: CIVIL SOCIETY LEGAL AND REGULATORY FRAMEWORK IMPROVED

- 1.4.1a. Number of positive modification to enabling legislation/regulation for civil society proposed or accomplished with USG assistance.

SUB-IR 1.4.2 CITIZEN MOBILIZATION AND CAPACITY FOR CIVIL SOCIETY POLICY ADVOCACY INCREASED

- 1.4.2a. Number of people who have completed USG assisted civic education programs*
- 1.4.2b. Number of civil society organizations using USG assistance to improve internal organizational capacity

SUB-IR 1.4.3: ACCESS TO INDEPENDENT MEDIA AND OBJECTIVE SOURCES OF INFORMATION INCREASED

- 1.4.3a. Number of media outlets that received USG-supported training to promote financial sustainability*
- 1.4.3b. Number of journalists trained with USG assistance*

SUB-IR 1.4.4: PARTICIPATION WOMEN-FOCUSED CIVIL SOCIETY ORGANIZATIONS STRENGTHENED

- 1.4.4a. Number of civil society organizations using USG assistance to promote gender equality

F. INTERMEDIATE RESULT 1.5 – DELEGITIMIZE THE INFLUENCE OF INSURGENT COMMUNICATIONS

- 1.5a. Percentage of people responding in the “right direction” when asked: Do you think things in Afghanistan today are going in the right direction, or do you think they are going in the wrong direction?
- 1.5b. Percentage of people who have a great deal or a fair amount of confidence in specific institutions and organizations

SUB-IR 1.5.1: COUNTER EXTREMIST VOICES

- 1.5.1a. Number of media campaigns that address youth concerns

- 1.5.1b. Number of insurgent messages countered
- 1.5.1c. Number of local broadcast programming that reflect constructive portrayals of GIROA
- 1.5.1d. Number of credible voices that advocate against extremists

SUB-IR 1.5.2: STRENGTHEN PEOPLE TO PEOPLE TIES

- 1.5.2a. Number of Traditional Leaders that promote community responsibility for Afghanistan's security, stability, and development

SUB-IR 1.5.3: BUILD AFGHAN COMMUNICATION CAPACITY

- 1.5.3a. Percentage increase in the coverage of independent Pashto and Dari media in Afghanistan.
- 1.5.3b. Number of cellular phone tower constructed with USG assistance
- 1.5.3c. Number of people with access to cellular service as a result of USG assistance*
- 1.5.3d. Number of people with access to internet service as a result of USG assistance*

SUB-IR 1.5.4: EXPAND MEDIA ENGAGEMENT

- 1.5.4a. Number of government media relations staff trained with USG assistance*
- 1.5.4b. Number of non-state news outlets assisted by USG*

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II. Annex II – Assistance Objective 2: Improved Health of the Population

Annex II – Assistance Objective 2: Improved Health of the Population

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I. OVERVIEW

A. CONTEXT

Despite impressive gains, Afghanistan continues to have some of the poorest health indicators in the world. The health situation of women and children in Afghanistan remains grim, particularly among nomadic and rural populations and those in insecure areas. The under-5 mortality rate in Afghanistan is 67 percent higher than the average for other low income countries. Growth stunting (low height for age) occurs in three out of five children (60 percent) and is a major public health concern given its adverse effects on motor and cognitive development and future productivity. High levels of chronic and seasonal malnutrition and the widespread prevalence of infectious diseases, including polio, contribute to these levels of morbidity and mortality.

The Government of the Islamic Republic of Afghanistan (GIROA) continues to demonstrate a strong commitment to improving the health sector. The National Health and Nutrition Sector Strategy (HNSS 2008-2013) of the Afghanistan National Development Strategy (ANDS) set ambitious targets to achieve by the end of 2013. The Ministry of Public Health (MoPH) is regarded as one of the best performing ministries. Reflecting its commitment, the MoPH has laid out a clear strategy for the health sector, which aims to expand coverage of the Basic Package of Health Services (BPHS) and Essential Package of Hospital Services (EPHS) -- the government's key policies and strategies for extending basic health services to the population -- to at least 90 percent of the population by 2013, and to reduce the under-5 mortality rate and the maternal mortality rate by 50 percent by 2015.

B. STRATEGIC COHERENCE

Enabling GIROA to deliver critical, high demand services in health is one of the most effective methods for increasing citizens' active and continued support of their government. Investments in health will not only support Afghanistan's long-term development but also serve to build community trust since community-level health services are often the only visible face of government in the country's remote regions. While continuing to support the MoPH to provide basic health services in the current 13 target provinces, the USG is expanding other essential capacity building, training, and quality assurance activities to enhance anticipated health results in additional provinces in the south and east. These complementary "wrap-around" activities are instrumental in building the leadership and stewardship capacity of the MoPH at the Central and sub-national levels; improving the quality of basic health care services and improving the health of the people in the 13 target provinces, and are largely missing in provinces supported by the World Bank and the European Community, especially those provinces in the south and east.

Recent polling by the Asia Foundation indicates that "67% of respondents give a positive assessment of the performance of central government...the government's performance is judged most positively with respect to the provision of education and healthcare." Extending activities into insecure areas of the south and east will help develop a more

responsive and useful MoPH thereby increasing citizen's active and continued support of the Afghan government.

The National Health and Nutrition Sector Strategy (HNSS 2008-2013) of the Afghanistan National Development Strategy (ANDS) is the key strategic document of the MoPH which outlines goals for the health sector. In addition to the BPHS and EPHS, the HNSS is complemented by other national health policies and strategies including the Child and Adolescent Health Strategy, the National Community-Based Health Care Strategy, the National Nutrition Policy, the National Health Financing Strategy, among others. USG investments in the health sector support the GIRA and the MoPH to implement these key policies, reach the targets set forth in these strategies, and achieve the health targets specified in Millennium Development Goals 4 and 5.

C. PROGRESS TO DATE

Afghanistan has made significant achievements in the health sector in the last five years because of strong leadership and external assistance from the USG and other donors. A nationwide survey in late 2006 found an infant mortality rate of 129 per 1,000 live births and an under-5 mortality rate of 191 per 1,000 live births, which represents a decline in mortality of 22 percent and 26 percent respectively since 2003 estimates. A national survey scheduled to be completed in 2011 is expected to show similar declines in maternal mortality.

The introduction of the BPHS in 2004 and the EPHS in 2005 is widely credited as being the major engine behind these successes. The BPHS and EPHS are critical to ensuring that all donors in the health field focus on a common strategy for the delivery and expansion of health services throughout the country. As a result, the number of functioning primary health care facilities has increased from 498 in 2002 to over 1,811 in 2010 and all but thirteen of the country's 359 districts have access to basic health services. Today, 85 percent of all Afghans can reach at least one type of health facility within one hour by any means of transport (68 percent by foot). There are, however, gross differences between provinces. Currently, the USG supports over 484 health facilities, including six provincial hospitals, across thirteen provinces. USG technical assistance to the MoPH resulted in approval of the Ministry to receive USG funds for implementing the BPHS/EPHS through contracted NGOs – the first government agency in Afghanistan to receive direct funding from USG.

USG health programs are community-oriented, with an emphasis on the inclusion and leadership of women, informed consent, and empowerment for decision-making, as well as positive male involvement. Contraceptive prevalence in USG-supported provinces is double the national average. Program activities promote female health providers including increasing the number of female community health workers and midwives. The USG was instrumental in developing and introducing the community midwifery education program, a two-year training program to increase the number of deliveries by skilled birth attendants. As a result, 32 community midwifery education programs serving all 34 provinces operate throughout the country and the number of skilled

midwives has grown from 461 under the Taliban to more than 2600, and the use of antenatal care has increased from 26 percent in 2002 to 85 percent in 2009.

II. USG RESPONSE

To meet these public health challenges the USG will implement activities focus that support **Assistance Objective (AO) 2: Improved health of the population.** The USG identified four Intermediate Results (IR):

- Effective utilization of BPHS and other client-oriented health services increased;
- Healthy behaviors adopted by the population;
- Strengthened capacity of GIROA to deliver quality health services, and;
- Strengthened private sector health services and products.

The USG's approach is to support actions that improve the access, availability and quality of maternal and child health services, including the development of policy and technical guidelines, competency-based training, community-based delivery approaches, quality improvement and health systems strengthening. In addition, the USG utilizes several field support mechanisms to provide focused technical assistance in key areas of interest to the MoPH.

A. IR 2.1 - EFFECTIVE UTILIZATION OF BPHS AND OTHER CLIENT-ORIENTED HEALTH SERVICES INCREASED

Increasing utilization of health services is critical to accelerating the gains made in reducing maternal, infant and child mortality. The USG will achieve this IR by continuing activities that build the leadership and capacity of the MoPH while also increasing the use of and demand for health services by the most vulnerable populations, including women and children. Activities will build on successes made in maternal, newborn and child health and will consolidate the gains made through previous technical support. Assistance will continue to strengthen the MoPH's planning, policy-making and management capacity to deliver necessary services to vulnerable women and children equitably and effectively thereby increasing community confidence in the primary care health system and increasing the use of these services.

Also contributing to this IR is a broad range of activities to improve access to and quality of the BPHS and EPHS. Activities to reduce maternal mortality include expanding the mix of family planning methods to avoid unintended pregnancies and improve birth spacing, and improving the quality of antenatal care, skilled attendance at birth and post-partum care. To further reduce infant and child mortality and morbidity, activities help expand access to essential newborn care, increase routine immunizations for vaccine preventable diseases, and improve the early recognition and timely diagnosis and treatment of major illnesses and appropriate infant and young child feeding. To treat and prevent chronic malnutrition, the USG promotes Essential Nutrition Actions (ENA) in conjunction with targeted supplemental feeding programs and implements assistance to ensure an adequate food supply at the household level.

Pre-service and in-service training of health providers is at the core of ensuring access to quality services. With this objective, the USG will design and align training curriculums for priority MNCH services and improve training follow-up and supervision. USG will support the establishment of standard treatment guidelines based on international best practices to ensure that appropriate interventions are provided uniformly and roll-out training to primary care providers across the country. The absence of standard treatment guidelines for basic health services results in the misdiagnoses of diseases and is a primary cause of inappropriate and irrational prescribing practices leading cost burdens on the pharmaceutical supply and stock-outs of essential medicines.

USG will also support BPHS and EPHS implementing NGOs to strengthen their skills and capacity to scale up and institutionalize key interventions at the health facility and community levels, with special emphasis on gender-sensitive approaches, community mobilization, improved referral between health facility levels to ensure a continuum of care, and adaptations for less secure areas. In an effort to continuously adopt effective and culturally-appropriate interventions in a low-resource setting, USG will support ‘quick impact’ activities focused on the delivery of high visibility, high value and high impact interventions that reinforce government-led service delivery and that satisfy basic health needs in areas transitioning towards stability; and the testing/evaluating of new approaches to improve the quality of service delivery and increase health services utilization.

B. IR 2.2 – HEALTHY BEHAVIORS ADOPTED

This IR incorporates state-of-the-art strategic health communication approaches and strengthens these competencies within the MoPH’s Health Promotion Department. Activities provide individuals and families with important health information and mobilize communities to support the adoption of improved attitudes and practices to protect their health. Interventions build leadership and technical capacity within the MoPH to:

- implement its National Health and Nutrition Communications Strategy;
- strengthen the ability of contracted NGOs to support Information, Education and Communication/Behavior Change Communication (IEC/BBC) activities at provincial, district and village levels; and
- mobilize religious leaders and other influential community level actors to undertake effective health promotion activities.

These activities will create the necessary enabling environment to promote healthy behaviors within the community including national guidelines, effective materials and trained health educators and participation by community thought leaders.

The USG will achieve this IR by working with relevant MoPH departments, professional associations, NGOs, private sector partners and other USG projects to define key health messages and harmonize gender-sensitive and culturally-appropriate messaging for use in

various mass media channels. USG programs will identify and train health communications specialists and disseminate best practices on effective community-based delivery channels. A key component of effective behavior change communication activities is the dissemination through channels that have the appropriate reach to the target population. For example, programs will support other USG technical projects with locally-produced standardized print materials, public service announcements, soap operas, and TV and radio spots developed by local production companies on health and gender issues, reaching a wide segment of society but particularly women at home. Activities will also include working with the Ministry of Education to include health messages in school-based programs to promote health behaviors among school-aged children.

C. IR 2.3 – GIROA STEWARDSHIP OF THE HEALTH SYSTEM IMPROVED

This outcome remains a priority of USG assistance. Current USG programs expand the scope of previous endeavors to achieve nation-wide impact. Activities are expected to strengthen the capacity of the MoPH at the central, provincial, and district levels to better support the provision of quality BPHS and EPHS services. The introduction of the Basic Package of Health Services (BPHS) in 2004 and the Essential Package of Hospital Services (EPHS) in 2005 is widely credited as being the major engine behind health improvements in the country over the last few years. The BPHS and EPHS are critical to ensuring that the delivery of key health services throughout the country and to align donor support to the priorities of the MoPH. The USG will continue to build MoPH capacity in the six core functions of a working health system: human resources, medical products, health financing, health information systems, leadership and governance, and service delivery. These six core functions or “building blocks” enable countries to ensure the quality of health provision and to sustain the gains in health outcomes beyond the period of donor assistance.

USG will support capacity-building assistance to all MoPH general directorates, particularly Human Resources, Administration and Logistics, Health Economics and Financing, and the Afghan Public Health Institute. Health staff at all levels of the MoPH will receive training in core management for workforce planning, priority setting, data management, preparation of job descriptions, and procurement procedures. Such capacity building assistance is essential to support the USG’s commitment to deliver increased assistance directly through GIROA and to ensure its success. The USG will also explore the development of a national strategy for vocational training in biomedical maintenance and repair – a key missing component to sustaining USG and other donors’ investments in medical equipment for hospitals and health facilities - and explore the implementation of training programs in partnership with Education and other sectors. Without well-trained health providers, civil servants, and medical equipment repairmen, the MoPH will not be able to sustain and expand the health delivery system.

D. IR 2.4 – PRIVATE SECTOR HEALTH SERVICES AND PRODUCTS STRENGTHENED

Surveys show that the private sector delivers over half of all health services in Afghanistan. This IR focuses on strengthening the capacity of the private sector to

provide quality health services and increasing access to quality, affordable health products such as safe water systems, contraceptives, oral rehydration salts (ORS), and other maternal and child health products through the private sector. Building on work under previous projects, USG will advance private sector efforts with more emphasis on improving the quality of available private sector services, increasing the variety of socially-marketed products and expanding public/private partnerships. One important aspect of this IR is increasing local production, packaging and marketing of a wider range of quality health products using Afghan firms and distribution channels. Improving local production and supply chain will contribute to more affordable and accessible public health commodities and at the same time contribute to local economic development. Other activities that contribute to this outcome include introducing professional standards and building the skills of private sector physicians, pharmacists, midwives, and hospital managers and facilitating increased collaboration between the public and private sectors through public-private partnerships that help achieve national health objectives. The private sector is an important partner in providing public health goods and services to those that can afford it in Afghanistan, complementing the government's efforts in delivering services to the poor and vulnerable populations. The activities supported by the USG will contribute to the private sector fulfilling this vital role in the health system.

III. CRITICAL ASSUMPTIONS

The following assumptions underlie the AO 2 Results Framework:

- The MoPH under the “Health and Nutrition Sector Strategy” of the “Afghanistan National Development Strategy” will remain committed to the integrated delivery of health and reproductive health services and other health sector reforms;
- The human capacity developed will remain in country;
- USG resources do not substantially decline;
- Global Fund and other donors will continue to fund complementary inputs at projected levels;
- The methods and approaches funded under AO 2 will be replicable through funding by the MoPH, and;
- Natural disasters do not impact the program.

IV. MAJOR ISSUES AND CONCERNS

Security: USG health activities expand the impact of investments by accelerating efforts to address the needs of underserved communities. However, Afghanistan still faces a number of serious security challenges. In the project design and implementation, the USG assumes that the security situation will improve in project implementation areas to provide an operating space for activities to be introduced, for facilities to be established and for services to continue unimpeded.

Gender Considerations: Gender equity is of particular concern in Afghanistan, particularly improving the health of women. USG's health programs focus on the delivery of essential health services to women and children. In particular, USG programs

aim to expand the range of health services available, increase the number of skilled female health providers and introduce innovative strategies that improve access, such as community-based family planning and the scale-up of community-based use of misoprostol for the prevention of post-partum hemorrhage.

Afghan First: A key initiative of the “Afghanistan and Pakistan Regional Stabilization Strategy” is *Afghan First* or support to Afghan leadership, capacity-building efforts at all levels, priority to local procurement, and sustainability. USG health interventions explicitly reflect these priorities. Of particular note is USG’s continued support to the MoPH for the administration of the BPHS/EPHS through the Partnership Contracts for Health Services (PCH) Program under the Host Country Contract.

Annex II - B contains the detailed Performance Indicator Reference Sheets (PIRS) for each indicator. Each reference sheet is fully consistent with the guidance in ADS 203.

V. U.S. MISSION IN AFGHANISTAN HEALTH RESULTS FRAMEWORK

AO 2: Improved health of the population

IR 2.1: Effective utilization of BPHS and other client-oriented health services increased

Sub-IR 2.1.1: Access to Basic Package of Health (BPHS) Services and Essential Package of Hospital Services (EPHS) improved

Sub-IR 2.1.2: Quality of BPHS/EPHS improved

IR 2.2: Healthy behaviors adopted

Sub-IR 2.2.1: Communities mobilized to improve health

Sub-IR 2.2.2: Individuals, families, and communities have the knowledge and attitudes needed to protect their health

IR 2.3: GIRoA stewardship of the health system improved

Sub-IR 2.3.1: Human resources for health increased

Sub-IR 2.3.2: Key management systems strengthened

IR 2.4: Private sector health services and products strengthened

Sub-IR 2.4.1: Social Marketing programs expanded

Sub-IR 2.4.2: Health Professional Associations Strengthened

VI. INDICATORS AT A GLANCE

(* denotes indicators reported in the PPR)

A. ASSISTANCE OBJECTIVE 2: IMPROVED HEALTH OF THE POPULATION WITH SPECIAL FOCUS ON WOMEN AND CHILDREN

- 2a. Total Fertility Rate (TFR)
- 2b. Maternal Mortality Rate (MMR)
- 2c. Infant Mortality Rate (IMR)
- 2d. Under 5 mortality rate
- 2e. % of children < 24 mo. whose weight is > than 2 standard deviations below the median weight achieved by children of that age (chronic malnutrition)

B. INTERMEDIATE RESULT 2.1: EFFECTIVE UTILIZATION OF BPHS AND OTHER CLIENT-ORIENTED HEALTH SERVICES INCREASED

- 2.1a. # of antenatal care (ANC) visits by skilled providers from USG-assisted facilities*
- 2.1b. # of deliveries with a skilled birth attendant (SBA) nationwide and in USG-assisted programs *
- 2.1c. # of USG-assisted service delivery points providing FP counseling or services*
- 2.1d. # of children < 5 years of age who received vitamin A from USG-supported programs *
- 2.1e. # of children < 12 mos. of age who received DPT3 nationwide and from USG-supported programs *
- 2.1f. Health care utilization rate
- 2.1g. Contraceptive prevalence rate
- 2.1h. Rate of non-polio acute flaccid paralysis (AFP) cases occurring per 100,000 children < 15 years of age (non-polio AFP rate) *

SUB IR 2.1.1: ACCESS TO BASIC PACKAGE OF HEALTH (BPHS) SERVICES AND ESSENTIAL PACKAGE OF HOSPITAL SERVICES (EPHS) IMPROVED

- 2.1.1a. % of population (and in USG-supported provinces) with access to health services within 2 hours walking distance*
- 2.1.1b. Couple years of protection (CYP) in USG-supported programs*
- 2.1.1c. % of the estimated number of new smear-positive pulmonary TB cases that were detected under DOTS (i.e. case detection rate)*

SUB IR 2.1.2: QUALITY OF BPHS/EPHS IMPROVED

- 2.1.2a. % of health facilities implementing BPHS/EPHS quality assurance standards
- 2.1.2b. % of BPHS/EPHS service providers meeting staff standards
- 2.1.2c. Treatment success rate in USG-assisted DOTS+ programs to treat TB patients (includes cure rate)*

C. INTERMEDIATE RESULT 2.2: HEALTHY BEHAVIORS ADOPTED

- 2.2a. % of women reporting exclusive breastfeeding
- 2.2b. % of population reporting a desire to space or limit births
- 2.2c. # of missed children during the last polio campaign

