

DFID's Bilateral Support to Growth and Livelihoods in Afghanistan



Independent
Commission
for Aid Impact

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The Independent Commission for Aid Impact (ICAI) is the independent body responsible for scrutinising UK aid. We focus on maximising the effectiveness of the UK aid budget for intended beneficiaries and on delivering value for money for UK taxpayers. We carry out independent reviews of aid programmes and of issues affecting the delivery of UK aid. We publish transparent, impartial and objective reports to provide evidence and clear recommendations to support UK Government decision-making and to strengthen the accountability of the aid programme. Our reports are written to be accessible to a general readership and we use a simple 'traffic light' system to report our judgement on each programme or topic we review.

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|---|--|
|  | Green: The programme performs well overall against ICAI's criteria for effectiveness and value for money. Some improvements are needed. |
|  | Green-Amber: The programme performs relatively well overall against ICAI's criteria for effectiveness and value for money. Improvements should be made. |
|  | Amber-Red: The programme performs relatively poorly overall against ICAI's criteria for effectiveness and value for money. Significant improvements should be made. |
|  | Red: The programme performs poorly overall against ICAI's criteria for effectiveness and value for money. Immediate and major changes need to be made. |

Executive Summary

Afghanistan is an extremely poor country that has suffered decades of conflict and instability. Half the population requires humanitarian assistance and four-fifths rely on agriculture for their living. 2014 begins a period of even greater uncertainty: all international troops are expected to have withdrawn by December and there is a presidential election in April.

This review assesses the effectiveness of DFID's bilateral growth and livelihoods projects, which account for approximately 30% of DFID's £190 million annual aid budget in Afghanistan. We examine the impact on intended beneficiaries of five case study projects that aimed to strengthen infrastructure and give people the necessary skills and resources to improve their livelihoods. We also assess how DFID is preparing to deliver sustainable impact this year and beyond.

Overall *Assessment: Amber-Red* 

Afghanistan is one of the most difficult places to deliver aid and DFID's staff work hard under demanding conditions. Although the five projects we reviewed were, on the whole, well delivered, we found mixed results. The more ambitious and multi-faceted projects were less successful than those with more limited scope. Our fieldwork provides evidence that a positive difference is being made to the livelihoods of intended beneficiaries in the areas we surveyed. It is not clear, however, how positive impacts will, in all cases, be sustained in the long term.

DFID faces a challenge to ensure that its future growth and livelihoods portfolio is sufficiently coherent and flexible, given an increasingly uncertain future. The ongoing international military drawdown is both an important challenge and an opportunity for DFID to focus its future strategy solely on poverty reduction and to reposition itself as the 'lead operator' of the UK's presence in Afghanistan.

Objectives *Assessment: Amber-Red* 

DFID's overall goal, flowing directly from the UK's overall strategy for Afghanistan, is to help to create a 'viable state'. While individual projects meet critical needs, the growth and livelihoods portfolio lacks strategic coherence. Weaknesses in design – particularly a lack of direct consultation with intended beneficiaries and unproven theories of change – have made it harder for DFID to meet and assess its intended targets.

Delivery *Assessment: Green-Amber* 

DFID chose effective delivery partners and managed them well, particularly for the smaller, less complex projects we reviewed. Engagement by these implementing agents with intended beneficiaries was positive. DFID's use of 'umbrella' structures for some

projects, which group together different components, was intended to reduce management costs and provide greater flexibility. In fact, they led to a lack of clarity and made management more difficult than was necessary. Fiduciary controls were good: DFID continues to respond positively to our previous review of Afghanistan.

Impact *Assessment: Amber-Red* 

Results reported by DFID for our five focus projects were mixed. Two exceeded their targets (the demining and road construction projects), one partly achieved them; one is currently off-track and one has undetermined results. Our independent fieldwork verifies the positive results, showing significant improvements to the lives of intended beneficiaries. It also shows that useful information on the impact of DFID's projects can be generated cost-effectively and independently in Afghanistan. There was variable quality of planning and design for sustainable impact across the projects. The credibility of results reported by DFID was weakened by an inappropriate use of overall impact indicators and target setting and lack of validation by DFID of the results provided by implementing partners.