SUB IR 2.2.1: COMMUNITIES MOBILIZED TO IMPROVE HEALTH

- 2.2.1a. # of community groups trained and supported to deliver health messages
- 2.2.1b. # of religious leaders trained to deliver key health messages
- 2.2.1c. # of individuals reached through community health promotion activities
- 2.2.1d. # of active health posts

SUB IR 2.2.2: INDIVIDUALS, FAMILIES, AND COMMUNITIES HAVE THE KNOWLEDGE AND ATTITUDES NEEDED TO PROTECT THEIR HEALTH

- 2.2.2a. # of IEC materials, including radio and TV spots, produced and distributed
- 2.2.2b. # of people that have seen or heard a specific USG-supported FP/RH (or other) key health message on radio or TV*
- 2.2.2c. % of population who can name 2 or more modern contraceptive methods
- 2.2.2d. % of population who know the danger signs of fever
- 2.2.2e. % of population with knowledge of key child health practices

D. INTERMEDIATE RESULT 2.3: GIROA STEWARDSHIP OF THE HEALTH SYSTEM IMPROVED

- 2.3a. % of provinces with functioning Provincial Health Coordinating Committees
- 2.3b. Average # of days processing GCMU payments to NGOs*
- 2.3c. % of population positively rating GIROA's performance in delivering health services to the people

SUB IR 2.3.1: HUMAN RESOURCES FOR HEALTH INCREASED

- 2.3.1a. # of health care providers graduating from USG-supported accredited pre-service training programs and entering the workforce each year by type
- 2.3.1b. # of health staff trained in core skills

SUB IR 2.3.2: KEY MANAGEMENT SYSTEMS STRENGTHENED

- 2.3.2a. % of USG-supported health facilities submitting accurate HMIS data in a timely manner
- 2.3.2b. % of planned monitoring visits conducted
- 2.3.2c. Average time of stock-outs of essential medicines
- 2.3.2d. Case notification rate in new sputum smear positive pulmonary TB cases per 100,000 in USG-supplied areas practices*
- 2.3.2e. % of USG health resources flowing through GIROA

E. INTERMEDIATE RESULT 2.4: PRIVATE SECTOR HEALTH SERVICES AND PRODUCTS STRENGTHENED

- 2.4a. % of private sector health care providers certified by the MoPH
- 2.4b. # of public private partnerships initiated

SUB IR 2.4.1: SOCIAL MARKETING PROGRAM EXPANDED

- 2.4.1a. # of retail outlets selling socially marketed products
- 2.4.1b. # of socially marketed products sold
- 2.4.1c. Liters of drinking water disinfected with USG-supported point-of-use treatment products*

SUB IR 2.4.2: HEALTH PROFESSIONAL ASSOCIATIONS STRENGTHENED

- 2.4.2a. # of health professional associations with strategic plans
- 2.4.2b. # of existing health professional associations with quality standards for members

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III. Annex III – Assistance Objective 3: Improved Access to Quality Education

Annex III – Assistance Objective 3: Improved Access to Quality Education

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I. OVERVIEW

A. CONTEXT

Almost three decades of war, civil unrest, internal conflicts, and political instability in Afghanistan severely affected the education system. Poverty, illiteracy, and a lack of job skills affect 90% of women and 60% of men in rural areas where three-fourths of all Afghans live. With an estimated 11 million illiterate people, Afghanistan has the second highest illiteracy rate in the world. Improving the education system contributes to social and economic development by supplying the labor market with qualified human resources. The USG provides support to GIRoA in its efforts to expand access to quality education services and systems to improve social and economic development and therefore the country's stability.

According to UNICEF, Afghanistan has the highest proportion of school-aged children in the world. And while almost seven million children are currently enrolled in school, an estimated five million children have no access to any sort of education, and millions more attend schools in tents or under the open sky, leaving them exposed to extreme heat and cold. The Ministry of Education (MoE) has established schools in all provinces, but many remote areas still lack primary education facilities.

The success of higher enrollment numbers in schools is placing demands on the education system to provide more qualified teachers, especially at the secondary and tertiary levels. After the fall of the Taliban, the MoE estimated that 80% of public school teachers lacked the minimum education and skills required to teach in the public school system. The Afghan higher education system is straining to produce teachers that meet national standards as only 64% of professors have a bachelor's degree themselves. There also continues to be a shortage of professionals such as engineers, technicians, administrators, accountants, and business leaders to meet Afghanistan's needs for reconstruction, growth, and poverty reduction.

B. STRATEGIC COHERENCE

GIRoA develop national education strategies for basic and higher education and both Ministries are working closely with the USG and other donors to successfully implement these strategies.

A key goal of President Obama's Afghanistan and Pakistan Regional Stabilization Strategy is to increase the legitimacy of the GIRoA by making Afghan government institutions more visible, effective, and accountable. The 2009 *Survey of the Afghan People* found that 83% of respondents expected the availability of education for children to improve in the next year. In the Afghanistan National Development Strategy (ANDS), improving education was ranked third among eight priority development areas (agriculture, security, education, governance, health, private sector, roads, and infrastructure) as determined by public policy dialogues with key stakeholders carried out across all provinces. The ANDS clearly puts the delivery of social services across the country, including quality education, among its top development priorities. The USG is helping the government to meet this expectation for service delivery by promoting Afghan leadership and capacity-building efforts at all levels, responding to the urgent needs for

learning materials, schools, and teacher professional development, and increasing access to quality opportunities in basic education, higher education, adult literacy, employment skills, and youth development.

C. PROGRESS TO DATE

Afghanistan has made considerable gains in the education sector since the USG developed its first education programs for Afghanistan in 2002. The results of a survey conducted by The Asia Foundation (TAF) and published in the 2009 *Survey of the Afghan People* showed that 83% of the Afghan population feels that the national government is doing a “very good” or “somewhat good job” in delivering education services. Public opinion for this survey question has consistently increased since 2006.

In 2001 there were fewer than 900,000 boys and no (0) girls officially enrolled in schools. The ANDS states that enrollment in Grade 1 has increased between 12 to 14% per year in the last five years. Consequently, in 2009 almost seven million children were enrolled in primary and secondary schools, with girls accounting for 37% of total enrollment. In 2010, the number of teachers has increased eight-fold to 170,000 (nearly 30% of which are female). Through USG support, approximately 92,000 of these teachers received in-service teacher training to improve their teaching skills using student-centered methodologies. Additionally, the number of schools has trebled to 9,062 in 2007 including 1,337 all girls’ and 4,325 coeducational schools. The USG built and refurbished 680 of these schools. The number of technical and vocational education training schools has also increased to 60 with an enrollment of 20,000 students (3,000 female).

This increase in the number of schools and students has had an impact on literacy rates as well. While the 2007/08 literacy rates for the population 15 and over were 39% for males and 12% for females, the literacy rates for 12-16 year-olds were 62% for males and 37% for females. In addition, each year since 2002 approximately 250,000 adults (62% female) have attended a nine-month literacy course.

The quality of higher education has also improved with the USG sponsoring more than 60 Afghan university professors to study for Master’s Degrees in the U.S. or other countries. An additional 66 participants from Afghan ministries and universities have enrolled in the Master’s in Public Policy and Administration program at Kabul University. The USG provided a tailored master’s education to 80 mid-career civil service employees, ministry staff, and non-governmental professionals (17.5% female) thus improving their skills and work performance. Access to higher education institutions has increased at a rate of about 15% per year and currently 62,000 students are studying at a higher education institution, 21% of which are female. The number of university professors also increased from 1,669 to 2,746 (2002).

II. USG RESPONSE

Despite the considerable results achieved, GIRoA is still facing numerous challenges to reach its development goals stated in the ANDS. The USG will address these education challenges by implementing activities to achieve **Activity Objective (AO) 3:**

Improved access to quality education services and systems. Recognizing that improving the Afghan people's confidence in their government requires improved service delivery and greater accountability, the USG works at the national levels of the governments, building capacity to better manage the education system and increase financial accountability, and the sub-national levels where most Afghans encounter their government to expand service delivery and improve quality of teaching.

The USG has identified three IRs to achieve:

- Management capacity strengthened to delivery education services at the national, provincial and district levels;
- Quality basic education expanded; and
- Increased employability of Afghan Youth and Adults.

The USG will provide assistance to GIRoA through the following activities:

Basic Education: pre-service and in-service teacher training, management capacity building, community stabilization grants, textbook provision, construction of two schools in Kabul, expanded access to community-based education, accelerated learning, and early childhood education.

Higher Education: teacher training, curriculum revision, development of Master's degree programs, capacity building for civil servants and university administrators, residence life programming at university dormitories, and construction of Provincial Teacher Training Colleges and Faculties of Education.

Vocational Education: expand and professionalize vocational education at secondary and post-secondary institutions.

Literacy: expand youth and adult literacy programs, national capacity building, and technical assistance to the National Literacy Program.

A. IR 3.1 - MANAGEMENT CAPACITY STRENGTHENED TO DELIVERY EDUCATION SERVICES AT THE NATIONAL, PROVINCIAL AND DISTRICT LEVELS

The USG will achieve this IR through activities that strengthen institutional capacity of the MOE and the MOHE. For the MOE, a major challenge is to develop skills and manage an expanding workforce of teachers, administrators, and support staff. Within the Human Resources (HR) Department of the MoE specifically, the USG will build on its past technical assistance that helped the MoE establish a pay and grade system and procedures for recruitment and hiring that

are in accordance with the Afghan Civil Service Law, and work to develop skills at Ministry, provincial and district levels on topics like performance appraisal, appropriate and inappropriate behavior in the workplace, and computer skills. At the strategic level, the MOE must develop new approaches to lead and develop education services; these might include contracting out to NGOs for informal education, contracting for services (e.g., building maintenance) and “contracting in” based on setting performance standards and policies for provincial and district education offices. USG technical advisors will open doors to the improved management of the education workforce and new business practices that are essential to teacher development, gaining confidence of parents and the voting public, and enhancing learning at all levels of education.

Higher education institutions suffered enormously during the long conflict and are challenged by large enrollments, depleted infrastructure and poorly qualified instructors (professors). The USG education program is fully aligned with the National Higher Education Strategic Plan and will support the Ministry of Higher Education (MoHE) as it implements key components of the Plan. The USG is assisting with scholarships for professors and providing information technology (IT) and English language training for entry-level and mid-career civil service employees. To institutionalize change the USG is also aiding with the establishment of the Quality Assurance and Accreditation Directorate (MoHE) that will establish and monitor performance of higher education institutions (HEI) to ensure they meet the minimum standards necessary for quality education.

The USG is also working to regularize in-service training for civil service employees at the Afghan Civil Service Institute. Skilled public employees in the MoE and MoHE at the national, provincial, and district level will ensure sustainability in the delivery of quality education, and therefore result in a positive impact to the development of Afghanistan and its stability. An example of this support is the cadre of 29 civil servants who, supported by the USG, will complete the Master’s in Public Policy and Administration (MPPA) program at Kabul University. These graduates will be equipped to better perform their public administration jobs and continue to develop more effective systems for managing education, leading to greater access and better quality schooling for Afghanistan’s children.

B. IR 3.2 - QUALITY BASIC EDUCATION EXPANDED

Access to quality education for children consistently ranks as a second or third priority (after security and roads) for Afghans and hence, is a priority of USG educational assistance. Expanding access to primary and secondary education, and improving the quality of schools are an important element of gaining public confidence in the GIRoA. The USG will achieve this IR through support for expanding and improving community based education, supporting teachers’ skills development, printing textbooks, empowering the community to participate in education services, and constructing educational facilities. The MoE has prioritized setting up community-based education (CBE) in rural areas where government schools currently do not exist. In many areas, CBE schools lack even rudimentary texts or teaching materials, and the teachers have few qualifications. Ideally the CBEs would be replaced by formal MOE schools with accredited teaches. However, this will not be possible for some years to come. The MoE currently lacks capacity to support and implement CBE on any scale, and recognizes that NGOs play a

necessary role in making CBE available in many areas of the country. In response to this situation, the USG is working with the MoE to offer primary education classes, provide training for CBE teachers, materials for CBE classes, and assistance transitioning from an informal community school to a government-supported school. To reach populations displaced or under threat of displacement through insurgency activities, the USG is working with the MoE to quickly mobilize emergency CBE classes to deliver primary education services. The CBE teacher trainings take place after regular class hours, allowing the schools to continue without disruption. The CBE stabilization program can move quickly into newly secured areas, and demonstrate the commitment of the GIRoA to deliver services highly valued by the community. The USG also supports this IR by assisting in the rollout of the MoE's National Program for In-Service Teacher Training (NPITT). The USG will introduce new skills, methods, and content knowledge to all MoE teachers in 11 provinces. The USG will also implement accelerated learning program to assist female teachers who have not completed their secondary education to attain a certification equivalent to Grade 12. These efforts are geared toward rapid short-term gains in teaching performance. To sustain these gains, the USG will strengthen community commitment to and involvement in education by facilitating the formation and training of school management committees that take an active role in making decisions and shaping policies that affect the education process in their communities.

All of these efforts are aimed at expanding the reach of MoE to deliver quality basic education services across Afghanistan. With the MoE able to provide better quality education to a larger number of learners, more children will have access to an education which will keep them out of the insurgency and provide an educated population to contribute to the future economic and social development of Afghanistan.

C. IR 3.3 - INCREASED EMPLOYABILITY OF AFGHAN YOUTH AND ADULTS

The USG's programs designed to achieve this IR engage youth and adults and build their skills to lead productive and fulfilling adult lives. Basic numeracy and literacy are known to be valuable assets in competing for jobs. The USG will expand and professionalize vocational education programs in secondary schools and post-secondary vocational training institutions to enhance workforce skills. At the same time, since this is a long-term requirement, the USG will build the capacity of Afghan government institutions currently engaged in the delivery of vocational and technical education services. This support will empower youth and adults through development of life skills, technical vocational skills, and productive work skills that increases their opportunities for better employment. The benefits of youth education are cross-cutting and profound. Increased female literacy is highly associated with child survival and smaller family size. Further, increasing the employability of Afghans will divert their interests and prevent them from being recruited by forces that threaten peace and progress in Afghanistan. The USG will continue to support university professors to acquire advanced qualifications, computer literacy, English language, and pedagogical skills which enable them to improve their research skills and enhance the quality of their teaching. The USG will also support HEIs to introduce new degree programs, especially those that meet the development demands of the country, thus augmenting the skilled labor force that would then be able to participate in the social and economic growth of the Afghanistan.

III. CRITICAL ASSUMPTIONS:

The following assumptions underlie the AO 3 Results Framework:

1. Data collection and data processing by GIRoA will improve, increasing the quality of statistics available.
2. Security conditions will allow the USG to implement education programs as intended.
3. Provision of social services will continue to be one of the top priorities of GIRoA, including staffing at all levels of the MoE and MoHE.

IV. MAJOR ISSUES OR CONCERNS:

Security (Stabilization): Insecurity is an issue of major concern. First, parents refuse to send their kids out to attend school when there is insecurity. Second, insurgents are threatening families of female teachers as well as parents who send their children to school. The security situation affects the abilities of USG programs to fully operate out of concern for both staff and program beneficiaries. Also, government officials are afraid to accept posting in insecure areas as they may face physical danger for working with GIRoA and/or the USG. All of these factors indicate that success in expanding access to quality education depends greatly on the security situation and may affect the success of USG education programs.

Gender Considerations: Social and economic indices across the world show that countries with high levels of female education have better overall health, more functional democracies, and better economic performance. USG education programs will increase gender equity in education service delivery, especially in the areas of community-based education, and literacy and workforce development. Major objectives include the expansion of community-based education, one of the most effective strategies in Afghanistan for increasing girls' participation. The USG will place special emphasis on retraining female MoE teachers through special programs to increase their qualifications, allowing them to remain in the teaching force. In higher education, the USG will support expanded female enrollment at the American University of Afghanistan and will place special emphasis on increasing the qualifications of female professors at public universities.

Afghan First: USG basic and higher education programs are furthering the goals of Afghanization in a number of key areas in the strategic period. The assistance programs will strengthen Afghan ministry capacity, especially in financial management and procurement, so that the USG can move toward direct funding of target ministries. Currently, the vast majority of employees on USG-funded projects are Afghan, with a number of them serving in senior-level positions. In addition, some projects have made available small grants to support Afghan-led initiatives. In 2011-15, an even greater percentage of senior-level positions will be held by Afghans to increase the pool of talent that can handle development projects and reduce the country's dependence on foreign technical support.

Aid Effectiveness: Over the period 2011-2015, the Education program will adhere to the principles of the Paris Declaration and commitments made for Afghanistan at the 2008 Donor

Coordination Forum in Kabul. The education strategy is based not only on the Afghan National Development Strategy (ANDS) but also is in line with the 2010 National Education Strategic Plan of the MoE and the 2009 National Higher Education Strategic Plan of the MoHE. USG program activities are coordinated with those of the GIRoA's international partners through a well-functioning donor coordination mechanism of the HR Cluster of Ministries. Direct capacity building activities, such as strengthening financial management and procurement functions of the MoE, will ensure the MoE qualifies to receive direct USG funding. In 2010, 96% of all project personnel were Afghan. The USG will provide technical assistance to HR Cluster ministries to build upon success achieved in the prior strategic period with the Teacher Education Human Resources Departments of the MOE and with the leadership of the MoHE. The USG, in with the relevant ministries will identify target areas during this strategic period.

Annex III - C contains the detailed Performance Indicator Reference Sheets (PIRS) for each indicator. Each reference sheet is fully consistent with the guidance in ADS 203.

V. U.S. MISSION IN AFGHANISTAN EDUCATION RESULTS FRAMEWORK

AO 3: Improved access to quality education services

<p>IR 3.1: Management capacity strengthened to deliver education services at the national, provincial, and district levels</p>	<p>IR 3.2: Quality basic education expanded</p>	<p>IR 3.3: Increased employability of Afghan Youth and Adults</p>
<p>Sub-IR 3.1.1: Improved strategic planning and data management capacity at the MoE at the national and provincial level</p>	<p>Sub-IR 3.2.1: Expanded access to primary education with an emphasis on girls and underserved areas</p>	<p>Sub-IR 3.3.2: Increased population of skilled graduates from technical and vocational education and</p>
<p>Sub-IR 3.1.2: Education management enhanced in targeted districts</p>	<p>Sub-IR 3.2.2: Increased community support to education</p>	<p>Sub-IR 3.3.1: Access to quality workforce oriented higher education expanded</p>
<p>Sub-IR 3.1.3: Strengthened management systems and staff capacity at the MoE</p>	<p>Sub-IR 3.2.3: Improved quality of the teaching force in target areas</p>	
<p>Sub-IR 3.1.4: Strengthened systems of accreditation and Quality Assurance at the MoHE and MoE</p>	<p>Sub-IR 3.2.4: Out of school Youth and Adult literacy initiatives expanded in target areas</p>	
	<p>Sub-IR 3.2.5: Improved learning environment in primary and secondary schools in target areas</p>	

VI. INDICATORS AT A GLANCE

(* denotes indicators reported in the PPR)

A. ASSISTANCE OBJECTIVE 3: IMPROVED ACCESS TO QUALITY EDUCATION SERVICES

- 3a. Percent of population with confidence in performance of the central government to deliver education services
- 3b. Percent of USG education assistance through direct assistance to education ministries
- 3c. Net enrollment rate for primary, secondary and gross enrollment rate for tertiary

B. INTERMEDIATE RESULT 3.1: MANAGEMENT CAPACITY STRENGTHENED TO DELIVER EDUCATION SERVICES AT THE NATIONAL, PROVINCIAL AND DISTRICT LEVELS

- 3.1a. Percent of DEDs providing effective oversight of education services in targeted districts
- 3.1b. MoE certified for direct assistance by USG
- 3.1c. Budget execution rate at the MoE

SUB-IR 3.1.1: IMPROVED STRATEGIC PLANNING AND DATA MANAGEMENT CAPACITY AT THE MOE AT THE NATIONAL AND PROVINCIAL LEVEL

- 3.1.1a. Does your program support education systems/policy reform? If yes, please describe the contributions of your program, including progress against any mission-level outcome or impact indicators.