Learning *Assessment: Green-Amber* 

We support the activities underway to prepare for the post-2014 period and recommend additional measures. DFID has learned from experience in Afghanistan but should do more to document and share this, as well as ensure that lessons are learned from other conflict and fragile states. DFID must implement planned improvements to monitoring and evaluation in order to have a meaningful impact on the design of its future project portfolio and to contribute to the weak evidence base of 'what works' in Afghanistan.

Recommendations

Recommendation 1: DFID should formally review current and future projects to focus its portfolio more firmly on reducing poverty using evidence-based interventions. This should be completed within six months using a consultative and evidence-led process.

Recommendation 2: DFID should ensure that intended beneficiaries are, as far as practicable, directly consulted when new projects are being designed, so that their needs are clearly addressed and their ownership is enhanced.

Recommendation 3: DFID should enhance its approach and commitment to independent monitoring in order to assess current and future project performance and to allow it to assess the impact of its programme.

1 Introduction

Introduction

1.1 This review focusses on the impact on intended beneficiaries of the Department for International Development's (DFID's) growth and livelihoods¹ projects in Afghanistan. These projects aim to positively impact infrastructure, rural and urban livelihoods and jobs. We examine the performance of five case study projects and assess the preparations that DFID has made to maintain impact in 2014 and beyond.

1.2 This introduction puts DFID's current work in context, considers how an uncertain future may affect DFID's programme and explains our methodology and focus. It also reflects on progress made since our 2012 report, when we carried out a review of *DFID's Programme Controls and Assurance in Afghanistan*.² That report found that DFID's financial and risk management processes were insufficiently robust.

Afghanistan has experienced prolonged conflict, remains unstable and is extremely poor

A long history of conflict leaves Afghanistan highly unstable

1.3 Afghanistan has suffered decades of instability and conflict since the pro-Soviet coup of 1978. It is estimated that by 1985 over half the country's population was displaced by war.³ In 1989, the Soviet army pulled out but civil war continued. The US-led invasion of 2001 followed the 11 September attacks by al-Qaeda. The International Security Assistance Force (ISAF) began a protracted offensive against insurgents in 2002.

1.4 Conflict and its associated risks affect delivery of aid, with an especially severe restriction on the ability of staff to move freely and meet directly with intended beneficiaries and project implementers.⁴

Since 2008, insecurity has increased again and spread, especially, to the east and north.⁵ At least one Taliban attack is reported every day in 13 of Afghanistan's 34 provinces.⁶ The UN reported that civilian casualties rose by 14% from 2012 to 2013.⁷

1.5 Political stability has remained low since 2005.⁸ The Government of Afghanistan's central and provincial capacity is weak, despite large numbers of donor-funded advisers filling posts in the most important ministries. Accountability and oversight structures are poor.

Afghanistan suffers poverty equivalent to some of Africa's poorest nations

1.6 Afghanistan has a population of 27 million (2012-13)⁹ and a Gross Domestic Product (GDP) per head of around £400, similar to Tanzania (£331) and Rwanda (£356).^{10,11} (As noted below, however, GDP figures in Afghanistan are notoriously unreliable.¹²) It ranks 175th out of 186 countries reported in the 2012 United Nations' Human Development Index.¹³

1.7 Nearly half the population is in need of humanitarian assistance¹⁴ and more than 80% of the population relies on agriculture for its livelihood.¹⁵ Agricultural production is sustained

⁵ *Livelihoods, basic services and social protection in Afghanistan*, Working Paper 3, Adam Pain, Secure Livelihoods Research Consortium, 2012, <http://www.refworld.org/pdfid/523ad6124.pdf>.

⁶ *The Insurgency in Afghanistan's Heartland*, Asia International Crisis Group, 2011, <http://www.crisisgroup.org/~media/Files/asia/south-asia/afghanistan/207%20The%20Insurgency%20in%20Afghanistans%20Heartland.pdf>.

⁷ *Afghanistan Annual Report on Protection of Civilians in Armed Conflict*, United Nations Assistance Mission in Afghanistan, 2013, http://unama.unmissions.org/Portals/UNAMA/human%20rights/Feb_8_2014_PoC-report_2013-Full-report-ENG.pdf.

⁸ World Bank Governance Indicators, <http://info.worldbank.org/governance/wgi/index.aspx#countryReports> <http://info.worldbank.org/governance/wgi/index.aspx#countryReports>.

⁹ *Statistical Yearbook 2012-13*, Afghanistan Central Statistics Office (CSO).

¹⁰ In this report, we have used pounds sterling figures where possible. If figures are only available in a foreign currency, we have converted using the applicable average annual exchange rate from <http://www.oanda.com/currency/average>.

¹¹ The World Bank, GDP per capita (current US\$), 2011 (latest data available), <http://data.worldbank.org/indicator/NY.GDP.PCAP.CD>.

¹² A good review of the difficulties and wide variation of existing estimates is: Anthony Cordesman, *The Afghan War in 2013 Meeting the Challenges of Transition: Volume II Afghan Economics and Outside Aid*, Center for Strategic and International Studies, 2013.

¹³ 2012 Human Development Index, as reported in *Human Development Report 2013*, United Nations Development Programme, 2013, http://hdr.undp.org/sites/default/files/reports/14/hdr2013_en_complete.pdf.

¹⁴ Based on UN estimates: *Common Humanitarian Action Plan 2013, Mid-Year Review*, https://docs.unocha.org/sites/dms/CAP/MYR_2013_Afghanistan_CHAP.pdf.

¹⁵ *Afghanistan Common Humanitarian Action Plan 2013*, United Nations Office for the Coordination of Humanitarian Affairs (OCHA), 2013, https://docs.unocha.org/sites/dms/CAP/2013_Afghanistan_CHAP.pdf.

¹ There is no generally accepted definition of 'livelihoods' but we have used the following by Young et al (2002), building on Scoones (1999), as a useful guide: 'the ways in which people access and mobilise resources that enable them to pursue goals necessary for their survival and longer-term wellbeing and thereby reduce the vulnerability created and exacerbated by conflict'.

² *The Department for International Development: Programme Controls and Assurance in Afghanistan*, ICAI, 2012, http://icai.independent.gov.uk/wp-content/uploads/2010/11/ICAI-Afghanistan-Final-Report_P1.pdf.

³ For a clear timeline of conflict-related events, see <http://www.bbc.co.uk/news/world-south-asia-12024253>.

⁴ Sarah Collinson and Mark Duffield, *Paradoxes of presence, Risk management and aid culture in challenging environments*, Overseas Development Institute (ODI), 2013, <http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8428.pdf>.

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predominantly by water from snow-melt and is subject to severe droughts and surges in prices of basic commodities. Nearly a third of the population is food insecure.¹⁶ Natural disasters affected around a third of households in 2012.¹⁷ It is predicted that climate change will increase the frequency and duration of drought and flooding.¹⁸

1.8 Afghanistan has one of the world's youngest populations, with 48% of citizens under the age of 15.¹⁹ The World Bank estimates this 'youth bulge' adds 400,000 entrants to the workforce each year, contributing to a growing problem of underemployment and unemployment.²⁰

1.9 Significant constraints to private sector development exist, including lack of human capital and infrastructure, weak institutions and land management and ownership issues.²¹ The World Bank's 2013 *Doing Business Report* ranks Afghanistan last for 'investor protection' and at 168 out of 185 countries on 'ease of doing business'.²² Corruption is endemic: Afghanistan ranks last, jointly with North Korea and Somalia, in Transparency International's 2012 Corruption Perceptions Index.²³

1.10 Women in Afghanistan face considerable inequality: 41% are married before the age of 24.²⁴

Only 17% of females over the age of 15 can read, which is less than half of the male literacy rate.²⁵

1.11 Programmes to support crop diversification, livestock and orchards through improved access to inputs and markets are important to Afghanistan for rural income generation and the elimination of poppy cultivation. There are also powerful UK domestic interests in reducing the heroin trade. This was especially powerful from 2002, when the UK took on the G8's 'lead nation' role in counter-narcotics in Afghanistan.²⁶ This policy priority resulted in a particular focus on encouraging alternative licit crops at the centre of DFID's livelihood programming.