SUB-IR 3.1.2: EDUCATION MANAGEMENT ENHANCED IN TARGETED DISTRICTS

- 3.1.2a. Percent of DEDs staffed at adequate level
- 3.1.2b. Average number of school monitoring visits undertaken by DED officials
- 3.1.2c. Percent of teachers observed by DED staff

SUB-IR 3.1.3: STRENGTHENED MANAGEMENT SYSTEMS AND STAFF CAPACITY AT THE MOE

- 3.1.3a. Human Resources data base populated and in use
- 3.1.3b. Procurement and Financial Management Indicators TBD

SUB-IR 3.1.4: STRENGTHENED SYSTEMS OF ACCREDITATION AND QUALITY ASSURANCE AT THE MOHE AND MOE

- 3.1.4a. MoE systems for private school supervision and certification established
- 3.1.4b. Number of HEIs completing the process for accreditation with MoHE
- 3.1.4c. Percent of private schools registered and licensed
- 3.1.4d. Percent of private schools monitored annually

C. INTERMEDIATE RESULT 3.2: QUALITY BASIC EDUCATION EXPANDED

- 3.2a. Proportion of students who, after two years of schooling, demonstrate sufficient reading fluency and comprehension to “read to learn”
- 3.2b. Proportion of students who demonstrate basic mathematics proficiency after two years of schooling according to Afghanistan’s curricular goals
- 3.2c. Number of learners enrolled in USG-supported formal and non-formal education settings

SUB-IR 3.2.1: EXPANDED ACCESS TO PRIMARY EDUCATION WITH AN EMPHASIS ON GIRLS AND UNDERSERVED AREAS

- 3.2.1a. Number of learners enrolled in USG-supported primary education programs
- 3.2.1b. Number of communities supported by USG investments in CBE
- 3.2.1c. Percent change in enrollment in USG-supported primary schools in sample underserved areas

SUB-IR 3.2.2: INCREASED COMMUNITY SUPPORT TO EDUCATION

- 3.2.2a. Number of schools where community has contributed funds, resources or support as result of USG-supported community capacity building
- 3.2.2b. Percent of community school governance structures engaging with local government on education issues
- 3.2.2c. Number of female-led school governance structures supported to address female education issues in their area
- 3.2.2d. Number of PTA or similar ‘school’ governance structures supported

SUB-IR 3.2.3: IMPROVED QUALITY OF THE TEACHING FORCE IN TARGET AREAS

- 3.2.3a. Percent of trained teachers meeting or surpassing minimum performance levels
- 3.2.3b. Percent of trained teacher educators meeting or passing minimum performance levels
- 3.2.3c. Number of teachers/educators trained with USG support

SUB-IR 3.2.4: OUT OF SCHOOL YOUTH AND ADULT LITERACY INITIATIVES EXPANDED IN TARGET AREAS

- 3.2.4a. Number of out of school youth learners enrolled in USG-supported schools or equivalent non-school based settings
- 3.2.4b. Number of adult learners enrolled in USG-supported schools or equivalent non-school based settings
- 3.2.4c. Number of communities impacted by USG investments in non-formal education

SUB-IR 3.2.5: IMPROVED LEARNING ENVIRONMENT IN PRIMARY AND SECONDARY SCHOOLS IN TARGET AREAS

- 3.2.5a. Number of classrooms constructed with USG assistance
- 3.2.5b. Number of classrooms repaired with USG assistance
Number of textbooks and other teaching and learning materials provided with USG assistance

D. INTERMEDIATE RESULT 3.3: INCREASED EMPLOYABILITY OF AFGHAN YOUTH AND ADULTS

- 3.3a. Number of people gaining employment or better employment as a result of participation in USG-funded workforce development programs
- 3.3b. Percent of learners demonstrating required competencies in their field of study

SUB-IR 3.3.1: ACCESS TO QUALITY WORKFORCE ORIENTED HIGHER EDUCATION EXPANDED

- 3.3.1a. Number of host-country individuals trained as a result of USG investments involving higher education institutions
- 3.3.1b. Number of students enrolled in USG-supported higher education degree programs
- 3.3.1c. Number of professors demonstrating improved instruction in targeted universities utilizing pre/post observations
- 3.3.1d. Number of advanced degrees earned by university professors supported by USG

SUB-IR 3.3.2: INCREASED POPULATION OF SKILLED GRADUATES FROM TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING (TVET) PROGRAMS

- 3.3.2a. Number of persons completing USG-funded workforce-development programs
- 3.3.2b. Number of learners demonstrating required competencies in VTET

US MISSION | AFGHANISTAN



U.S. FOREIGN ASSISTANCE FOR AFGHANISTAN

Post Performance Management Plan-
2011-2015

IV. Annex IV – Assistance Objective 4: A developed business climate that enables private investment, job creation, and financial independence

Annex IV – Assistance Objective 4: A developed business climate that enables private investment, job creation, and financial independence

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I. OVERVIEW

A. CONTEXT

Afghanistan is one of the poorest countries in the world. GDP per capita is less than \$400 per year⁸ and a large portion of the population lives in extreme poverty. The country has endured 30 years of poor human and physical capital investments and continues to suffer from violent attacks by extremist groups. Unemployment hovers at 43%, the majority of economic activities are within the informal sector and the illicit economy is equivalent to 20-30% of GDP. Continuous war has decimated infrastructure and there is a lack of technical expertise and ability in the country to improve or maintain infrastructure. Although Afghanistan has made remarkable progress in economic growth, poverty remains widespread and Afghanistan ranks lower than Sub-Saharan Africa in the Human Development Index. The private sector remains small, crippled by corruption - Afghanistan is second from the bottom on the Transparency International's Corruption Perception Index - and an operating environment which is ranked 160 out of 183 in the World Bank's 2010 Doing Business report. Afghanistan's economy is also vulnerable to external shocks and drought. Corruption, porous borders, and a low level of human capacity are several of the major constraints facing the country. In sum, development progress in Afghanistan remains fragile, and programs are highly dependent on the continued funding of the international community.

Despite these negative statistics, however, GDP has grown significantly and consistently over the past several years and exports have risen steadily. Government revenues have also increased due largely to improved tax and customs administration. The country enjoys a relatively stable currency and a Central Bank capable of enacting basic monetary policy through the auction of foreign exchange to currency dealers.

B. STRATEGIC COHERENCE

Promoting economic growth in Afghanistan focuses on sustainable job creation over the near-term, adopting a synchronized approach to improving access to credit, increasing availability of power and other utilities, promoting investment, reducing barriers to trade, developing a skilled labor force, encouraging a sound market-oriented legal and regulatory framework, and providing macroeconomic stability.⁹ Consistent with the *"Afghanistan and Pakistan Regional Stabilization Strategy,"* economic growth activities support four strategic objectives: (1) to create sustainable jobs in the private sector; (2) to increase the Afghan government's capacity to deliver public services to support private sector sustainable growth and development; (3) to expand and improve energy and infrastructure sectors; and (4) to pursue Afghan government fiscal sustainability. Economic development activities are also consistent with the third pillar of the Afghanistan National Development Strategy (ANDS): Economic and Social Development. Component one of this pillar outlines activities to strengthen the private sector enabling environment. USG programs contribute to private

⁸ World Bank, World Development Indicators - http://data.worldbank.org/indicator/NY.GDP.PCAP.CD?cid=GPD_57

⁹ Economic and Financial Policy Working Group (EFPWG), Terms of Reference "Promoting Economic Growth in Afghanistan FY 2009-2011."

sector investment, legislative and administrative reform, access to finance, trade facilitation, and firm-level technical assistance in support of component one. USG programs also expand opportunities for private investment in infrastructure and natural resources development and engage in concerted private sector investment promotion, the second and third components of the Economic and Social Development pillar of the ANDS.

Starting in late 2002, USG economic governance programs began tackling the most urgent problems in the Afghan economy. Activities focused on those aspects of economic reform considered to be most important in moving the economy towards competitive markets, focusing first on ministries in government that controlled essential economic functions, including fiscal policy and administration, central banking, trade policy, and regulation of industry. Key to continued USG success is the “Afghanization” of development activities – improved GIROA leadership, direct funding of GIROA, direct contracting with Afghan service providers and enterprises and promoting Afghans to positions of ever increasing responsibility.

The underlying development hypothesis for the economic growth strategy is that the best way to create prosperity and sustainable jobs and to reduce poverty is to promote growth of individual businesses and sectors. The USG will accomplish this through development of a competitive market economy, and to improve the capacity of GIROA and other stakeholders to support private sector growth through an improved business enabling environment. For example, administrative barriers impede the startup of new firms and the operation of existing firms, while the lack of a legal framework, an independent judiciary, and a supportive regulatory environment for public utilities and financial markets make it difficult for firms to grow.

C. PROGRESS TO DATE

Since 2003 the USG economic growth program has assisted the GIROA to develop economic governance, and stimulate private sector investment and business opportunities. These activities resulted in major development outcomes. For example, Afghanistan maintains one of the most liberal trade regimes in the region. Over the last 8 years, Afghanistan has experienced robust economic growth of about 12 per cent annually (real GDP), increasing to over 22% in 2009 due to better than expected agricultural yields. The GDP in 2009 was \$13.3 Billion and estimated FY 2010 GDP is \$15.4 Billion. Starting from a low benchmark, average per-capita GDP has more than doubled since 2002. Investment in select sectors including construction and telecoms has also been positive. Inflation has been moderate; the exchange rate stable; and domestic revenue has steadily increased, more than doubling between 2002 and 2008 (3.2 percent to 6.9 percent of GDP). These sound policies and management steps have produced significant development results in health, education, microfinance, irrigation, and rural livelihoods. For example, the infant mortality rate has dropped by 22 percent; more than six million children are attending school, a third of them are girls; and the USG has extended more than 70,000 women-owned businesses.

Monetary and Fiscal Improvements: When the USG began technical assistance to Afghanistan’s central bank in 2003, the Da Afghanistan Bank’s (DAB) main functions were to print money and cover budget deficits. Today the DAB has instituted modern monetary

policy operations and has significantly its strengthened capacity to conduct policy-relevant economic research that supports price stability and sustainable economic growth. The USG provided assistance in the design and operation of the bi-weekly foreign exchange auction as part of a comprehensive monetary policy strategy.

Financial Sector Reforms: Substantial USG assistance since 2002 has improved the government's capacity to properly regulate the sector while expanding access to finance for a growing private sector. USG support has helped the DAB to establish international-standards-based supervision of commercial banks, money service providers, and micro-finance entities. Through USG assistance to create the legal and regulatory environment, 17 commercial banks (10 private with the some participation of foreign capital, 2 state-owned banks, and 5 branches of foreign banks) with over 280 branches across all 34 provinces have been established. Bank assets climbed from \$262 million in 2004 to \$2.9 billion in 2009, with loans making up 40% of assets. USG assistance to commercial banks dramatically expanded the availability of credit to small and medium enterprises (SMEs). Afghanistan has innovatively expanded financial services with USG support for the development of a mobile value transfer systems that directly deposits salaries into commercial banks and micro-finance institutions. Nearly 250,000 government employees receive their salaries this way.

Access to Finance: A critical success of the economic growth program has been major improvements in access to finance for microenterprises and small and medium enterprises (SMEs) as a way to expand economic opportunities. As of December 2009, USG financial lending programs helped expand microfinance lending through over 220,000 loans, totaling \$82.6 million, in 24 provinces. Some 48% of loan recipients were women, the average loan repayment rate is an impressive 94%. Currently a total of 113 financial service outlets provide services to difficult-to-reach rural clients. In addition to expanding access to finance, the USG program focused on expanding access to markets and increased productivity of SMEs through training, strengthening value chains and public-private partnerships.

Trade and Investment Changes: Since 2002, Afghanistan has experienced increases in trade and local and foreign investment. Afghanistan's economy is heavily focused on imports. The country's level of exports between March 2003 and 2009 was \$2.2 Billion, while during the same period imports totaled \$11.3 Billion. Investment in Afghanistan peaked in 2006 and has fallen since.

Improved Competitiveness of Private Sector: USG assistance has also addressed significant barriers to business development and expansion. This includes improving the land administration system through renovation and refurbishment of land registry offices, restoration and digitization of property deeds, establishment of a central registry of deeds, streamlining registration and other efforts. Support for land titling now ensures documentation and clear transfer of land ownership for Afghan citizens, important steps in securing rights to assets such as land. USG assistance also focused on introducing new technology, expanding productivity, and increasing access to markets. Almost 372 Afghan business associations (including more than 110 for women) and their 110,000 members (31,000 women) owe much of their success to USG grants for equipment, capacity building,

and member services. USG activities have also supported business management and entrepreneurial skills development along with other workforce development programs.

II. USG RESPONSE

To address Afghanistan's economic growth challenges the USG will target key sectors and implementing activities to support **Activity Objective 4: A developed business climate that enables private investment job creation and financial independence.** Four Intermediate Results have been identified to be achieved during 2011 - 2015:

- Effective fiscal and monetary development and implementation,
- Policy, legal and regulatory framework improved,
- Competitiveness of private sector enhanced, and
- Workforce meets private and public sector demands.

The USG's approach is to implement programs designed to strengthen GIRoA capacity to develop and implement economic and regulatory policy, improve access to financial services, and improve the enabling environment for the private sector to flourish. The USG will implement programs to improve private sector productivity in an effort to increase opportunities for trade, employment, and investment. To generate economic growth the USG will work to improve the conditions for international and cross-border trade and transit. The USG has programs designed to deliver financial services in rural and insecure areas to build self-sustaining and permanent Afghan-owned and governed financial institutions. Through the provision of market-driven skills training, business training, and linkages to credit, the USG will increase job placements, salaries/wages, and self-employment opportunities for Afghan men and women.

A. IR 4.1 – EFFECTIVE FISCAL AND MONETARY DEVELOPMENT AND IMPLEMENTATION

The USG will achieve this IR by implementing activities that increase Afghanistan's ability to develop and implement sound economic and regulatory policies. The expected result is that Afghanistan adopts and implements economic reforms that create a favorable macro environment for the private sector to flourish within a market economy. The USG will provide national and regional economic policy support to the Minister of Finance and other GIRoA officials involved in economic policy issues. Activities planned include macroeconomic analysis and forecasting, compliance with IMF benchmarks, rationalization of non-tax revenues, implementation of the Afghanistan National Development Strategy (ANDS), and economic strategies at Regional Commands (RCs). The USG will assist regional governments in implementing reforms in five key provinces: Herat, Balkh, Nangarhar, Kunduz and Kandahar. The USG has identified the five provinces as critical regions where development projects can have the most significant impact in achieving policy objectives. These activities will foster improved economic policy planning and implementation at the national and regional levels and will set the economic policy conditions necessary to encourage private sector growth.

Further assistance in financial sector and central bank operations will include working with the DAB to conduct monetary policy, strengthen prudential supervision, and encourage expansion of financial sector branch networks outside Kabul. By supporting financial sector and central bank operations, rural and urban Afghans will have broader exposure to financial products allowing them to start or enhance their own businesses, ultimately leading to job creation.

In response to the strategic emphasis on decentralized implementation and cross-cutting themes, USAID/Kabul will provide direct assistance to the Regional Commands (RCs) at the provincial and district levels in cooperation with Provincial Reconstruction Teams (PRTs) to implement existing economic activities. These activities will include on-site mentoring and accelerated fulfillment of basic government services by linking sub-national community requirements to existing resources (including Commander Emergency Relief Program and GIRoA programs). Increasing the fiscal sustainability of local governments allows them to provide better services in support of the private sector.

B. IR 4.2 – POLICY, LEGAL AND REGULATORY FRAMEWORK IMPROVED

This IR focuses on activities that will improve Afghanistan’s business environment to attract investment and spur economic growth. Contributing to this result will be a broad range of commercial law activities including expansion of the Afghanistan Central Business Registry and reform of the business licensing regime with the Ministry of Commerce and Industry. Activities will focus on expanding investment and job creation in key economic sectors, such as through improved regulation and competition in finance, mining, telecommunications, and energy.

The USG will achieve this intermediate result by working with GIRoA and the private sector to improve the conditions for international and cross-border trade and transit, including assistance in trade policy liberalization, trade facilitation, customs reform, and public outreach on trade-related issues, with special priority given to regional coordination with a program in Pakistan. Facilitating trade and transit across borders reduces the costs of exporting Afghan goods, allowing entrepreneurs to export more products for higher profits, and decreases the cost of foreign goods for Afghan importers and consumers. Facilitating trade will enhance other development activities concentrated in key economic sectors, such as mining and agriculture, which produce goods for export to foreign markets. In coordination with RCs, sub-national efforts will again focus on key provinces including: Herat, Balkh, Nangarhar, Kunduz and Kandahar.

Activities focusing on land, another cross-cutting sector and one of the main triggers of conflict in Afghanistan, will support GIRoA agencies responsible for managing land by assisting them to improve real estate legislation and the relevant legal framework, evaluate/revise inheritance laws in support of women’s access to land, and develop appropriate models for resolution of land disputes. Activities will also address the informal settlements that have appeared in recent years by building the government’s capacity to register titles in informal settlements and provide training in urban planning and land titling best practices. These activities, in support of well-defined and managed property rights, are

expected to improve tenure security and increase investment and productivity. Clear land titles will complement other development efforts in the financial sector by providing real collateral for loans. These activities are also expected to increase the supply of formal residential housing due to reduced price distortions in the real estate market caused by the scarcity of properties with clear titles and an improved ability for all citizens, including women, minorities, and other vulnerable populations, to understand and exercise their property rights.

The USG also provides extensive technical assistance to GIRoA institutions that champion progress and drive investment in key economic sectors: telecom, extractive industries, and energy. Reflecting GIRoA and USG priorities in telecommunications, extractive industries, and energy, USG technical assistance targets the Ministries of Communications and Information Technology, Mines, and Energy and Water to build capacities that engage and promote private sector involvement in the Afghan economy. Advice to the telecom and IT sectors focuses on new mobile technologies that require expanded investment and a positive social impact as well as bi-lateral optical fiber engagement with neighboring countries thereby increasing Afghan investment opportunities in IT-related services and products. In line with commitments made at the Kabul Conference and outlined in the Afghanistan National Development Strategy, USG support to the mining and hydrocarbon sectors aims to improve the capacity of the Ministry of Mines to regulate and promote responsible development of natural resources. Similarly, aiding the development of energy investments receives much attention, whereby programs identify immediate needs and applicable opportunities and incentives for the private sector to invest.

C. IR 4.3 – COMPETITIVENESS OF PRIVATE SECTOR ENHANCED

Interventions planned to enhance the competitiveness of the private sector include a full range of business development services to small and medium-sized enterprises and their supporting private sector institutions. These activities are expected to strengthen the capacity of business associations to serve their members through initiatives such as trade promotion and advocacy for regulatory reforms that advance private sector growth, enable SME owners to establish market linkages and expand their businesses, encourage domestic and foreign investment, expand provincial and regional economies, create sustainable livelihoods, and transform government institutions into promoters and regulators of the private sector. Activities will also build human capital within the private sector through specialized training courses, leadership training, mentoring programs, and nationwide internship programs in partnership with several universities, business training providers, and leading private sector firms.

Also contributing to this result are USG efforts to build a sustainable, diverse and inclusive financial sector that can meet the needs of micro, small, and medium enterprises (MSMEs) throughout Afghanistan. An important focus is to build self-sustaining and permanent Afghan-owned and governed financial institutions in rural and insecure areas. Access to finance allows farmers and other MSMEs to expand their business, provide jobs, and prosper economically. Planned credit expansion activities will also focus on creating “quick response” access to credit to follow immediately after kinetic activity, the provision of

wholesale lending capital, seed funding to support the DAB program for deposit insurance and a wide range of Sharia-compliant products. Communities/provinces in RC-East and RC-South where kinetic activity is most concentrated will have priority.

Financial sector activities also include establishing a network of Sharia compliant and locally owned and operated credit unions. Because the collection of interest on loans is considered against Islamic religious, or Sharia, law, development activities develop lending institutions whose management and financing products have been adapted to the culturally and religiously conservative rural areas of Afghanistan. Lending institutions offer financing (credit) mechanisms that have been blessed by local religious authorities.

D. IR 4.4 – WORKFORCE MEETS PRIVATE AND PUBLIC SECTOR DEMANDS

This IR responds to the Afghanistan Regional Stabilization Strategy job creation focus and decentralizing program management to officials assigned to regional civilian-military platforms. Activities will substantially build the capacity of Afghan partners and provide maximum flexibility for the USG regional platforms to utilize and manage the program in the most appropriate manner for their respective areas and priorities. The results expected from these interventions include increasing job placements, salaries/wages and self-employment opportunities for Afghan men and women through the provision of market-driven skills training, business training and linkages to credit, business development support and job placement services. Activities will target two types of skills development: Technical and Vocational Education and Training (TVET) and Business Education and Skills training (BEST) at the bachelor level along with some targeted continuing professional education. TVET activities, centered on capacity building support to private-sector and NGO training providers, will include capacity building of private-sector and non-governmental organization technical and vocational education and training providers. The USG will accomplish this in close collaboration with the GIROA ministries in the Human Resource Cluster, and will also include activities to enhance their capacity as well. Strengthening the ability of TVET providers to build the capacity of Afghanistan's workforce will lead to higher productivity and higher quality production of Afghan goods and services. Higher productivity will result in higher wages and levels of employment.