1.12 Terrorism and conflict, however, have prevented the Government from establishing effective control in all areas of the country, particularly in Helmand. Poppy cultivation and the production of opium pose a serious challenge to Afghanistan's security by providing funds to insurgent groups. The high level of corruption that surrounds the narcotics industry also jeopardises foreign assistance to development.

1.13 Opium is Afghanistan's most important agricultural crop by value and provides livelihoods for many in rural areas.²⁷ Despite years of efforts to eradicate and provide alternatives, 2013 marked a high point of poppy production, with a 36% increase from 2012. In total, 209,000 hectares are under production in 2013 (74,000 in 2002).²⁸

¹⁶ *National Risk and Vulnerability Assessment 2011-12, Afghanistan Living Conditions Survey*, Central Statistical Office of the Government of the Islamic Republic of Afghanistan, 2014, [http://cso.gov.af/Content/files/NRVA%20REPORT-rev-5%202013\(1\).pdf](http://cso.gov.af/Content/files/NRVA%20REPORT-rev-5%202013(1).pdf).

¹⁷ *National Risk and Vulnerability Assessment 2011-12, Afghanistan Living Conditions Survey*, Central Statistical Office of the Government of the Islamic Republic of Afghanistan, 2014, [http://cso.gov.af/Content/files/NRVA%20REPORT-rev-5%202013\(1\).pdf](http://cso.gov.af/Content/files/NRVA%20REPORT-rev-5%202013(1).pdf).

¹⁸ *National Capacity Needs Self-Assessment (NCSA) for Global Environmental Management*, United Nations Environment Programme, 2009, http://www.unep.org/dgef/Portals/43/publications/Afghan_NCSA_and_NAPA_2009.pdf.

¹⁹ *National Risk and Vulnerability Assessment 2011-12, Afghanistan Living Conditions Survey*, Central Statistical Office of the Government of the Islamic Republic of Afghanistan, 2014, [http://cso.gov.af/Content/files/NRVA%20REPORT-rev-5%202013\(1\).pdf](http://cso.gov.af/Content/files/NRVA%20REPORT-rev-5%202013(1).pdf).

²⁰ Data provided by DFID, based on World Bank estimates.

²¹ *Afghanistan in 2011: A Survey of the Afghan People*, The Asia Foundation, 2011, <http://asiafoundation.org/resources/pdfs/TAF2011AGSurvey.pdf>.

²² *Doing Business 2013*, World Bank, 2013, <http://www.doingbusiness.org/~media/GIAWB/Doing%20Business/Documents/Annual-Reports/English/DB13-full-report.pdf>.

²³ *Corruption Perceptions Index*, Transparency International, 2012, <http://www.transparency.org/cpi2012/results>.

²⁴ *National Risk and Vulnerability Assessment 2011-12, Afghanistan Living Conditions Survey*, Central Statistical Office of the Government of the Islamic Republic of Afghanistan, 2014, [http://cso.gov.af/Content/files/NRVA%20REPORT-rev-5%202013\(1\).pdf](http://cso.gov.af/Content/files/NRVA%20REPORT-rev-5%202013(1).pdf).

²⁵ *National Risk and Vulnerability Assessment 2011-12, Afghanistan Living Conditions Survey*, Central Statistical Office of the Government of the Islamic Republic of Afghanistan, 2014, [http://cso.gov.af/Content/files/NRVA%20REPORT-rev-5%202013\(1\).pdf](http://cso.gov.af/Content/files/NRVA%20REPORT-rev-5%202013(1).pdf).

²⁶ In 2003 the international community committed to implementing Afghanistan's *National Drug Control Strategy: An Updated Five-Year Strategy for Tackling the Illicit Drug Problem*, 2006, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/36443/fco_nationaldrugcontrolstrategy.pdf.

²⁷ *Afghanistan in Transition: Looking beyond 2014*, World Bank, 2013, <https://openknowledge.worldbank.org/bitstream/handle/10986/13107/758480PUB0EPI0001300PUBDATE02028013.pdf?sequence=1>.

²⁸ *Afghanistan Opium Survey 2013*, United Nations Office on Drugs and Crime (UNODC), 2013, https://www.unodc.org/documents/crop-monitoring/Afghanistan/Afghan_report_Summary_Findings_2013.pdf.

1 Introduction

Since 2001, military and civilian support to Afghanistan has grown enormously, despite the difficulties of delivering aid

1.14 In 2001, the US-led Operation Enduring Freedom began.²⁹ The United States was supported by a broad coalition of international forces, including the Afghan Northern Alliance,³⁰ Canada and the UK. The Taliban's rule in Afghanistan ended in late 2001 and, in 2002, they began the insurgency which continues today. In 2006, control of military operations in Afghanistan switched to NATO's International Security Assistance Force (ISAF).³¹

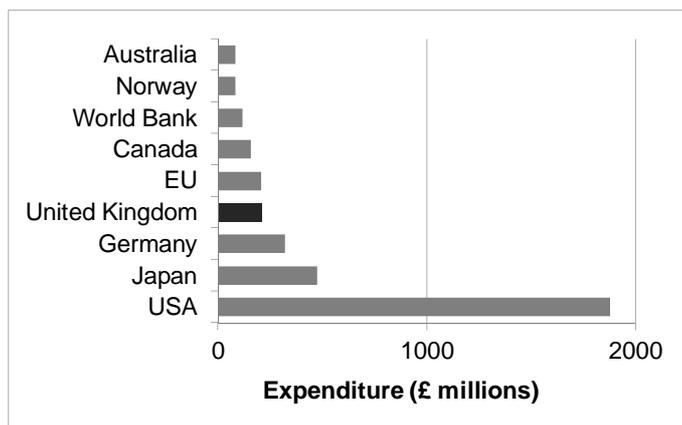
1.15 Since the fall of the Taliban in 2001, Afghanistan has experienced rapid economic growth, driven largely by military and donor spending. Real GDP growth averaged 9.1% from 2003-04 to 2010-11.³² In 2011, Afghanistan received £10 billion (over 55% of GDP) in military and civilian aid; of this, approximately £3.7 billion was development spending.³³ A stark example of the effect of so much international expenditure is that services are now the majority sector of the economy.³⁴

1.16 Figure 1 shows that the United States dominates aid expenditure. The UK makes the fourth biggest contribution after Japan and Germany. Aid largely focusses on security and state-building, with projects often having both objectives,^{35,36} and is often directed where conflict (and hence military

presence) is greatest – not where poverty is most prevalent. This has caused considerable resentment in the more peaceful provinces.³⁷

1.17 Aid has often been used as a direct part of military operations, particularly interventions aimed at reducing opium poppy growing³⁸ and in the delivery of quick-impact projects aimed at winning the 'hearts and minds' of the local population.³⁹ It is estimated that only 40% of aid reaches the Afghan economy; the rest is passed through contracts with international providers of goods and services, imports and the expatriation of profits.⁴⁰

Figure 1: Aid expenditure by main donors, 2010-11



Source: OECD Development Assistance Committee.

1.18 The scale of international investment has, however, resulted in notable successes, especially in improvements to basic services. For example:

- from about one million in 2001, nearly six million children were attending school in 2012.⁴¹ As opposed to virtually no girls attending school

²⁹ For an overview of the history of the military intervention in Afghanistan, see: *The War in Afghanistan*, BBC History, http://www.bbc.co.uk/history/the_war_in_afghanistan.

³⁰ The Afghan Northern Alliance, known officially as the United Islamic Front for the Salvation of Afghanistan, was a multi-ethnic group united in its desire to overthrow the ruling Taliban. The Northern Alliance was backed by the United States and, after the US-led invasion and establishment of the new administration in 2001, the Northern Alliance broke apart, with different political parties forming.