BEST activities will also provide capacity building support to private and public-sector business training providers. While technical training provides skilled labor for production, business education and skills are necessary to properly market goods and services produced. Strengthening the ability of BEST providers to build the capacity of private sector entrepreneurs will complement TVET efforts and lead to, again, higher productivity, wages, and employment.

III. CRITICAL ASSUMPTIONS

The following assumptions are critical to achieve the planned results. These assumptions represent economic, political, and environmental factors beyond the control of the economic growth team that can impact achievement of the AO 4 Results Framework:

1. Other donors fulfill commitments on time and meet deliverables when in coordination with the USG;
2. GIRoA will be able to assume the costs of implementing critical programs and incorporate them into their governance framework;
3. human capacity developed will remain substantial in country to support continued reconstruction and development efforts;
4. Support and commitment from key counterpart institutions and officials continues throughout program's duration;
5. New activities or shifting priorities at the request of the USG or GIRoA are factored into scope and timeline adjustments;
6. USG resources do not substantially decline;
7. Global economic conditions do not deteriorate to the extent that they drastically affect private sector development prospects (e.g. ability to attract foreign direct investment, sustain foreign banks, or greatly limit opportunities for investing foreign exchange reserves); and
8. Security environment enables the project to reasonably undertake its activities.

IV. MAJOR ISSUES AND CONCERNS

Security: USG economic growth activities are intended to expand the impact of USG investments by accelerating efforts to address the needs of underserved communities, especially in insurgent areas in the South and East. Afghanistan, however, still faces a number of serious security challenges. Acts of terror and even the threat of terrorist acts can mitigate the benefits of economic growth programs and severely undermine investor confidence. Industrial parks, roads, schools, and businesses can all be destroyed in single catastrophic attacks. Further, when successful participants or beneficiaries of USG programs are targeted, the willingness of Afghans to associate with such programs is reduced or even eliminated. A poor security situation not only has the potential to undo positive economic growth activities, but can prevent the activities from taking place at all. The inability for implementing partners or experts from outside Afghanistan to move about freely without risking death limits opportunities to provide assistance to the people of Afghanistan. In project design and implementation, it will be assumed that the security situation will improve in designated project areas to provide an operating space for specific project activities to be introduced, for facilities to be established and services to be accessible by communities.

Afghan First: A key initiative of the U.S. strategy articulated in the “Afghanistan and Pakistan Regional Stabilization Strategy” is Afghan First or support to Afghan leadership, Afghan capacity-building efforts at all levels, priority to local procurement and Afghan sustainability. USG economic growth interventions explicitly reflect these priorities. Of particular note is USG’s support for the construction sector and public/private partnerships. The Ministry of Finance will have a key player in USG direct funding.

Gender Considerations: Gender equity is of particular concern in economic growth, notably the U.S. strategic interest in reducing the barriers faced by women entrepreneurs and the challenge of providing opportunities for them to improve their livelihoods. The USG activities support a number of key industries in which women traditionally have played a

major role including the carpet and handicraft industries, and encourage the finance sector to disburse more loans to women entrepreneurs. Some 61% of the country's microfinance borrowers are women, but the number of loans disbursed to them by the commercial banking sector is negligible. Both ongoing and new USG activities will ensure that female entrepreneurs have access to educational and skills development opportunities, including internships, mentoring opportunities, and other hands-on learning opportunities.

Annex IV - D contains the detailed Performance Indicator Reference Sheets (PIRS) for each indicator. Each reference sheet is fully consistent with the guidance in ADS 203.

V. U.S. MISSION IN AFGHANISTAN ECONOMIC GROWTH RESULTS FRAMEWORK ECONOMIC GROWTH

AO 4: A developed business climate that enables private investment, job creation, and financial independence

IR 4.1: Effective fiscal and monetary policy implemented

Sub-IR 4.1.1: Afghan government has increased capacity to conduct public financial management strengthened accordance with international standards

IR 4.1.2: Afghanistan maintains a stable monetary environment

IR 4.2: Policy, legal and regulatory framework for key economic sectors strengthened

Sub-IR 4.2.1: Policy and regulation in key sectors reformed

Sub-IR 4.2.2: Trade regime reformed

Sub-IR 4.2.3: Foundation for a more efficient land market established

IR 4.3: Competitiveness of private sector enhanced

Sub-IR 4.3.1: Capacity of private sector financial institutions increased

Sub-IR 4.3.2: Business development services improved

Sub-IR 4.3.3: Investment in the Afghan private sector increased

IR 4.4: Workforce meets private and public-sector demands

Sub-IR 4.4.1: Capacity to provide quality, demand-driven formal and non-formal workforce development improved strengthened

Sub-IR 4.4.2: Market-led Technical and Vocational Education and Training (TVET) provided through private and public sector TVET schools

Sub-IR 4.4.3: Market-led business education and skills training (BEST) provided through public and private sector institutions

VI. INDICATORS AT A GLANCE

(*denotes indicators reported in the PPR)

A. ASSISTANCE OBJECTIVE 4: A DEVELOPED BUSINESS CLIMATE THAT ENABLES PRIVATE INVESTMENT, JOB CREATION AND FINANCIAL INDEPENDENCE

- 4a. Full-time equivalent jobs created
- 4b. Private sector investment*
- 4c. GDP per capita, current prices*
- 4d. Public perception of availability of jobs
- 4e. Afghanistan's overall ranking on the World Bank's Doing Business Report
- 4f. Perception of the performance of the National Government in reviving/developing the economy
- 4g. Unemployment rate for Afghanistan's six largest markets

B. INTERMEDIATE RESULT 4.1: EFFECTIVE FISCAL AND MONETARY POLICY IMPLEMENTED

- 4.1a. Domestic revenues*
- 4.1b. Ratio of revenues to operating expenditures*
- 4.1c. Core inflation
- 4.1d. GIRoA officials receiving USG-funded anti-corruption training

SUB IR 4.1.1: AFGHAN GOVERNMENT HAS INCREASED CAPACITY TO CONDUCT PUBLIC FINANCIAL MANAGEMENT IN ACCORDANCE WITH INTERNATIONAL STANDARDS

- 4.1.1a. Number of Businesses with tax identification numbers
- 4.1.1b. External audits conducted by the Control and Audit Office (CAO)
- 4.1.1c. Person-days of training for key personnel in fiscal policy and financial administration trained with USG assistance*
- 4.1.1d. Program budget units that graduate from program budgeting training

SUB IR 4.1.2: AFGHANISTAN MAINTAINS A STABLE MONETARY ENVIRONMENT

- 4.1.2a. Percent variation of Reserve Money from established International Monetary Fund target
- 4.1.2b. Percentage change in Consumer Price Index*
- 4.1.2c. Person-days of training of key personnel in monetary policy with USG assistance

C. INTERMEDIATE RESULT 4.2: POLICY, LEGAL AND REGULATORY FRAMEWORK FOR KEY ECONOMIC SECTORS IMPROVED

- 4.2a. Businesses formally registered with GIRoA that have a Tax Identification Number (TIN)
- 4.2b. Licenses in key sectors (including Sharia-compliant financing)

- 4.2c. Perception of GIROA effectiveness in creating job opportunities
- 4.2d. Key commercial laws drafted, presented for approval, passed or approved, and implemented (cumulative) – Bankruptcy, Private Investment, Contracts, Agency, Corporations, Partnerships, Trademarks, Arbitration, and Mediation

SUB IR 4.2.1: POLICY AND REGULATION IN KEY SECTORS REFORMED

- 4.2.1a. Number of on-site examinations undertaken this year with USG assistance
- 4.2.1b. Number of banking transactions made through the Afghanistan Clearinghouse
- 4.2.1c. People with access to Internet services as a result of USG assistance
- 4.2.1d. Average decrease in cost to final customers receiving Internet service after USG assistance
- 4.2.1e. Extractive industry (minerals and hydrocarbons) tenders awarded
- 4.2.1f. Value of extractive industry (minerals and hydrocarbons) tenders awarded

SUB IR.4.2.2: TRADE REGIME IMPROVED

- 4.2.2a. Customs processing time
- 4.2.2b. Afghanistan’s “Trade Across Borders” ranking on the World Bank’s Doing Business report
- 4.2.2c. Person-days of training of key personnel in trade and customs regulation
- 4.2.2d. Value of imports*
- 4.2.2e. Value of exports*

SUB IR 4.2.3: FOUNDATION FOR A MORE EFFICIENT LAND MARKET ESTABLISHED

- 4.2.3a. Makhzan offices established
- 4.2.3b. Revenues to GIROA from leases of government land
- 4.2.3c. Sanitation tax revenues at the municipal level
- 4.2.3d. Properties registered with municipal registration offices
- 4.2.3e. Person-days of training for key personnel in digital cartographic tools and mapping

D. INTERMEDIATE RESULT 4.3: COMPETITIVENESS OF PRIVATE SECTOR ENHANCED

- 4.3a. Foreign Direct Investment as a share of GDP*
- 4.3b. Small and medium enterprise revenue as percentage of GDP*

SUB IR 4.3.1: CAPACITY OF PRIVATE SECTOR FINANCIAL INSTITUTIONS INCREASED

- 4.3.1a. Borrowers, including both micro-finance and commercial bank*
- 4.3.1b. Branches and/or financial points of service
- 4.3.1c. Volume of loans extended*
- 4.3.1d. Microfinance percentage of loan defaults (Portfolio at Risk)
- 4.3.1e. Total volume of commercial bank deposits
- 4.3.1f. Total commercial bank depositors
- 4.3.1g. Share of small and medium enterprises (SMEs) that have received loans from financial institutions

SUB IR 4.3.2: BUSINESS DEVELOPMENT SERVICES IMPROVED

- 4.3.2a. Businesses supported with USG assistance
- 4.3.2b. Value of private-public sector alliances established

SUB IR 4.3.3: INVESTMENT IN THE AFGHAN PRIVATE SECTOR PROMOTED

- 4.3.3a. Businesses that have diversified into higher-value products due to USG programs
- 4.3.3b. Number of public-private partnerships formed as a result of USG assistance*
- 4.3.3c. Value of new domestic and international investments in key sectors
- 4.3.3d. Gross Domestic Investment*
- 4.3.3e. Share of small and medium enterprises (SMEs) that have received funding from investors

E. INTERMEDIATE RESULT 4.4: WORKFORCE MEETS PRIVATE AND PUBLIC-SECTOR DEMANDS

- 4.4a. People gaining employment or better employment (improved livelihoods) as a result of participating in USG-funded workforce development programs*
- 4.4b. Share of labor force that has participated in specialized training
- 4.4c. Average change in salary or income for those completing USG-funded workforce development programs

SUB IR 4.4.1: CAPACITY TO PROVIDE QUALITY, DEMAND-DRIVEN FORMAL AND NON-FORMAL WORKFORCE DEVELOPMENT IMPROVED

- 4.4.1a. National qualifications framework and curricula developed through USG assistance
- 4.4.1b. Number of market-driven training-of-trainers institutes established providing trainers for public and private workforce development organizations (TVET and business education institutes) through USG assistance
- 4.4.1c. Regular labor market data collection, analysis and dissemination improved through USG assistance

SUB IR 4.4.2: MARKET-LED TECHNICAL AND VOCATIONAL EDUCATION AND TRAINING (TVET) PROVIDED THROUGH PRIVATE AND PUBLIC-SECTOR TVET SCHOOLS

- 4.4.2a. Viable TVET organizations strengthened in the competency areas of governance and management, teaching and learning, faculty and staff, research and development, extension, consultancy and linkages, resources and support for students
- 4.4.2b. People completing USG-funded market-driven TVET programs
- 4.4.2c. People transitioning to further education and training within six months after participation in USG-funded TVET programs

SUB IR 4.4.3: MARKET-LED BUSINESS EDUCATION AND SKILLS TRAINING (BEST) PROVIDED THROUGH PUBLIC AND PRIVATE SECTOR INSTITUTIONS

- 4.4.3a. Viable BEST organizations strengthened in the competency areas of governance and management, teaching and learning, faculty and staff, research and development, extension, consultancy and linkages, resources and support for students
- 4.4.3b. People completing USG-funded market-driven BEST programs
- 4.4.3c. People obtaining employment in their field of training through job placement services provided by USG-funded BEST programs
- 4.4.3d. People transitioning to further education and training within six months after participation in USG-funded BEST programs
- 4.4.3e. People demonstrating required competencies after participating in USG-funded BEST programs



US MISSION | AFGHANISTAN

U.S. FOREIGN ASSISTANCE FOR AFGHANISTAN

Post Performance Management Plan-
2011-2015

V. Annex V – Assistance Objective 5: A Sustainable, Thriving Agricultural Economy

Annex V – Assistance Objective 5: A Sustainable, Thriving Agricultural Economy

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I. OVERVIEW

A. CONTEXT

The Afghan agricultural sector also continues to suffer from the effects of decades of conflict, degradation and destruction of land and infrastructure, lack of reliable power, insufficient access to inputs, a dearth of adequately trained extension agents and agronomists and natural disasters such as drought and flooding. Furthermore, the country lacks any significant agricultural data or research to draw from. With nearly 80%¹⁰ of the population deriving their livelihood from agricultural activities, the decline of the agricultural sector has resulted in a large vulnerable rural population, with unemployment and under-employment presenting major ongoing challenges. As a result of this vulnerability, a lack of alternative economic opportunities and a marked absence of governance or rule of law, rural populations have resorted to opium production and poppy cultivation. In addition, numerous changes in government leadership have resulted in frequent shifts in emphasis and approaches to agricultural extension, research, and education, further impeding the sector's development. With the development of the strategic National Agriculture Development Framework (NADF) in 2009, GIROA is planning to reverse this pattern, and has identified and integrated priority pillars necessary to transform the sector.

The Afghan agricultural sector continues to be challenged by numerous other deficits that specifically impact on agribusiness development. These challenges cut across each stage of value chain development, from production to processing to market development. In this regard, insufficient and poor quality commodity and high-value crop collection, storage, packing, and processing facilities severely constrain value chain development and the agribusiness sector as a whole. Specifically, market infrastructure must be strengthened to expand trade and export. Poor market infrastructure for horticulture and livestock, including storage facilities, hampers local, sub-national, and national trade and marketing. For example, the lack of a robust packing industry can lead to produce loss and waste during transportation and inhibits the ability of Afghan produce to contend in competitive regional and international markets. Finally, development of clear and compliant frameworks and regulations with respect to trade and product quality are necessary to facilitate market development and increased exports to regional and international markets. Examples include more efficient customs processes, improved sanitary and phyto-sanitary standards, and transit trade agreements.

B. STRATEGIC COHERENCE

Rebuilding Afghanistan's agricultural sector is one of the USG's top priorities. Two key USG strategies provide the framework for these efforts: the USG Agriculture Assistance Strategy for Afghanistan (October 2009) and the Afghanistan and Pakistan Regional Stabilization Strategy (February 2010). One of the two pillars of USG agricultural assistance focuses on increasing Afghans' confidence in their government by building the capacity of the Ministry of Agriculture, Irrigation and Livestock (MAIL) and other agricultural sector institutions to improve the delivery and quality of key agricultural services. The other pillar focuses on sustainable value-chain development, which will increase agricultural sector jobs and incomes in the short and long-term, leading to increased productivity, regenerated agribusiness, and rehabilitated watersheds

¹⁰ <https://www.cia.gov/library/publications/the-world-factbook/geos/af.html>

and improved natural resource management. Included in the overall USG strategy, and highlighted mainly through quick impact activities, is the aim of undercutting the appeal of the insurgency to potential recruits by offering economic alternatives and providing stability to communities that are on the frontlines of the war.

The USG predicates its agricultural strategy on supporting GIROA's NADF. The NADF comprises four key program areas: 1) natural resource management; 2) agriculture production and productivity; 3) economic regeneration; and 4) change management. The objectives in the USG Agriculture Assistance Strategy for Afghanistan (October 2009) are aligned to support each of these NADF priorities.

Strengthening agricultural sector development is the priority for both the GIROA and the USG. With the vast majority of the population depending upon agriculture for their livelihood, improving performance of the sector is required to increase domestic production, income, employment, food security requirements and overall stability.

C. PROGRESS TO DATE

Much has been accomplished in the agriculture sector over the past five years as a result of USG (and specifically USAID) assistance efforts. The majority of these efforts have focused on increasing productivity by: improving access to inputs, strengthening agribusiness value chains, re-establishing traditional export markets, providing immediate rural employment opportunities; increasing food security, rehabilitating infrastructure; and, improving natural resource management. At the same time, the USG and other donors have increased efforts to build the capacity of MAIL and other GIROA institutions and organizations to support the revitalization of the agricultural economy. Lastly, the USG has dedicated substantial resources to support alternative development activities to provide licit economic opportunities and to reduce the dependency on illicit opium production in poppy prone areas of the country.

Since 2005, USG-supported activities have made important gains in terms of stabilizing communities through immediate impact programming, increasing access to productivity-enhancing inputs, strengthening agribusiness value chains, expanding agro-enterprise, improving irrigation infrastructure, enhancing natural resource management, building human capacity among agricultural professionals, and delivering food aid to vulnerable communities. The following outputs and impacts illustrate USG-supported progress in these areas:

- \$142 million of sales of horticultural and livestock products—including the export of 15,600 metric tons of high-value fruits and vegetables—generated as a result of training, technical assistance, infrastructure improvements, and the transfer of improved agricultural practices;
- Cash-for-work activities that generated \$58 million in income for more than 380,000 men and women, resulting in the rehabilitation of over 11,000 kilometers of irrigation and drainage canals;
- Enhancement of farm-to-market access through the repair and improvement of thousands of kilometers of rural roads;

- Increased access to agricultural inputs such as seeds, fertilizer, and tools, through the establishment of 370 Afghan-owned and operated “Ag Depot” farm stores leading to additional sales of \$31.5 million in FY 2009 and benefitting 87,000 farm households;
- Provided more than 1,000,000 metric tons of food aid, improving food security for over 15 million Afghans;
- Built the capacity of over 500,000 farmers through training in best agriculture practices leading to increased crop yields;
- Provided 720,000 farmers with vouchers for agriculture inputs to increase agriculture productivity and food security;
- Improved livestock health and productivity resulting from the addition of 600 veterinary field units staffed by newly trained para-veterinarians. These para-veterinarians have administered more than 45 million vaccinations and treatments, earning \$3 million in sales;
- Trained thousands of government officials and farmers in natural resource management and modern farm management principles aimed at reclaiming, preserving, and/or better utilizing land and water resources in environmentally sustainable ways; and
- Provided technical assistance to MAIL that has helped the Ministry promote domestic and external trade, improve compliance with international sanitary and phyto-sanitary standards, and negotiate Afghanistan’s participation in regional trade agreements and the World Trade Organization.

GIRoA capacity to support and deliver in these areas remains a work-in-progress, largely a result of its limited presence and capacity at provincial and district levels and compounded by high levels of insecurity. Furthermore, strong, capable, and well-financed central line ministries have not historically been a feature of the governance structure of the country.

II. USG RESPONSE

Efforts to accomplish this strategic vision will focus on the implementation of activities to support **Assistance Objective (AO) 5: A Sustainable, Thriving Agricultural Economy**. Under this AO, USG has identified three Intermediate Results:

- Increased Agricultural Sector Jobs and Incomes
- Improved Natural Resource Management
- Improved Capacity of GIRoA to Provide Agriculture-Related Public Services

A. IR 5.1 - INCREASED AGRICULTURAL SECTOR JOBS AND INCOMES

USG will achieve success in this area by continuing current programs and activities, as well as undertaking additional, ones to strengthen Afghanistan’s principal high-value agricultural value chains. These include, among others, pomegranates, raisins, apricots, grapes, various nuts, cashmere and vegetables, as well as supporting improved wheat production—an integral crop for ensuring food security in Afghanistan. The primary focus is on the movement of agricultural products from the farm through the various stages of post-harvest handling, processing, marketing, and finally to sales. The USG will identify constraints in the progression from the

farm to the market and develop interventions to overcome those obstacles. Value chains that meet domestic, regional and international product quality standards will increase Afghan capacity, jobs, and income. The USG will achieve these results through the provision of improved production techniques and technology, technical assistance to farmers and agribusinesses, and resources to support business expansion, employment opportunities, access to improved inputs, and the facilitation of credit.

The USG will improve agriculture productivity by providing on-the-farm technical assistance and promoting crop diversification and/or conversion to more profitable agriculture value chains. Increases in productivity, especially in high-value crops, will result in sustainable jobs and income streams. USG programs will also target private sector enterprises to assist with value-added processing and improved marketing channels and linkages. Specifically, the USG will help farmers convert and diversify their crops from cereals and poppies to higher value crops such as grapes, pomegranates, apples, cherries, and almonds. Although the USG will focus most of its diversification efforts in the southern provinces of Helmand and Kandahar—where illicit production is greatest—there will also be programs supporting alternative crop development in several other provinces in the country. This is important because high-value crops require a multi-year commitment, ostensibly obligating farmers to the licit economy and relinquishing farmers from a yearly decision of whether to plant poppy.

Efforts in support of this IR will also focus on increasing linkages between farmers and markets via support to trade corridors and the Afghan private sector. Activities include: agribusiness market promotion and trans-border facilitation; improvements to transportation and storage; promoting infrastructure; food safety improvements; pest risk management; increased opportunities for contract farming; facilities and training focused on packaging and post-harvest handling, and processing for sales. Specialized training and assistance to women will also support these efforts. Together, these activities add value to and complement the USG's substantial investment in on-farm assistance.

Another USG priority is to increase farmers' access to higher quality inputs. In order to increase productivity, farmers require access to improved inputs, including certified seed, fertilizer, tools, machinery, and on-farm infrastructure. The majority of USG programs will concentrate on increasing inputs for high-value crops, but the USG will also provide subsidized vouchers for certified wheat seed and fertilizer to increase productivity in Afghanistan's staple food crop. Based on results achieved and MAIL's request for assistance, the USG has extended this program and increased coverage from 18 to 31 provinces in 2011, with the aim of making a substantial contribution to improved food security. Increasing access to these productivity-enhancing inputs will result in increased incomes and improved employment opportunities in the sector.

Stability activities, such as cash-for-work (CFW) are another important component of the USG's agricultural assistance. The vast majority of the areas serviced by CFW projects have suffered from decades of neglect due to continuing insecurity experienced during the wars. CFW activities not only provide immediate employment opportunities and aid USG civil-military efforts to help stabilize areas, but also serve to increase productive capacity on farms and/or demand for farm produce. Activities such as canal cleaning and rehabilitation, farm

improvements, and rural road rehabilitation enhance agricultural productivity and incomes that farmers, in turn, often reinvest in their farms.

In order to increase value-added production and marketing, as well as to realize the ensuing gains in income and employment, agribusiness operators will require access to credit to strengthen and improve their operations. The USG programs will facilitate credit to the agricultural sector by providing \$100 million in loan capital to farmers and agribusiness owners. The USG will also provide a toolkit of interventions to help beneficiaries make better use of newly available credit and will help induce financial actors to enter the agricultural sector through mechanisms such as challenge and innovation grants and loan guarantee programs.

B. IR 5.2 - IMPROVED NATURAL RESOURCE MANAGEMENT

Efforts to achieve this IR will concentrate on: 1) rehabilitating watersheds; 2) environmental compliance; and 3) conservation of biodiversity through a community-based natural resources management approach. Improved water management will be critical to ensure that sustainable and longer-term agricultural sector productivity will produce the desired increase in yields to enhance food security of selected crops. Environmental compliance will help conserve the natural resources base in selected watersheds and reduce conflict over natural resources leading to greater stability among the rural communities. Conservation of biodiversity will protect wildlife corridors and strengthen protected areas by promoting wise land use. These strategies will result in improved water management in the sensitive upper catchment areas of the country's numerous watersheds and lead to increased water availability for farms, reduced flooding and loss of valuable top soil, and regulated forest resources harvesting supported by reforestation of degraded lands. Indigenous plant and animal species will be conserved to preserve Afghanistan's natural heritage for future generations to enjoy. Community-based natural resource management will result in the protection and wise use of selected headwaters required for the rehabilitation of critical watershed systems. Rehabilitated and properly managed watersheds will ultimately lead to increased agricultural and forestry yields, increased jobs and higher incomes in rural communities, and a reduction in resource-based conflict.

The centerpiece of these efforts will be a new large-scale, watershed management project utilizing an integrated water resource management approach at the community level. Improved natural resource management will increase the number of hectares of arable land, as well as farmers' access to water, through linkages to irrigation systems. These initiatives will improve quality assurance and monitoring by building a team of Afghan technical natural resource management experts to monitor quick impact of development projects and by building the capacity of the National Environment Protection Agency (NEPA) and MAIL, the two principal regulatory agencies.

The USG will collaborate closely with MAIL to improve community and farm level management of the multiple uses of water resources. The USG will provide technical assistance to MAIL at the national, provincial, and district levels in support of efforts to assess and improve watershed management, environmental compliance, and conservation of biodiversity. USAID and USDA are also supporting MAIL's Natural Resource Management Program, the objective of which is to ensure that Afghanistan's natural resource base is used in a productive and

sustainable way. The wise use of the natural resource base represents the foundation for sustaining growth and improvement for overall economic development. Through the USG's investments in this area, rural settlements will be trained to manage their own natural resources (forests, water, rangeland and agriculture) and resolve associated conflicts; degraded or destroyed forests will be re-established; tree nurseries will be established; saplings will be planted; and, rangeland will be restored. These efforts will support the National Water and Natural Resources Development Program, one of the four priority programs, as proposed by the Agricultural and Rural Development (ARD) Cluster by GIROA at the Kabul Conference.

C. IR 5.3 - IMPROVED CAPACITY OF GIROA AND OTHER PUBLIC AND PRIVATE PARTNERS TO PROVIDE AGRICULTURE-RELATED PUBLIC SERVICES

This IR is fundamental to the long term success of USG investments in Afghanistan's agricultural sector. USAID will improve the capacity of GIROA and the other private and public sector entities to provide agriculture-related public services, such as research, educational opportunities, and extension.

The USG, through USDA, will work to establish a Grants Management Unit (GMU) within MAIL, allowing it to eventually receive USG assistance directly to initiate, finance, and implement GIROA-led agricultural programs. The GMU will bolster the 'Afghan First' guiding principle that not only allows GIROA to take the lead on Afghan development, but also enables the USG to build capacity while completing successful programs, and ultimately allows GIROA to implement directly.

In addition, the USG will help to increase MAIL's capacity to deliver services to rural farmers and herders as well as to promote private sector agribusinesses and farmer associations. This will be accomplished by implementing a change management program that will help MAIL to define its roles and priorities, by providing assistance to increase institutional capacity (e.g. in administration, project development & oversight or procurement), providing technical advice and mentoring in critical areas and by facilitating improved service delivery to rural areas. The USG will provide direct assistance to MAIL to properly train, equip, and deploy hundreds of its own extension workers and to work with other extension providers. The USG will also rehabilitate MAIL research/extension stations and demonstration farms, improve linkages between agricultural education facilities and GIROA institutions, and train staff to support the transfer of improved agricultural production and on-farm water management methodologies to farmers. Strengthening agricultural extension services and training infrastructure is vital towards disseminating best practices, new/improved technologies, and achieving high rates of farmer adoption. At the provincial level, the USG will improve the capability of Provincial Directors of Agriculture, Irrigation, and Livestock (DAIL) to plan budgets and implement programs, Capacity building support for DAIL will also complements other USG resources made available through direct budget assistance to MAIL in Kabul. Strengthening the linkage between national, provincial, and district-level stakeholders is necessary to effectively devolve responsibilities, resources, and program execution. Provincial Directors of MAIL require the support and resources necessary to manage and coordinate program execution on the ground.

Programs under this IR will also reinvigorate and modernize agricultural faculties in the public university system; build the capacity of faculty and staff with advanced degree educational training; transfer of technology; modernize agricultural science curricula; and, mentor faculty from partner universities, both in the U.S. and in the region.

III. CRITICAL ASSUMPTIONS

The following assumptions apply to the AO 5 Results Framework:

- Stabilization activities will complement long-term, sustainable development efforts.
- Security efforts will result in improved freedom of movement (i.e. increased road security, decreased incidents of corruption) and increased willingness of beneficiaries to participate in program activities without threat from insurgents.
- Security conditions will allow for a continuous, robust civilian field presence.
- Climatic conditions remain relatively stable, without threat of major drought or flooding conditions.
- GIRoA counterparts remain willing partners in the agricultural development strategy, and increase their contribution, in both financial and governance commitments.
- GIRoA will sign transit trade agreements with regional partners and that trade conditions will improve.
- Identification of viable on-lending commercial banking partners.

IV. MAJOR ISSUES AND CONCERNS

Security: In the agriculture sector, improved security remains a fundamental requirement for development success in Afghanistan. The growing insurgency continues to disrupt project activities in terms of the inability of organizations to implement in unsafe areas, violence towards implementing partners and project beneficiaries, and severe travel restrictions for staff and beneficiaries alike. Insecurity is a major factor inhibiting farmers' ability to produce and get their products to market. The variable security profiles of large parts of the south, east, and pockets elsewhere, require flexible and nuanced programmatic approaches, and equally flexible and nuanced monitoring and reporting that combines validity with the safety of USG employees and our partners

A key consideration in this regard is the reach of project activities in highly kinetic environments; i.e., determining how and when to move into areas that are transitioning from a 'clear and hold' stage into a 'build' stage. Even with measured and thoughtful approaches to operating in insecure environments, the implementation of essential activities, such as full-fledged value chain development, remain challenging when the security situation hinders the collection of reliable baseline data, interferes with training and technical assistance activities, limits the mobility and safety of program and counterpart personnel, and serves as a disincentive to investment in productive economic activities.

Gender: Both the USG Agriculture Assistance Strategy for Afghanistan and the Afghanistan/Pakistan Regional Stabilization Strategy emphasize the importance of integrating women into efforts to promote development throughout the agriculture sector. Accordingly, the

USG is developing specialized training and technical assistance for women in agricultural production and animal husbandry, veterinary medicine, poultry breeding, and operating and maintaining farm machinery. There are also specialized programs aimed at helping women build small businesses linked to agriculture and access specialized financial services. In addition, USG assistance efforts strengthen traditional, women-led artisanal industries, such as handicrafts and clothing production in silk, cotton, cashmere, and suede, through enhanced training and increased access to foreign markets. The USG will continue efforts to increase programs targeting women.

Afghan First: Despite intensive capacity building efforts, MAIL continues to struggle to effectively accomplish its core functions given the agriculture sector's overwhelming needs. A recent report found that continued neglect has led to MAIL's deteriorated ability to support agricultural mechanization, research, and extension departments and to provide services. The report went on to state that Non-Governmental Organizations (NGOs), the Food and Agriculture Organization (FAO), USAID/USDA, and other organizations are primarily responsible for the provision of farm inputs in Afghanistan (DfID report: [Agriculture Extension in Afghanistan: Review and Recommendations](#). Oct. 2009). While the USG remains committed to strengthening MAIL's capacity and moving towards on-budget assistance, progress in this area will take time.

Annex II - E contains the detailed Performance Indicator Reference Sheets (PIRS) for each indicator. Each reference sheet is fully consistent with the guidance in ADS 203.

V. U.S. MISSION IN AFGHANISTAN AGRICULTURE RESULTS FRAMEWORK

AO 5: A Sustainable, Thriving Agricultural Economy

IR 5.1: Increased Agricultural Sector Jobs and Incomes as a result of USG assistance

Sub-IR 5.1.1: Improved agricultural productivity

Sub IR 5.1.2: Increased commercial viability of small and medium farms and agri-businesses

Sub-IR 5.1.3: Improved stability in targeted, insecure areas

IR 5.2: Improved Natural Resource Management as a result of USG assistance

Sub-IR 5.2.1: Improved integrated water management

Sub IR 5.2.2: Improved environmental compliance

Sub IR 5.2.3: Biodiversity conserved in selected areas

IR 5.3: Improved Delivery of Agricultural-Related Public Services as a result of USG assistance

Sub IR 5.3.1: Improved agricultural education systems

Sub IR 5.3.2: Improved GIRoA agricultural research and extension services

Sub IR 5.3.3: Improved MAIL core functions

VI. INDICATORS AT A GLANCE

(* denotes indicators to be reported in the PPR)

A. ASSISTANCE OBJECTIVE 5: A SUSTAINABLE, THRIVING AGRICULTURAL ECONOMY

- 5a. Growth (US Dollar) in absolute value of agriculture sector
- 5b. Number of households benefitted by agriculture and alternative development interventions in targeted areas
- 5c. Total value of agricultural exports

B. INTERMEDIATE RESULT 5.1: INCREASED AGRICULTURAL SECTOR JOB AND INCOMES AS A RESULT OF USG ASSISTANCE

- 5.1a. Net (total) increase in private sector employment for farms and agribusinesses in targeted areas (full-time equivalent)
- 5.1b. Total value of sales of final agricultural products from assisted farms and agribusinesses
- 5.1c. Number of individuals who have received agriculture-related short-term training
- 5.1d. Percentage increase in household income from licit agriculture in targeted areas

SUB-IR 5.1.1: IMPROVED AGRICULTURAL PRODUCTIVITY

- 5.1.1a. Percentage change in annual production of key crops (metric tons)
- 5.1.1b. Number of farmers using agricultural inputs in targeted areas
- 5.1.1c. Number of farmers growing high-value crops
- 5.1.1d. Number of women's organizations/associations assisted as a result of USG assistance*
- 5.1.1e. Number of hectares under improved irrigation

SUB-IR 5.1.2: INCREASED COMMERCIAL VIABILITY OF SMALL AND MEDIUM FARMS AND AGRIBUSINESSES

- 5.1.2a. Number of farmers benefitting from financial agreements
- 5.1.2b. Total value of capital provided to agricultural value chain (total dollars)
- 5.1.2c. Number of agriculture-related enterprises supported by interventions
- 5.1.2d. Total value of input sales from agriculture-related enterprises

SUB-IR 5.1.3: IMPROVED STABILITY IN TARGETED, INSECURE AREAS

- 5.1.3a. Number of labor-intensive rural jobs created
- 5.1.3b. Number of labor-intensive rural infrastructure projects completed
- 5.1.3c. Hectares of alternative crops under cultivation targeted by USG programs*

C. INTERMEDIATE RESULT 5.2: IMPROVED NATURAL RESOURCE MANAGEMENT AS A RESULT OF USG ASSISTANCE

- 5.2a. Number of hectares under improved natural resource management*
- 5.2b. Number of communities implementing improved natural resource management practices

SUB-IR 5.2.1: IMPROVED INTEGRATED WATER MANAGEMENT

- 5.2.1a. Number of water user associations

SUB-IR 5.2.2: IMPROVED ENVIRONMENTAL COMPLIANCE

- 5.2.2a. Number of environmental assessments approved by the host country environmental protection agency

SUB-IR 5.2.3: BIODIVERSITY CONSERVED IN SELECTED AREAS

- 5.2.3a. Number of hectares in areas of biological significance under improved management and/or biodiversity conservation
- 5.2.3b. Number of USG-supported initiative/mechanisms designed to reduce the potential for violent conflict over the control, exploitation, trade or protection of natural resources*

D. INTERMEDIATE RESULT 5.3: IMPROVED DELIVERY OF AGRICULTURAL-RELATED PUBLIC SERVICES AS A RESULT OF USG ASSISTANCE

- 5.3a. Percentage of foreign direct assistance that is processed and managed directly by MAIL
- 5.3b. Percentage increase in disbursement of MAIL's development assistance budget to provincial and district levels

SUB-IR 5.3.1: IMPROVED AGRICULTURAL EDUCATION SYSTEMS

- 5.3.1a. Number of advanced degrees received
- 5.3.1b. Number of partnerships established between Afghan and American/regional universities

SUB-IR 5.3.2: IMPROVED GIROA AGRICULTURAL RESEARCH AND EXTENSION SERVICES

- 5.3.2a. Number of national research stations and laboratories built, rehabilitated, or assisted
- 5.3.2b. Number of new technologies made available for transfer as a result of USG assistance*
- 5.3.2c. Number of farmers accessing extension services
- 5.3.2d. Number of agricultural extension staff trained in new techniques

SUB-IR 5.3.3: IMPROVED MAIL CORE FUNCTIONS

- 5.3.3a. Decrease in the number of steps and procedures involved in standard MAIL procurement processes
- 5.3.3b. Percentage of benchmarks achieved required for USAID certification for direct provision of funds to MAIL

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VI. Annex VI – Assistance Objective 6: Expanded, Sustainable Physical Infrastructure

ANNEX VI – ASSISTANCE OBJECTIVE 6: EXPANDED, SUSTAINABLE PHYSICAL INFRASTRUCTURE

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I. OVERVIEW

A. CONTEXT

Historically, Afghanistan has faced daunting constraints in developing its infrastructure. Decades of war, long periods of neglect of operational and maintenance concerns, resource limitations associated with deep and extensive poverty, and harsh climatic conditions have resulted in severely limited access by many Afghans to electricity, reliable road transport, water for household, agricultural and industrial uses, and infrastructure supporting government services. Currently, 31 percent of households have access to safe drinking water, 10 percent of households nationwide have access to improved sanitation, and four out of five Afghans in rural areas may be drinking contaminated water. Due to extremely limited power supplies, Kabul formerly was known as the “Dark Capital” of Asia. Thanks to support from the U.S. Government and other donors, access to electricity, and other critical infrastructure, has improved dramatically.

U.S. Government assistance is helping to expand infrastructure in Afghanistan while promoting sustainability of infrastructure projects by enhancing Afghan capacity to manage, maintain, and expand these investments. The USG is working to strengthen Afghan capacity to design, build, and maintain roads; increase the supply of reliable electricity; expand access to potable water; and design and construct schools, clinics, hospitals, and key civic facilities. While improved, sustainable infrastructure in Afghanistan is critical to the U.S. Government’s short-term stabilization objectives and long-term development goals, these projects face many challenges and obstacles. Most projects have combat-related security threats and many are in remote and inaccessible areas which impede the movement of equipment across rough terrain. Nevertheless, USG infrastructure programs, in partnership with and in support of the Afghan Government and other donors, are successfully overcoming such obstacles to provide power, roads, water, and buildings that support key social services, job creation, and economic growth. U.S. Government assistance promotes sustainability by joining infrastructure improvements with capacity building between government and private sector partners.

In energy, the Government is helping to strengthen Afghan capacity to increase the reliable supply of affordable electricity. The USG is improving technical and management capacities of the national power utility, increasing power generation and low-cost imports from the North, expanding transmission and distribution, and promoting renewable electricity, especially in rural areas. For example, the USG is assisting the Government of the Islamic Republic of Afghanistan (GIROA) to commercialize and better manage both the Kabul Electricity Directorate (KED) and the newly formed national electricity utility, Da Afghanistan Breshna Sherkat (DABS). Low rates of cost recovery for electricity provided are jeopardizing the financial and operational sustainability of KED, and therefore DABS. Lack of funds is a serious constraint on the system’s sustainability, and on DABS’ ability to maintain network assets and expand services to new customers. Without a dramatic expansion in revenue, the funds to pay for electricity imports and maintain rapid system expansion will not be available. The USG has invested \$6 million in DABS to date and pledged another \$47 million over the next year and a half as part of its overall \$1.7 billion energy sector program in Afghanistan. Another example of USG support for strengthening

capacity in the energy sector includes the USG's three year energy sector capacity building program that it launched in August 2008. The goal of the Afghan Energy Capacity Building (AECB) program is to provide technical, managerial, and administrative capacity building in the Afghan energy sector, helping to promote the sustainability of investments in this sector.

The USG is strengthening the transportation sector through expanded road construction and rehabilitation, and by investing in Afghan capacity to design, build and maintain roads. To ensure the sustainability of Government investments, the USG is working to improve the GIRoA's institutional capacity in road planning, construction, operations, and maintenance, and to strengthen the private sector to support the roads network. U.S. Government-funded roads projects are creating thousands of construction and maintenance jobs. For example, the USG supports operations and maintenance activities on 1,500 kilometers it built. Through this program, the USG is training staff from the Ministry of Public Works (MoPW) to manage private sector contractors to conduct road maintenance. In addition, the USG is working to support the creation of a National Roads Authority that will have the mandate and resources required to maintain Afghanistan's roads and highways in the future.

The USG is also strengthening Afghan capacity to expand access to water by improving technical institutional capacity to plan and manage water resources, by increasing access to safe water and sanitation, expanding hydropower production, improving agricultural production through better irrigation, and improving soil and water conservation. One example of USG's activities in the water sector is the Commercialization of Afghanistan Water and Sanitation Activity (CAWSA) that began in November 2008, to improve the water supply systems of Mazar-i-Sharif, Jalalabad, Ghazni, Gardez and Kandahar. This program is conducted in coordination with Afghanistan's Central Authority for Water Supply and Sewage (CAWSS), provincial water departments, and other donors. The program seeks to establish a viable business model for water service delivery in Afghanistan by supporting the GIRoA to undertake water and sanitation sector reforms that will commercialize the urban water sector, increase cost recovery, and improve management.

The USG is enhancing the GIRoA's ability to provide social services through the rehabilitation and construction of buildings and facilities. Driven by programmatic goals, the USG supports health, education, democracy and government efforts by providing resources and/or technical expertise to design, rehabilitate, construct, and maintain government buildings. The USG has worked in partnership with GIRoA ministries on these vertical structures projects. The USG relies on skilled and unskilled Afghan labor, and has invested in developing the capacity of local workers to rehabilitate, build and maintain these vital facilities.

B. STRATEGIC COHERENCE

USG's activities under this Assistance Objective supports the U.S. Afghanistan and Pakistan Regional Stabilization Strategy by creating sustainable jobs in the private sector. Improved roads and expanded access to energy facilitate economic activity and provide new regional trade opportunities, thereby stimulating economic growth and the creation of private sector jobs. Also, in line with the Regional Stabilization Strategy, USG activities support GIRoA to

provide energy, access to health care and education, and to facilitate transportation, thereby increasing the GIRoA's ability to deliver public services to support sustainable growth and development.

From a U.S. strategic perspective, infrastructure development is an essential element contributing to job creation and economic growth. The U.S. Afghanistan and Pakistan Regional Stabilization Strategy, for example, ranks development of infrastructure, particularly of power and roads, among its "key initiatives" for "building an economic foundation for Afghanistan's future." An associated milestone in the strategy is to have approximately 1,500 MW of additional electrical generation and transmission capacity online by 2013 (from 389 MW in April 2009).¹¹

Similarly, under the Integrated Civilian-Military Campaign Plan, this Assistance Objective contributes to the following National-level objectives: 1) expansion of agricultural capacity and local market access increase economic opportunity and employment, and with improved infrastructure, leverages emerging regional trade corridors to broaden access to regional markets, and 2) government capacity to deliver services is significantly increased and expanded while perception of GIRoA responsiveness increases confidence in change.

Activities under this Assistance Objective contribute to Pillar 3 under the Afghan National Development Strategy (ANDS), Economic and Social Development. Under this pillar, ANDS articulates a strategy for fostering private sector development and increasing domestic and foreign investment that includes the following component: expand the scope for private investment in developing national resources and infrastructure. ANDS indicates that the GIRoA will encourage private provision of public services wherever it will be feasible, including areas such as health, education, and municipal services. USG support for the commercialization of water utilities, and energy (through DABS) contributes to this goal. Also in support of the ANDS and as outlined above, the USG is working with the MoPW to utilize the private sector to conduct roads maintenance. The Government is also working to support private sector investment to develop Sherberghan gas field. ANDS articulates more specific goals and strategies for energy, water, and roads under the Economic and Social Development pillar. Though too detailed to address here, USG's activities under this Assistance Objective help support components of key ANDS objectives within these sectors.

In addition to Department of State and USAID strategic documents informing development of this framework, two sector-specific strategies have been especially useful. The current *U.S. Water Strategy for Afghanistan*, developed through broad consultations across the USG and the GIRoA, was approved by the Coordinating Director for Development and Economic Affairs in March 2010. The structure of priorities and outcomes featured in IR 6.1 closely parallels that of the U.S. Water Strategy for Afghanistan. Water management in Afghanistan involves balancing demands for potable water, irrigation, industrial use, hydropower, and environmental issues, while also considering international concerns and flood control issues. An integrated approach to this complex of challenges calls for new policies, regulations, and guidelines, as well as regional watershed management plans. Afghanistan is upstream of

¹¹ U.S. Department of State, *Afghanistan and Pakistan Regional Stabilization Strategy* (updated February 2010).

many of its neighbors so water management provides an opportunity for increased regional cooperation while posing a risk of heightened tensions.

Similarly, the *U.S. Strategy for the Transportation Sector in Afghanistan* proposes an integrated approach to the USG roads program by collaborating with other sectors to increase community development along all road projects, building capacity of the GIRoA at national and provincial levels. This builds capacity and opportunity for private sector Afghan companies in the construction industry, creates employment opportunities for Afghans on transportation projects, and provides a platform for U.S. contractors to mentor Afghan-owned companies. While the roads strategy is currently under discussion between the USG and the GIRoA, the core elements of construction/rehabilitation, capacity building and private sector strengthening are included in IR 6.2.

C. PROGRESS TO DATE

In recent years, donors cooperated to reconstruct 1,866 km (86 percent) of the Ring Road, of which the U.S. reconstructed 831 km. Construction of a 105 MW power plant to serve greater Kabul is one of the largest U.S. projects completed in Afghanistan. In 2009, U.S. assistance supported the GIRoA to import 70 MW of power from Uzbekistan. Working with other donors, the U.S. assisted in the repair of the North East Power System, which transmits power from Uzbekistan to Kabul and other Afghan population centers. More recently, the U.S. is working with the GIRoA as it seeks private investment to further develop the Sheberghan gas fields in northern Afghanistan and tap into the fields as a source for a natural gas-fired power plant. The USG expects that people with new access to water to number 179,000 in 2010 and those with new access to sanitation will total 30,000. Access to both water and power is expected to expand considerably in FY 2011.

II. USG RESPONSE

The U.S. will implement activities that support **Assistance Objective (AO) 6: Expanded, sustainable physical infrastructure**. The USG identified four Intermediate Results (IR):

- More efficient use of expanded water resources;
- Improved management of an expanded network of roads;
- Better managed supply of electricity to a larger number of consumers; and
- An expanded network of vertical structures supporting health care, education, and governance.

These IRs represent four sectors within the broader rubric of infrastructure development. In these IRs, the USG will build the capacity of the private sector and the Government of Afghanistan to design, build, and maintain infrastructure, helping to promote sustainability of these investments.

While these IRs may appear as “stovepipes,” there are shared characteristics and linkages. For example, the availability of water for rural use (especially in agricultural production and processing) often uses reservoirs, which in turn serve as kinetic power sources serving

hydropower. Both water and power are often delivered under the management of public utility firms, and roads are typically managed and maintained by a Ministry of Public Works or a highway authority. Challenges of public sector management and sustainable, high-quality service delivery are common to the four sectors. Finally, there are environmental and public health benefits (especially in the water sector) through improved infrastructure. Each IR addresses the challenge of expanding critical infrastructure, improving long-term quality, and enhancing the technical and managerial capacity of key institutions to maintain and operate these infrastructures.

Water, power, roads, and vertical structures are fundamental to long-term economic development and to sustained confidence by Afghans in their government. Achievement of AO 6 also will increase access to sanitary facilities and water, increasing household welfare, and improving public health (AO 2) by preventing the spread of communicable diseases. Improved access to power, water, and transportation contribute to economic prosperity and sustainability (AO 4). Buildings and facilities for health, education, and governance support delivery of basic services (AOs 2, 3 and 1, respectively).

A. IR 6.1 – MORE EFFICIENT USE OF EXPANDED WATER RESOURCES

The USG will achieve this IR by continuing activities that build leadership and capacity of GIRoA institutions, especially at the local level, while also increasing availability of water in both rural and urban settings. The USG will transform water utility Strategic Business Units (SBUs) in Ghazni, Gardez, Mazar-i-Sharif, Jalalabad and Kandahar by strengthening their management capabilities. This activity will help transform these SBUs from bureaucratic government agencies to viable, efficient, self-sustaining commercial enterprises that are able to move towards cost recovery. Increasing cost recovery ratios and management capacity will help these utilities improve service delivery and efficiently provide clean, potable water for their customers, thereby improving access to water for the communities they serve.

USG will also improve rural infrastructure and the health of rural populations by providing both water supply and sanitation facilities, and improving hygiene behaviors community-wide. It builds on the significant work done in the water supply, sanitation, and hygiene (WASH) sector in Afghanistan over the last five years. A national policy framework is in place and multiple donors and implementers are currently providing drinking water and sanitation facilities in rural communities. This activity complements the USG work with water utilities in cities, by targeting rural communities to increase their access to potable water.

B. IR 6.2 – IMPROVED MANAGEMENT OF AN EXPANDED NETWORK OF ROADS

This IR focuses on increasing the contribution of the roads network to (a) economic growth and (b) improvement of access by Afghans to the key services made available by road transport. Roads help provide a safe, integrated transportation network that ensures connectivity and enables low-cost and reliable movement of people and goods. Improved roads also enable community members to access health, education, and emergency services. An improved network of roads also facilitates new regional trade opportunities, including

those in agriculture and mining. The goal of this IR is to build Afghan capacity to design, build, and maintain roads.

The U.S. is designing and constructing 381 Km of national roads and building the capacity of the GIRoA and the private sector to better maintain road assets. In addition, the U.S. is building some 900 Km of provincial roads to connect district centers to provincial capitals and provide rural areas access to markets, and government and social services. The USG's experience in agriculture indicates that roads play a critical role in enabling farmers to access markets. Provincial roads facilitate efficient movement of goods and people; increase access to government and social services, such as education and health care; support development of the agriculture sector; and provide employment opportunities. These roads also are an important stabilization and development initiative, which provides employment in the volatile South and East.

C. IR 6.3 – BETTER MANAGED SUPPLY OF ELECTRICITY TO A LARGER NUMBER OF CONSUMERS

The focus of this Intermediate Result is to strengthen Afghan capacity to increase the reliable supply of affordable electricity throughout the country. Working in coordination with the activities supporting irrigation improvements associated with expanded hydropower, this IR's activities will expand the accessible power supply, as well as water sources for irrigation to rural areas by way of conducting assessments of watersheds to identify appropriate locales for, and support the design of, medium-size hydropower plants. Major energy interventions include increasing power generation, transmission and distribution capacity, and enhancing inter-regional energy trade. Furthermore, the USG will engage Afghan partners to develop solar, micro-hydro, and wind-based power production. In addition, the USG will work to commercialize the Kabul Electricity Service operations and support commercialization efforts in Kandahar City by reducing systems losses and improving operating efficiency. Finally, the USG will strengthen institutional capacity and conducts training in the Ministry of Energy and Water and other public institutions. Upcoming efforts include major upgrades for Kandahar power and the North East and South East Power Systems.

D. IR 6.4 – AN EXPANDED NETWORK OF VERTICAL STRUCTURES TO SUPPORT GOALS IN HEALTH CARE, EDUCATION, AND GOVERNANCE.

The focus of this IR is to support programmatic goals in health, education, and governance, and to increase the GIRoA's capacity to provide social services. Working in coordination with other program offices and Afghan Ministries, this IR's activities will improve and expand national and sub-national ministries' ability to provide health care and training for health care professionals, primary, secondary and higher education, teacher training, and ministry administration.

III. CRITICAL ASSUMPTIONS

The following assumptions underlie the AO 6 Results Framework:

- Security environments at project sites allow on-the-ground activities to proceed;
- Funding levels for infrastructure activities are sustained at levels to support achievement of key program results; and
- GIRoA and private sector entities are capable of maintaining and improving capacity to participate as full partners.

IV. MAJOR ISSUES AND CONCERNS

Security: Infrastructure activities in water, power, and roads are high-profile and especially vulnerable to attack by anti-government forces. The history of progress and challenges in road construction and rehabilitation, in particular, is marked by numerous events which have slowed progress and cost lives. Careful planning and coordination are necessary for security to be adequate for schedules to be met reasonably on time and for project staff to work under reasonably safe conditions. This AO depends on sufficient levels of security.

Civilian-Military Coordination: A fundamental part of this security equation is for U.S. personnel and its implementing partners to work closely with the field presence (Provincial Reconstruction Teams and regional platforms) and military. The aim is to balance best development practice with the requirements of the military campaign.

ANNEX VI - G contains detailed Performance Indicator Reference Sheets (PIRSs) for each AO 6 indicator. Each reference sheet is fully consistent with the guidance in ADS 203.

V. U.S. MISSION IN AFGHANISTAN INFRASTRUCTURE, ENGINEERING, AND ENERGY RESULTS FRAMEWORK

**Assistance Objective 6:
Expanded, sustainable physical infrastructure**

IR 6.1: More efficient use of expanded water resources

Sub-IR 6.1.1: Improved access to water supply and sanitation

Sub-IR 6.1.2: Strengthened capacity to address trans-boundary water issue

IR 6.2: Improved management of an expanded network of roads

Sub-IR 6.2.1: Expanded construction and rehabilitation

Sub-IR 6.2.2: Better private sector and GIRoA institutional capacity in roads operations and maintenance

IR 6.3: Better managed supply of electricity to a larger number of consumers

Sub-IR 6.3.1: Enhanced energy sector governance and management

Sub-IR 6.3.2: Generated supply of electricity increased and maintained

Sub-IR 6.3.3: Improved electricity transmission and distribution systems

IR 6.4 IR: An expanded and better managed network of vertical structures to support goals in health care, education and governance.

Sub-IR 6.4.1: New and rehabilitated facilities to support health care, education and governance

Sub-IR 6.4.2: Enhanced capacity in public and private sector to build, operate and maintain facilities.

VI. INDICATORS AT A GLANCE

(* denotes indicators reported in the PPR)

A. ASSISTANCE OBJECTIVE 6: EXPANDED, SUSTAINABLE PHYSICAL INFRASTRUCTURE

- 6a. Perceived availability of clean drinking water
- 6b. Perceived availability of electricity supply
- 6c. Percent of respondents expressing awareness of road projects in their area

B. INTERMEDIATE RESULT 6.1: MORE EFFICIENT USE OF EXPANDED WATER RESOURCES

- 6.1a. Number of people in target areas with access to improved drinking water supply as a result of USG assistance*
- 6.1b. Percentage of water losses from USG-assisted water utilities

SUB-IR 6.1.1: IMPROVED ACCESS TO WATER SUPPLY AND SANITATION

- 6.1.1a. Number of water systems installed or rehabilitated
- 6.1.1b. Number of people in target areas with access to improved sanitation facilities as a result of USG assistance
- 6.1.1c. Number of watershed assessments conducted

SUB-IR 6.1.2: STRENGTHENED CAPACITY TO ADDRESS TRANS-BOUNDARY WATER ISSUES

- 6.1.2a. Number of persons trained in trans-boundary water management fields
- 6.1.2b. Development of policies and procedures to address trans-boundary water issues

C. INTERMEDIATE RESULT 6.2: IMPROVED MANAGEMENT OF AN EXPANDED NETWORK OF ROADS

- 6.2a. Number of people benefitting from USG-sponsored transportation infrastructure*
- 6.2b. Percentage increase in annual average daily traffic count
- 6.2c. Kilometers of maintained roads

SUB-IR 6.2.1: EXPANDED CONSTRUCTION AND REHABILITATION

- 6.2.1a. Kilometers of transportation infrastructure constructed or repaired through USG assistance*

SUB-IR 6.2.2: BETTER PRIVATE SECTOR AND GIROA INSTITUTIONAL CAPACITY IN ROADS OPERATIONS AND MAINTENANCE

- 6.2.2a. Progress toward formation of an effective Road Authority
- 6.2.2b. Number of people trained in transport management fields*
- 6.2.2c. Number of people receiving USG supported training in transportation technical fields

D. INTERMEDIATE RESULT 6.3: BETTER MANAGED SUPPLY OF ELECTRICITY TO A LARGER NUMBER OF CONSUMERS

- 6.3a. Annual electricity produced or purchased in MWh by the national electric utility
- 6.3b. Number of people with increased access to modern energy services as a result of USG assistance*
- 6.3c. Number of renewable energy systems installed

SUB-IR 6.3.1: ENHANCED ENERGY SECTOR GOVERNANCE AND MANAGEMENT

- 6.3.1a. Percent reduction in utility technical losses
- 6.3.1b. Percent reduction in utility commercial losses
- 6.3.1c. Milestones toward independent Afghan management of key energy infrastructure
- 6.3.1d. Number of people receiving USG supported training in energy-related business management systems*

SUB-IR 6.3.2: GENERATED SUPPLY OF ELECTRICITY INCREASED AND MAINTAINED

- 6.3.2a. Capacity constructed or rehabilitated as a result of USG assistance*
- 6.3.2b. Weighted average cost of electric energy supplied to the grid
- 6.3.2c. Number of renewable energy systems installed

SUB-IR 6.3.3: IMPROVED ELECTRICITY TRANSMISSION AND DISTRIBUTION SYSTEMS

- 6.3.3a. Number of kms of transmission and distribution lines installed or upgraded as a result of USG assistance
- 6.3.3b. Number of new or upgraded service connections

E. INTERMEDIATE RESULT 6.4: AN EXPANDED NETWORK OF VERTICAL STRUCTURES TO SUPPORT HEALTH CARE, EDUCATION AND GOVERNANCE.

- 6.4a. Number of people with access to new or rehabilitated health facilities.
- 6.4b. Number of people with access to new or rehabilitated educational facilities.
- 6.4c. Number of people served by new or rehabilitated civic or government facilities.

SUB-IR 6.4.1: NEW AND REHABILITATED FACILITIES TO SUPPORT HEALTH CARE, EDUCATION AND GOVERNANCE.

6.4.1a. Number of facilities rehabilitated

6.4.1b. Number of classrooms repaired with USG assistance*

6.4.1c. Number of new facilities constructed

6.4.1d. Number of classrooms constructed with USG assistance*

SUB-IR 6.4.2: ENHANCED CAPACITY IN PUBLIC AND PRIVATE SECTOR TO BUILD, REHABILITATE, OPERATE AND MAINTAIN FACILITIES.

6.4.2a. Number of Afghan workers employed on construction

6.4.2b. Number of Afghan firms under sub-contract for work on

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VII. Annex VII – Assistance Objective 7: Stability Sufficient for Basic Governance and Sustainable Development

Annex VII – Assistance Objective 7: Stability Sufficient for Basic Governance and Sustainable Development

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I. OVERVIEW

A. CONTEXT

Afghanistan elected its first democratic government in 2004, following almost 30 years of war and instability. Since coming to office, the Government of the Islamic Republic of Afghanistan (GIRoA) has engaged in establishing structures of governance at the provincial, district levels, and launching public services that respond to the critical socio-economic development needs of the more than 28 million Afghan citizens.

Continuing violence in many districts exacerbates severe under-development throughout Afghanistan. Insecurity undermines citizen confidence in the legitimacy of the central government and threatens the hard won gains made to date. The U.S. Government (USG), recognizes the imperative of the nexus of security, governance, and development in stabilizing Afghanistan and supports GIRoA efforts to establish an effective presence at the provincial and district levels. The approach recognizes that practices and institutions of democracy, especially popular participation in governance, are essential to Afghanistan's long-term development. As a partner with the Afghan people, the USG will identify and address local Sources of Instability (SOI) and provide technical assistance to address community level socio-political issues and help eliminate the root drivers of conflict. The end objective is to establish a stable environment that fosters sustained social and economic development.

USG's stabilization programs seek to help reduce key SOIs by engaging and supporting at-risk populations, extending the reach of GIRoA to unstable areas, providing income generation opportunities, building trust between citizens and their government, and encouraging local populations to take an active role in their development. USG stabilization programs also support recently stabilized communities to sustain community stability and development.

Developed in close consultation with GIRoA and key international partners, the "whole of government" approach recognizes that the U.S. Mission in Afghanistan has a role in military counterinsurgency (COIN) efforts and has been. Although COIN is a long-term undertaking, it does include shorter-term initiatives. USG stabilization programming contributes in the short and medium term to political and social stabilization, social cohesion, and better governance—all essential to enable areas "cleared" by kinetic action to be held securely, denying insurgents the possibility of drawing support from the local populace.

Strategically integrated program activities correspond to key phases in the type of COIN operations: 1) **Shape** – assessing community grievances and assisting military with shaping activities; 2) **Clear** – assisting local government entities to provide baseline essential services and implement quick impact activities to meet recovery needs in priority communities; 3) **Hold** – providing short-term employment for large numbers of individuals in areas sufficiently clear of the insurgent threat, legitimizing GIRoA, and addressing priority grievances of at-risk populations through integrated community development projects, and; 4) **Build** – rebuilding key infrastructure, improving and expanding basic service delivery, legitimizing the government, and implementing activities that support the transition from stabilization efforts to longer-term development.

B. STRATEGIC COHERENCE

The objective of the Integrated Civilian – Military Campaign Plan (ICMCP) is to create effective civilian and military mechanisms for delivering integrated assistance – targeting Security, Development, and Governance – to Afghanistan. The ICMCP identifies 11 Counter-insurgency (COIN) “Transformative Effects” and strategies for transforming the situation in Afghanistan, against which the integrated civilian and military mechanisms and resources are applied. Consistent with the ICMCP strategy, USG stabilization interventions will be designed and implemented within a COIN framework, and will support four of the 11 Transformative Effects: (1) Expansion of Accountable and Transparent Governance; (2) Agricultural Opportunity and Market Access; (3) Creating Sustainable jobs for Population Centers and Corridors, and; (4) Access to Justice.

The ICMCP also focuses on providing more assistance, resources, and authority at the sub-national level, targeting assistance to the Afghan population. USG Afghanistan’s stabilization interventions support this effort to build Afghan security and capacity from the ground up, with the majority of project activities implemented at the sub-national level to address sources of instability (SOIs) and build GIROA capacity and legitimate Afghan governance at the community, district, and provincial levels.

Consistent with the Afghanistan-Pakistan Regional Stabilization Strategy, USG stabilization interventions support three strategic objectives: (1) create immediate income generation opportunities; (2) rebuild critical, small-scale community and agricultural infrastructure; and (3) enhance the visibility, capacity, and effectiveness of district and provincial GIROA officials, depriving insurgents of opportunities to fill governance voids at the local level throughout Afghanistan. Individual USG stabilization activities may support more than one of these objectives. For example, a canal rehabilitation activity implemented in coordination with the district government under a USG stabilization program will serve to: create immediate income generation opportunities for local Afghans; rebuild and rehabilitate community agricultural infrastructure; and enhance the visibility and effectiveness of GIROA through improved delivery of basic services for rural communities.

USG stabilization interventions are consistent with the *Economic and Social Development and Governance, Rule of Law, Justice and Human Rights* pillars of the Afghanistan National Development Strategy (ANDS).

Component one of the *Governance, Rule of Law, Justice, and Human Rights* pillar, “Governance, Public Administration Reform and Human Rights” outlines activities to improve sub-national governance structures and performance. USG stabilization interventions will strengthen and build the capacity of sub-national governance structures and public sector employees, support sub-national governance and local informal governance structures to become more open, participatory, accountable, effective, efficient and inclusive, and to improve delivery of services to the people and communities living in the provinces, districts, municipalities and villages.

Component four of the *Economic and Social Development* pillar, “Agriculture and Rural Development” outlines activities to improve the social, economic and political well-being of rural and vulnerable communities, focused on five thematic areas of programming. Of these five thematic areas, USG stabilization interventions support two: Local Governance, and Agricultural and Rural Infrastructure. For local governance, USG stabilization interventions will strengthen formal and informal local governance structures through financial and technical support and capacity-building activities. Project activities engage, sustain, and build the capacity of formal community-based organizations (CBOs) – including CBOs established by different MRRD national programs, such as the National Solidarity Program (NSP) and National Area-Based Development Program (NABDP) – and informal CBOs – such as women’s shuras and youth groups. Moreover, some stabilization interventions will specifically support NSP and NABDP activities. For Agricultural and Rural Infrastructure, USG stabilization activities will support the repair and rehabilitation of small-scale rural infrastructure, including irrigation and road connectivity, through labor-intensive activities designed and implemented in coordination with formal and informal local governance structures and/or district/provincial GIROA offices.

C. PROGRESS TO DATE

“Progress” within USG’s stabilization programming is challenging to define. The transition from an unstable local environment to one that is increasingly more conducive to the implementation of longer-term development programs. Interventions addressing the causes of instability vary by locality. Broadly defined they can be: (1) quick-impact to resolve immediate conditions that threaten stability in a targeted area, and/or; (2) designed to reinforce and sustain initial gains with transition to longer-term programs. Just as stability programming needs to be flexible, so do monitoring and evaluation systems. The activity outcome measures currently in use by USG stabilization programs – improved water supply, access to jobs, more productive agriculture, access to quality education, etc. – while important for demonstrating that projects are producing desired results, do not necessarily demonstrate that USG stabilization interventions have increased stability. This document represents the first attempt by the USG to create an assistance objective, intermediate results, and corresponding indicators to measure progress toward achieving stabilization in Afghanistan is measured. As a result, there is no existing baseline.

As a first step towards establishing a baseline for measurement, it is possible to identify successful project activities and initiatives executed since 2007, when the USG recognized the need to re-introduce stabilization programming in response to the growth of the insurgency. The USG began implementing programs designed to coordinate closely with combined international and Afghan security forces to support and sustain security gains. Since 2007, the USG has executed six stabilization programs, with project activities implemented in all 34 provinces. As of June 2010, five stabilization projects are under implementation. Collectively, these projects have completed more than 1,900 community stability activities in support of unstable and at-risk communities. The USG’s ongoing programs have provided short-term income generation opportunities for local Afghans, with more than 11 million employment days created through various labor-intensive “cash-for-work” activities addressing critical community infrastructure and economic growth needs. Lastly, the USG provided customized material and livelihood assistance to 5,308 families suffering losses as result of direct/indirect international military operations against insurgents.

The USG has also seen success in streamlining its stabilization programming. In February 2010, USAID formed the new Stabilization Unit, uniting all USG stabilization programs and planning capacity under one office and linking USG's stabilization and national-level development programming through technical office embeds. The Stabilization Unit ensures that USG stabilization activities are coordinated, complementary and connected to the Mission's national-level development programming. The unit is responsible for addressing and responding to USG stabilization objectives and priorities, managing stabilization programs, representing the UG in civilian-military coordination with the U.S. military and the International Security Assistance Force (ISAF), and socializing the principles of stability programming with key stakeholders in GIRoA and the USG. This unity ensures close coordination, collaboration and sequencing of programs to achieve USG stabilization priorities in Afghanistan. The Stabilization Unit led USG's participation in the Rehearsal of Concept Drill held in April 2010, working to align both its stabilization and national level development programs to support U.S. and coalition military operations in the 80 Key Terrain Districts. Similarly, the Stabilization Unit provides support for USG's continued engagement in close civ-mil collaboration on planning and execution of Hamkari initiative in Kandahar during Summer/Fall 2010.

Additionally, the Stabilization Unit, in collaboration with the Counterinsurgency Training Center-Afghanistan (CTC-A) developed the District Stability Framework (DSF), a civil-military integrated methodology for identifying and measuring impact of stabilization activities, including ongoing training and field support in close partnership with the U.S. military, implementing partners, local NGOs, and GIRoA counterparts. *DSF provides GIRoA, civilians, and the military with shared terminology and a unified assessment process for gauging the "stability picture" across a district or area, identifying local SOIs, and developing coherent and tailored programs and interventions to address them.*

II. USG RESPONSE

USG activities will meet these stability challenges to achieve **Activity Objective (AO) 7: Stability Sufficient for Basic Governance and Sustained Development**. The USG has identified three Intermediate Results (IR) expected achieve this AO:

- Local SOIs in targeted areas addressed
- Basic local governance established
- Transition from stabilization assistance to sustainable development facilitated

A. IR 7.1 – LOCAL SOIs IN TARGETED AREAS ADDRESSED

USG stabilization efforts combine in a targeted mix to respond to the specific identified needs of unstable and less-stable areas depending on the shape/clear/hold/build status of the area in question.

Stabilization programs will achieve this IR by implementing a range of stabilization activities that address identified SOIs, targeting local issues that are undermining confidence in legitimate governance and fueling insurgent influence and appeal. To develop and prioritize stabilization

programming under IR 7.1, USG stabilization programs will utilize the District Stability Framework (DSF) or similar assessment and analytic tools to identify key local grievances that must be targeted in order to deny insurgents the possibility of drawing support from the local populace and to create space for the government to succeed.

The primary mechanism for project implementation under IR 7.1 in geographical areas in the shape-to-clear-to-hold phases is small grants to provincial and district government officials, community representatives and community-based organizations. These grants achieve immediate employment generation, improvements in small-scale community infrastructure and increased access to public services, all with the overall goal of improving community and government capacity and public support for GIRoA.

In hold-to-build stage communities, where previous stabilization initiatives have resulted in the creation of more secure areas suitable for longer-term development activities, projects are generally larger in scope and include a greater focus on sustainability. While there may be greater emphasis on more traditional development objectives, such as increased agricultural production, road construction for improved market access or water supply rehabilitation, these projects reinforce and sustain progress made through the shape to clear to hold transition.

Key metrics under this IR focus on the number of local SOIs addressed and the percent of war-affected families reporting that livelihood assistance has helped them to rebuild their lives. The USG will utilize additional indicators of project activity levels to help provide some summative and descriptive measures of outputs and activity-level outcomes. The USG also notes that an additional assessment model to support this PMP in measuring progress and help explain the situational environment is under development and will be employed. The Measurement Challenges section below will further explain this assessment model to help track progress in addressing the causes of instability at the local level.

B. IR 7.2 – BASIC LOCAL GOVERNANCE ESTABLISHED

Stabilization programs will achieve this IR through interventions that extend the reach of GIRoA to rural and unstable communities, build GIRoA legitimacy through improved service delivery and stronger linkages with local communities, and build community and government capacity to assess local needs, secure funding, and design and implement appropriate projects.

In newly secured areas, stabilization programs will support sub-national elements of GIRoA to establish a presence in cleared areas with office space, commodities, and technical advisors along with technical and financial support for implementing projects to establish very basic services.

The goals and implementation strategies of activities in hold-to-build geographic areas focus more intensively on building community and government capacity to assess local needs, secure funding and design, and implement appropriate projects. As stability gains encourage the deployment of qualified effective local government staff to the district and provincial level, officials will take increased responsibility for meeting community needs and resolving grievances.

USG stabilization interventions in support of IR 7.2. may include providing capacity training and technical advisors to district-level officials and community groups such as Community Development Councils (CDCs) and local Shuras. By increasing the capacity of Afghan legitimate community leadership to respond to community SOIs and deliver basic services, political processes respond to issues with the potential of becoming SOIs before they do so. For example, a strengthened and more capable CDC can help circumvent or prevent illegitimate Taliban groups trying to serve the same function. As the process takes hold, additional and sustainable community-level governance and community decision-making programs can engage.

Additionally, stabilization programs will provide basic commodities and support local governance structures to design and implement small-scale community and agricultural infrastructure improvements. These interventions support district and provincial level government to improve government functionality and security. One result in providing resources for these government support projects, is an improved GIRoA – local community relationship, increased public confidence in GIRoA legitimacy, and an enhanced capacity of local GIRoA officials and formal and informal CBOs to manage community-level development.

Finally, stabilization programs will provide financial support for Technical Advisors to work with district tashkeels and to facilitate GIRoA-led service delivery to help meet basic needs of the district populace. Again, this demonstration of functionality and resultant improvement in basic service delivery will build public confidence in GIRoA legitimacy and capability.

Key metrics under this IR focus on the relationship between GIRoA and community groups in implementing community-level development activities, public willingness to approach GIRoA to resolve basic problems, the availability of GIRoA-delivered basic services, and the number of stabilization activities implemented through grants to either GIRoA or CBOs in targeted areas. The USG will utilize additional indicators of project activity levels to help provide some summative and descriptive measures of outputs and activity-level outcomes. The USG also notes that an additional assessment model to support this PMP in measuring progress and help explain the situational environment is under development and will be employed. The Measurement Challenges section below will further explain this assessment model to help track progress in addressing the causes of instability at the local level.

C. IR 7.3 – TRANSITION FROM STABILIZATION ASSISTANCE TO SUSTAINABLE DEVELOPMENT FACILITATED

Stabilization programs will achieve this IR through interventions that partner district and provincial-level GIRoA officials, community groups, as well as other donors and USG traditional development programs to identify, design and implement initial activities in sectors normally addressed through sustainable development assistance and line ministries. The end goal is to set the conditions for sustainable development to take hold.

With regard to Agriculture, USG stabilization programs will assist with the rehabilitation of critical rural agricultural infrastructure (primarily canal and irrigation maintenance and repair) and market access (roads, bridges, market improvements) activities. Programs will also provide

financial support for district tashkeel agriculture officers of the Ministry of Agriculture, Irrigation, and Livestock, creating partners for future agriculture sector development programs and building public confidence in GIROA capacity for basic service delivery.

With regard to Economic Development, USG stabilization interventions will support job creation activities that set the stage for GIROA and community group-led efforts to develop workforce capacity. Stabilization interventions focused on short-term income generation through small-scale infrastructure activities will build basic vocational skills and identify candidates for vocational education programs, private sector construction firms, and GIROA-led infrastructure development.

With regard to Justice, USG stabilization programs will work with provincial and district level GIROA officials to identify, design, and implement activities to build and/or refurbish district judicial infrastructure. As with other small stabilization infrastructure efforts, this will result in an improved GIROA-led justice service delivery. Complementing this will be financial support to district judges and prosecutors to deliver efficient and effective justice services, resulting in improved access to justice and building public confidence in GIROA legitimacy and capability. In select cases, USG stabilization programs will also support the identification of land disputes, for resolution by legal mechanisms and long-term USG development interventions.

Key metrics under this IR focus on target communities with development activities that follow on after stabilization activities concludes, the number of GIROA community engagements after stabilization programs exit, and the number of cooperative partnerships between USG stabilization programs and the key players in ensuring the transition to sustained development, including GIROA, the international community, and USG development programming. Follow on medium to long-term activities are defined as those that the USG, other international donors, the military and/or GIROA implement or plan after a stabilization activity is completed, and are defined in terms of objectives that are broadened away from stability, including economic growth, democracy, and governance, health education, or other more traditional development foci.

III. CRITICAL ASSUMPTIONS

With respect to stabilization programming and a results-based management approach, The USG recognizes the fragile nature of the complex environment found in Afghanistan and the difficulty in measuring results in a fluid and ever-changing environment. The following assumptions underlie the AO 7 Results Framework:

1. Stabilization activities will be implemented in unstable/vulnerable areas with sufficient security forces to allow for effective assessment, project implementation and space for the public to appreciate the impact of projects;
2. Legitimate governance presence is sufficient to engage in project delivery;
3. USG and international donor resources do not decline, and are made available to transition stabilization programming to development programming;
4. SOIs are determined to be within the legal scope of USG programming and the limits of community participation;

5. Communities and stakeholders are able to report safely and accurately on the conditions of stability in their districts; and
6. Baseline information to measure against is available and accurate.

IV. MAJOR ISSUES AND CONCERNS

Security: USG stabilization activities intend to prepare the way for future USG investments by accelerating efforts to address the needs of unstable communities, especially in insurgent areas in the South and East. While a high level of insecurity is assumed in the areas where most stabilization partners will be operating, there must be some basic level of security in order to allow project staff to operate, quality assessments to be performed, high-quality, successful projects to be implemented and results to be felt by the community. Without basic security, programs may exacerbate instability and provide resources for AGEs.

Gender Considerations: While gender equity is of particular concern in Afghanistan, most stabilization activities will not have an overt gender focus. Possible exceptions to this include projects designed to assist widow-headed households or to reduce the number of unemployed military-aged males.

Afghan First: A key initiative of the U.S. strategy articulated in the “Afghanistan and Pakistan Regional Stabilization Strategy” is Afghan First or support to Afghan leadership, Afghan capacity-building efforts at all levels, priority to local procurement and Afghan sustainability. Due to security constraints and the need to locate project offices and focus implementation in a highly localized way, stabilization projects rely more heavily on the work and management of Afghan staff. As a result, expectation is that such projects will have higher ratios of Afghan to expatriate staffing and will utilize greater numbers of local community groups and businesses to implement activities. Lack of Afghan capacity is an ongoing challenge.

Measurement challenges: Stabilization activities, while not new to USG programs, are still in their infancy in terms of the development application of valid and reliable metrics and measurement techniques. This is partly due to the inherent challenges in securing good data in a conflict and transitional environment. More significantly, the dearth of good metrics is a result of the difficulty in articulating a detailed development hypothesis and causal framework that can accurately reflect the key change points required to progress from an unstable to a more stable security situation. Stability itself is difficult to define, often understood as the absence of particular negative occurrences such as violence and conflict, as opposed to the presence of important factors, more easily articulated in traditional USG programs, such as education (schools, teachers and learning outcomes) and health (clinics, medical providers and health outcomes).

In many respects, it is the analytical framework and approach of stabilization programming that sets it apart from more traditional development programs. While inputs and outputs at the activity level are often similar to more traditional development projects, stability operations identify and implement activities with the distinctly different objective of diminishing or eliminating SOIs – basic needs or grievances of the local community that are being leveraged by anti-government forces to undermine confidence in GIRoA and its coalition partners. As a

result, activity outcome measures of improved water supply, access to jobs, more productive agriculture, access to quality education, etc., while important for demonstrating that projects are producing desired results, are secondary to tracking progress in increasing public support for GIRA or other legitimate governance structures and in denying insurgents the possibility of drawing support from the local populace.

One of the chief objectives of stabilization programming is to influence positively the perceptions of the local populace, which poses substantial measurement issues. For example, how much program activity and scope of effect is required in order for people to take notice? In an environment where international donor funding is probably well known to be supporting local projects, can such projects bolster the public perception of government effectiveness and long-term desirability? A final challenge is a classic ‘chicken or the egg’ dilemma: what should be the best measure of improved stability – improved public perceptions of stability or a reduction or improvement in key indicators of actual stable conditions?

Within the current stabilization portfolio, programs describe divergent development hypotheses and measurement approaches, resulting in a variety of potential indicators to choose from in measuring the presence or absence, improvement or decrease in stability in key areas. The Afghan Stabilization Initiative (ASI) program, has proposed a set of indicators and proxy indicators to quantify changes in overall stability related to stability interventions. . Some of the overall stability indicators include Afghan on Afghan violence, the ‘health’ of local markets and bazaars, citizen access and usage of district-level governance structures and the scope and frequency of Afghan security force patrols. Other projects, such as the Local Governance and Community Development (LGCD) program and Community-Based Stabilization Grants (CBSG) program, focus on public perceptions of local stability as their top-level metrics. Other programs measure the more direct and immediate outcomes of their projects, such as cash-for-work participants, community and local-government contributions to projects and numbers of war-affected families receiving assistance to restore and rebuild their lives. The main similarity between all of these programs, especially the ones that attempt to quantify higher-level stability impacts, is that the measurement techniques and metrics are untested and experimental. As a result, much of the proposed stabilization PMP should be considered as a best first draft at outlining and specifying the expected results of stability activities.

Due to these challenges of tracking and measuring stabilization metrics, the USG will also track progress using a maturity model measuring degrees of district stability. Similar to an assessment tool developed and employed by ISAF (in coordination with USG civilian agencies) to assess security, governance, and development, this assessment tool will leverage USG civilian field personnel to assess the overall stability of a district. The maturity model provides standard definitions of five levels of district stability – Insecure, Unstable, Fluid, Stable, and Normal – utilizing key indicators for stability. USG field personnel will categorize their respective districts according to one of these five standard definitions, using their stabilization expertise and field knowledge to provide a sound assessment. The intended use of this model is to support the USAID Stabilization Unit in strengthening stabilization metrics in Afghanistan and will not replace any other USAID mandated exercises, models, or metrics. The Stabilization Unit considers the maturity model to be a work in progress and will modify as necessary. The model is presented on the next page as Table 1.

<p>Normal</p> 	<ul style="list-style-type: none"> • Population accepts government authority and participates in key political processes. • Disagreements with government are freely voiced through political processes non-violently and without retribution. • Government is able to address grievances and deliver essential services, especially security, to the population through on-budget resources and limited partnership with international community (IC) programs and partners. • Sources of Instability (SOI) addressed and assistance focused on traditional development needs. • Government security forces control the use of violence; population feels safe to conduct daily activities.
<p>Stable</p> 	<ul style="list-style-type: none"> • Population and communities begin to participate in key political processes in order to address grievances. • Disagreements with government and political processes are voiced, rarely escalate into violent confrontations. • Government can partly address grievances and delivers services in partnership with IC development programs and partners. • Sources of Instability (SOI) reduced, but conflict drivers not fully eliminated. • Kinetic operations limited and led by government forces with IF support.
<p>Fluid</p> 	<ul style="list-style-type: none"> • Population generally neutral towards government, protecting self-interests, with limited participation in political processes or community action as a means to resolve grievances. • Disagreements with government and political processes are informally voiced, (i.e. through protests, strikes, demonstrations) that could lead to violence. • Government dependent on stabilization programs/CERP to conduct business or address grievances and initiate limited service delivery. • SOI identified but not neutralized. • Kinetic operations active but geographically limited and led by IF, freedom of movement limited
<p>Unstable</p> 	<ul style="list-style-type: none"> • Population perceives government and political processes as largely illegitimate; skeptical of government or IC assistance in resolving grievances • Government capacity low and grievances often lead to violent confrontations. • IC stabilization and quick impact programs/CERP support limited government engagement with population • Stabilization programming sometimes delayed, suspended, or cancelled due to insecurity. • SOI not understood. • Kinetic operations active and widespread, freedom of movement restricted.
<p>Insecure</p> 	<ul style="list-style-type: none"> • Population perceives government as illegitimate and refuses to participate in the political process • Government authority and IC assistance are viewed as invasive and may be met with hostility. • Violent resistance to government/IC presence. • Stabilization programming non-existent; possible humanitarian emergencies underway. • Kinetic operations fully operational, movement and IC presence unauthorized

Table 1: Proposed maturity model for stability measurement.

ANNEX J of Volume II contains detailed Performance Indicator Reference Sheets (PIRS) for each indicator. Each reference sheet is fully consistent with the guidance in ADS 203. The Stabilization Team will update these sheets with the purpose of presenting the most clear and up-to-date description of their meaning, methods of data gathering and any limitations to their validity encountered in the course of implementing the PMP.

V. U.S. MISSION IN AFGHANISTAN STABILIZATION RESULTS FRAMEWORK

AO 7: Stability Sufficient for Basic Governance and Sustainable Development

IR 7.1: Local SOIs in targeted areas addressed

Sub-IR 7.1.1: Stakeholder ability to program against SOIs improved

Sub-IR 7.1.2: Community grievances resulting from civilian casualties addressed

IR 7.2: Basic local governance established

Sub-IR 7.2.1: Communities participating in local governance and development

Sub-IR 7.2.2: GIROA providing basic governance

IR 7.3: Transition from stabilization assistance to sustainable development facilitated

Sub-IR 7.3.1: Cooperation between international community and GIROA in support of transition facilitated

Contextual IR: Freedom of movement increased for key stakeholders because of military efforts

VI. INDICATORS AT A GLANCE

A. ASSISTANCE OBJECTIVE 7: STABILITY SUFFICIENT FOR BASIC GOVERNANCE AND SUSTAINABLE DEVELOPMENT

- 7a. Percent of Afghans reporting that their environment has become more stable
- 7b. Percent of Afghans reporting that the country is moving in the right direction
- 7c. Percent of levels of sympathy with motives for anti-government violence
- 7d. Percent of levels of fear of participating in resolving community problems
- 7e. Percent of targeted communities responding that their lives have changed for the better
- 7f. Percent of districts with stabilization programming demonstrating improvement on the stabilization maturity model

B. INTERMEDIATE RESULT 7.1: LOCAL SOIS IN TARGETED AREAS ADDRESSED

- 7.1a. Number of sources of instability addressed successfully in targeted districts
- 7.1b. Number of districts with at least 75 percent of their stabilization programming implemented successfully

SUB IR 7.1.1: STAKEHOLDER ABILITY TO PROGRAM AGAINST SOIS IMPROVED

- 7.1.1a. Number of target districts with Stability Working Groups (SWGs) using DSF
- 7.1.1b. Number of stakeholders trained in DSF
- 7.1.1c. Percent increase in GIRoA participation in SWGs

SUB IR 7.1.2: COMMUNITY GRIEVANCES RESULTING FROM CIVILIAN CASUALTIES ADDRESSED

- 7.1.2a. Number of war-affected families assisted
- 7.1.2b. Percent of families who report that the tailored assistance provided has helped them to recover and rebuild their lives
- 7.1.2c. Percent of families who report that the tailored assistance was delivered in a fair and transparent manner

C. INTERMEDIATE RESULT 7.2: BASIC LOCAL GOVERNANCE ESTABLISHED

- 7.2a. Percent of CBOs reporting perceiving a positive working relationship with GIRoA
- 7.2b. Percent of functioning community representative bodies working with GIRoA
- 7.2c. Percent of Afghans responding they would approach GIRoA addresses their basic problems
- 7.2d. Percent of Afghans reporting that GIRoA listens to their grievances
- 7.2e. Percent of Afghans reporting GIRoA services are delivered in a fair and transparent manner
- 7.2f. Number of projects completed with community and GIRoA Involvement

SUB-IR 7.2.1: COMMUNITIES PARTICIPATING IN LOCAL GOVERNANCE AND DEVELOPMENT

- 7.2.1a. Number of CBOs trained to develop and implement community development projects
- 7.2.1b. Number of activities with community contribution
- 7.2.1c. Number of targeted districts with at least one functioning community representative body
- 7.2.1d. Percent of residents in targeted communities reporting perceiving their representative community body as legitimate
- 7.2.1e. Number of stabilization activities implemented through grants to CBOs
- 7.2.1f. Number of local mechanisms supported with USG assistance for citizens to engage their sub-national government*

SUB-IR 7.2.2: GIROA PROVIDING BASIC GOVERNANCE

- 7.2.2a. Percentage of targeted communities reporting increased availability of GIROA-delivered basic services
- 7.2.2b. Percent of tashkeel fill in targeted districts
- 7.2.2c. Percent increase in visits and community engagements by provincial and district GIROA officials
- 7.2.2d. Number of Technical Advisors provided to mentor provincial and district-level GIROA officials in targeted districts
- 7.2.2e. Number of community and agricultural infrastructure activities implemented through grants to GIROA
- 7.2.2f. Number of non-infrastructure community stabilization activities implemented through grants to GIROA
- 7.2.2g. Amount of income generated for Afghans in targeted districts through GIROA-USG labor intensive activities
- 7.2.2h. Number of individuals who received USG-assisted training, including management skills and fiscal management, to strengthen local government and/or decentralization*

D. INTERMEDIATE RESULT 7.3: TRANSITION FROM STABILIZATION ASSISTANCE TO SUSTAINABLE DEVELOPMENT FACILITATED

- 7.3a. Number of target communities with follow-on development activities
- 7.3b. Percent of beneficiaries reporting GIROA as leading development efforts
- 7.3c. Number of GIROA community engagements after stabilization programs exit

SUB-IR 7.3.1: COOPERATION BETWEEN INTERNATIONAL COMMUNITY AND GIROA IN SUPPORT OF TRANSITION FACILITATED

- 7.3.1a. Number of cooperative partnerships between USG stabilization programs and USG development programs
- 7.3.1b. Number of cooperative partnerships between USG stabilization programs and international community development programs
- 7.3.1c. Number of cooperative partnerships between USG stabilization programs and GIROA development programs

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U.S. FOREIGN ASSISTANCE FOR AFGHANISTAN POST Performance Management Plan- 2011-2015

VIII. Annex VIII – Assistance Objective 8: Increased Management Effectiveness of GIROA Institutions

Annex VIII – Assistance Objective 8: Increased Management Effectiveness of GIROA Institutions

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I. OVERVIEW

A. CONTEXT

Increasing the management effectiveness of GIROA institutions to support the Afghan-led development of Afghanistan is a priority for both the US and Afghanistan governments. During his December 2009 West Point speech, President Obama laid out his vision for Afghanistan and Pakistan. He identified building the capacity of GIROA as a key aspect of this vision: "...we must strengthen the capacity of Afghanistan's security forces and government so that they can take lead responsibility for Afghanistan's future... We must keep the pressure on al Qaeda, and to do that, we must increase the stability and capacity of our partners in the region." The National Security Strategy also outlines the need to focus "assistance on supporting the President of Afghanistan and those ministries, governors, and local leaders who combat corruption and deliver for the people. Our efforts will be based upon performance, and we will measure progress."

Similarly, the 2008 Afghan National Development Strategy (ANDS) prioritizes the development of government institutions as essential to the successful development of Afghanistan:

"It has become increasingly evident that technical and financial support will remain underutilized or poorly utilized unless adequate systemic capacities are built. Years of strife and outmoded methods of governance and management, without accountability and transparency has weakened the capabilities of the public sector, particularly at provincial and district levels. There are, however, indications that the capacity of the public sector has been increasing over time. In 2004 ministries were only able to spend about 31 percent of their development budget allocations. In 2005 this figure had risen to 44 percent and in 2006 the corresponding figure was about 49 percent; in real terms this represents an average growth rate of around 60 percent as budget allocations are increasing quite fast. There are no clear indicators on whether or not the effectiveness of these expenditures have also been increasing. There are indicators that lack of capacity remains a serious problem within the public sector."

The focus of this AO will be increasing the management effectiveness of GIROA institutions, including Afghan institutions which carry out development programs in support of the mission's goal of stable and effective Afghan-led development. This AO will therefore capture the capacity development of government as well as non-governmental organizations (NGOs) and companies which support the implementation of our programs.

B. Strategic Coherence

In line with the Regional Stabilization Strategy of February 2010, the USG is "focusing our support at the national level on Afghan ministries that can have the most direct impact on service delivery, particularly in the geographic heart of the insurgency – the South and East." Therefore, USG efforts will build "Afghan institutional capacity by

increasing our direct assistance through Afghan government mechanisms...” For the US to implement this goal, GIRoA institutions must improve their accountability and transparency.

Similarly, one of the core principles of implementing the Integrated Civilian-Military Campaign Plan is “Afghan Leadership, Afghan Capacity, Afghan Sustainability. Our efforts in Afghanistan must be designed, at all times, to assist the Afghan government to assume a more effective leadership role.” By increasing the effectiveness of GIRoA’s financial and program management, while increasing the amount of funding flowing through GIRoA systems and ensuring alignment with national priority programs, Afghan management effectiveness will be improved.

This AO also mirrors the cross-cutting capacity development priority identified in the Afghan National Development Strategy (ANDS). The ANDS capacity development objective will “assure that the skills needed to effectively implement programs and projects included in the ANDS exist or can be developed within the required time frame for implementation.” The Interministerial Commission for Capacity Development (ICCD) “will provide a coordinated approach to support the effective management of funds and aid flows, to cut down on duplication and to ensure that critical capabilities for program and project implementation are well defined and (most importantly) that capacity development and technical assistance programs are properly focused on meeting these critical needs.”

Under the FY 2012 U.S. Mission Strategic and Resource Plan (MSRP), this Assistance Objective directly supports goal two, “strengthened institutions of governance at the national, provincial, district and municipal levels are capable, accountable, and responsive to the Afghan people.” The MSRP states that we will channel more U.S. assistance through the Afghan government, as improved administrative and financial controls are put into action. The ability to continue channeling more direct assistance through GIRoA is dependent upon meeting major capacity-building needs in financial management, procurement, and staffing. The USG will require adequate Mission resources to support a governance program focused on financial management and service administration to enable us to provide direct assistance.

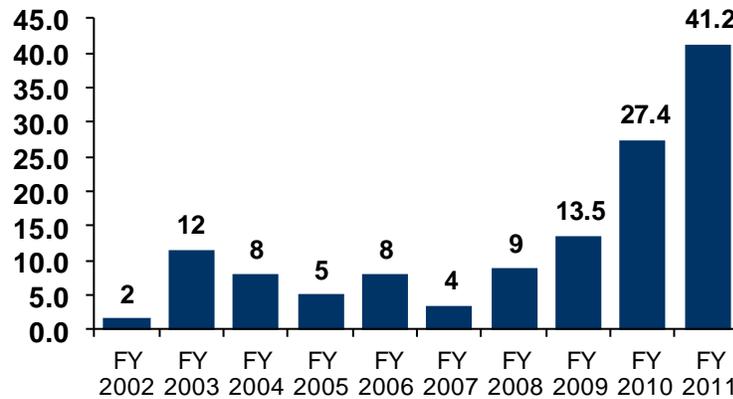
The USG Afghan First policy of November 2009 outlines the need to procure goods and services from Afghans with the goal of increasing the capacity of Afghan organizations. This policy applies to a range of goods and services, including the use of contracts which reward the use of Afghan contractors and sub-contractors. This AO will promote the use of Afghan organizations, both governmental and non-governmental, as critical to the implementation of USG programs.

C. Progress to Date

The USG has provided over 27% of its overall FY 2010 assistance (both development and stabilization funds) through GIRoA on-budget systems. To make this possible, the USG has performed financial pre-award assessments of several ministries to identify and address financial management gaps, thus initiating the improvement of management

effectiveness of these institutions. The USG is currently working with the international donor community to standardize the assessment criteria and process for both Public Financial Management (PFM) and the program management assessments. Once standardized assessments are completed, all donors will be able to utilize the results to address gaps within the ministry, and the ministry will be required to meet the same standards for all donors.

USAID On-budget Assistance FY 2002-FY 2011 (% of total)



Fiscal Year	Direct Assistance (millions)	Total Budget (millions)	Percent
2002	\$5	\$471	1.5
2003	\$53	\$462	11.5
2004	\$90	\$1,171	8
2005	\$77	\$1,510	5
2006	\$59	\$779	8
2007	\$51	\$1,478	3.5
2008	\$142	\$1,622	8.8
2009	\$278	\$2,057	13.5
2010	\$1,017	\$3,705	27.4
2011*(est)	\$894	\$2,169	41.2

D. Current On-budget Mechanisms

There are currently four mechanisms within USAID which provide on-budget development assistance through GIRA. These will serve as the base from which the Mission will expand its efforts as it realizes the 50% on-budget goal.

The Afghan Reconstruction Trust Fund (ARTF): This fund has played a key role in achieving current on-budget assistance levels as seen below. The U.S. is the second largest contributor to the ARTF and will significantly increase its contributions in FY 2010 and FY 2011 (\$1.3 billion over two years), making us the largest contributor.

Agricultural Development Fund (ADF): This \$100 million fund is controlled by the Ministry of Agriculture, Irrigation, and Livestock (MAIL) with technical assistance supplied by USAID. A Separate contract has been award to Development Alternatives International (DAI) to manage and administer the fund.

Host Country Contracting: To date, the USAID Mission Director has certified for host country contracting procurement two ministries: the Ministry of Public Health, Ministry of Communication and Information Technology to undertake their own procurements. The Ministry of Finance has been assessed and approved to receive direct assistance.

II. USG RESPONSE

The USG is dedicated to increasing the financial and program management capacity of GIRoA institutions. The USG participated in the January 2010 London Conference, during which time participants supported an “increase the proportion of development aid delivered through the Government of Afghanistan to 50% in the next two years... But this support is conditional on the Government’s progress in further strengthening public financial management systems, reducing corruption, improving budget execution, developing a financing strategy and Government capacity towards the goal. Conference Participants confirmed their intention... to provide technical assistance to help develop the Government’s capacity to achieve its goal.”

To achieve this on-budget commitment, the USG will work through existing on-budget programs and expand into new partnerships with GIRoA. We will prioritize ministries/institutions based on the level of on-budget assistance expected to flow through these organizations, work with other donors to assess the management capacity of these ministries based and design capacity building programs to address the identified gaps.

A. IR 8.1 - CORE FUNCTIONS OF SELECTED MINISTRIES IMPROVED

As stated in the Kabul Communiqué, the donors agreed to introducing and implementing a standardized methodology to assess PFM (including both financial and program management) in line ministries. The MoF is working with donors, including the USG, to develop the ToR and will then proceed to contract with the audit firm who currently audits ARTF via the World Bank to conduct the standardized assessments. These PFM assessments will be likely undertaken in 14 ministries, with the first seven top spending ministries being completed by the end of the Afghan fiscal year (March 20, 2011), as stated in the Afghanistan National Development Strategy. The remaining assessments are expected to be conducted six months thereafter. After the prospective ministry’s

weaknesses are identified, the next stage will be to design mitigating strategies that will, to the maximum extent possible, complement the ministry's existing systems while ensuring accountability.

The USG, through programs in all Assistance Objectives, will continue to work closely with key Afghan ministries to identify gaps in their ability to manage on-budget assistance and define the tasks and requirements to remedy them. The MoF and the donors form a Capacity Assessment Oversight Committee to oversee the assessment processes and discuss a coordinated approach to addressing weaknesses identified in the assessments and to make recommendations such as strategies or action plans for capacity development.

B. IR 8.2 - AFGHAN FIRST ADVANCED

In November 2009, the US Embassy and US Forces Afghanistan put forth the Afghan First policy which "encourages local procurement of Afghan products made by Afghans to benefit and improve the well-being of the Afghan people." This policy will promote Afghan leadership and ownership, Afghan participation, Afghan capacity development, and Afghan sustainability. As the policy states, "Whether it's implementing development projects, procuring furniture, contracting services, hiring staff, etc., all USG staff can make a difference to implement Afghan First."

Afghan First is an integral part of ensuring Afghan leadership and increasing Afghan capacity to assume the lead role in the development process. Since implementing partners are a focal point of Afghan First and these partners are used for implementation of USG activities, whether on-budget or off-budget, Afghan First expands the focus of building Afghan capacity.

C. IR 8.3 - INCREASED UTILIZATION OF ON-BUDGET DEVELOPMENT ASSISTANCE

This IR will focus on the level of USG funding being provided on-budget, defined as those resources which flow through the GIRoA budget. While this IR is contextual, in that it measures the level of on-budget funding and not the results of the programs which will be accomplished with this funding, this is a critical USG commitment. The USG is currently examining a range of methods to increase on-budget funding levels in light of the London Conference commitment, while also discussing the need for GIRoA to fulfill commitments related to management capacity. The existing on-budget mechanisms will serve as a base to grow the level of on-budget funding and provide valuable lessons learned from previous efforts of capacity building.

III. CRITICAL ASSUMPTIONS

- Initial levels of capacity and commitment within GIRoA institutions are sufficient to allow for engagement in reform.
- Levels and focus of commitment among donors will be sustained.

- Afghan political leadership, civil society and media institutions will monitor and support improved transparency and accountability in GIROA.

IV. MAJOR ISSUES AND CONCERNS

- **Concerns:** We face a challenge: how to channel assistance through the government's budgetary system (core budget) that lacks the capacity to properly administer such expenditure. According to the World Bank, currently, 80 percent of the national budget is externally financed. Overall development assistance in 2008/09 amounted to US\$6.3 billion or 45 percent of GDP. Two-thirds of the aid bypasses the core budget, moving through what is known as the "external budget."
- **Risks:** Poor governance and insecurity: lack of experience with planning and reform; very low government capacity; and persistent insecurity in the South and East can imperil the achievement of intended impacts. Perceptions of pervasive corruption pose a separate challenge.
- **Oversight:** The USG support of the High Office of Oversight (HOO). GIROA recently issued a decree empowering the HOO as the lead Afghan organization on corruption issues and will be granted investigative powers and establish a monitoring and evaluation committee comprised of Afghan and international experts.
- **RIG/SIGAR:** Options are being explored with the USAID Regional Inspector General and SIGAR on methods for contractor concurrent audit that might be used in ministries where assessments indicate weaknesses.

VI. U.S. MISSION IN AFGHANISTAN DIRECT ASSISTANCE RESULTS FRAMEWORK

AO 8: Increased Management Effectiveness of GIRoA Institutions

IR 8.1: Core Functions of Selected Ministries Improved

IR 8.2: Afghan First Advanced

IR 8.3: Increased Utilization of On-budget Development Assistance

VI. INDICATORS AT A GLANCE

(denotes indicators reported in the PPR)**

A. ASSISTANCE OBJECTIVE 8: INCREASED MANAGEMENT EFFECTIVENESS OF GIROA INSTITUTIONS

- 8a. Percent of development assistance spent through GIROA
- 8b. Ratio of revenue to operating expenditure
- 8c. Budget execution ratio: Operating budget
- 8d. Budget execution ratio: Development budget

B. INTERMEDIATE RESULT 8.1: INCREASED CAPACITY IN PUBLIC FINANCIAL MANAGEMENT

- 8.1a. Percent increase in standardized PFM assessment scores
- 8.1b. Number of Ministries with effective financial management/budget units

C. INTERMEDIATE RESULT 8.2: CORE FUNCTIONS OF SELECTED MINISTRIES IMPROVED

- 8.2a. Percent increase in standardized technical capacity assessment scores
- 8.2b. Number of ministries with procurement planning

D. INTERMEDIATE RESULT 8.3: AFGHAN FIRST ADVANCED

- 8.3a. Number of Afghans in key personnel positions with U.S. contractors
- 8.3b. Number of dollars spent by USG on local procurement

E. INTERMEDIATE RESULT 8.4: INCREASED UTILIZATION OF ON-BUDGET DEVELOPMENT ASSISTANCE

- 8.4a. Increase in the USG contribution to the ARTF
- 8.4b. Increase in non-USG funds leveraged to GIROA capacity building
- 8.4c. Percent of on-budget USG development assistance