³¹ The ISAF is a NATO-led security mission in Afghanistan, established by the United Nations Security Council in December 2001 to train the Afghan National Security Forces (ANSF) and assist Afghanistan in rebuilding key government institutions. On 11 August 2003, NATO assumed leadership of the ISAF operation. See: <http://www.isaf.nato.int/>.

³² *World Economic Outlook 2013: Transitions and Tensions*, International Monetary Fund (IMF), 2013, <http://www.imf.org/external/pubs/ft/weo/2013/02/pdf/text.pdf>. Other estimates exist and as such figures should be treated as low-quality.

³³ *Afghanistan in Transition: Looking beyond 2014*, World Bank, 2013, <https://openknowledge.worldbank.org/bitstream/handle/10986/13107/758480PUB0EPI0001300PUBDATE02028013.pdf?sequence=1>.

³⁴ *DFID Understanding Afghanistan: Growth Diagnostic: Technical*, DFID, 2008, <http://www.hks.harvard.edu/fs/drodrik/Growth%20diagnostics%20papers/DFID%20Understanding%20Afghanistan%20Final%20Technical%20%28word%202003%29.pdf>.

³⁵ *Livelihoods, basic services and social protection in Afghanistan*, Working Paper 3, Adam Pain, Secure Livelihoods Research Consortium, 2012, <http://www.refworld.org/pdfid/523ad6124.pdf>.

³⁶ *Country Programme Evaluations Conducted in Fragile States*, ITAD, 2010, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/67709/syn-cnty-prog-evals-frag-sts.pdf.

³⁷ For example, see DFID's detailed political economy review: *Understanding Afghanistan*, Strategic Conflict Assessment Final Report, The Recovery and Development Consortium, November 2008, http://www.york.ac.uk/media/politics/prdu/documents/publications/pub_Afghanistan%20Conflict%20Assessment%20Nov2008.pdf.

³⁸ *Eyes Wide Shut: Counter-Narcotics in Transition*, AREU, 2013, <http://www.areu.org.af/uploads/EditionPdfs/Opium%20BP.pdf>.

³⁹ *Winning Hearts and Minds? Examining the Relationship between Aid and Security in Afghanistan*, Feinstein International Center, 2012, <http://fic.tufts.edu/assets/WinningHearts-Final.pdf>.

⁴⁰ *Afghanistan in Transition: Looking beyond 2014*, World Bank, 2013, <https://openknowledge.worldbank.org/bitstream/handle/10986/13107/758480PUB0EPI0001300PUBDATE02028013.pdf?sequence=1>.

⁴¹ *National Risk and Vulnerability Assessment 2011-12, Afghanistan Living Conditions Survey*, Central Statistical Office of the Government of the Islamic Republic of Afghanistan, 2014, [http://cso.gov.af/Content/files/NRVA%20REPORT-rev-5%202013\(1\).pdf](http://cso.gov.af/Content/files/NRVA%20REPORT-rev-5%202013(1).pdf).

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under the Taliban, almost two-fifths of pupils are now girls,⁴² and

- from 16% in 2003, the most recent survey shows half of pregnant women received antenatal care.⁴³

In the period 2006-16, DFID will spend over £1.2 billion on growth and livelihoods in Afghanistan

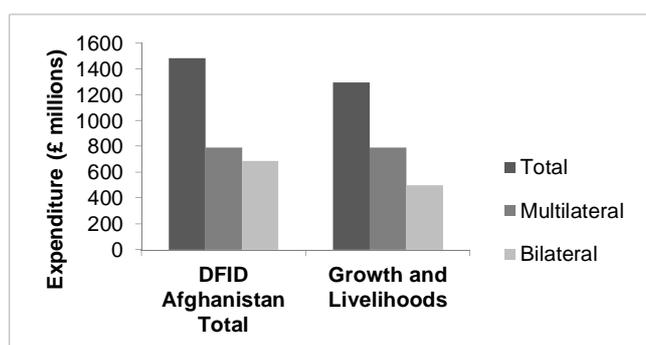
1.19 The UK's aid expenditure in Afghanistan is small, compared with its military spending. DFID's annual expenditure in Afghanistan has risen from around £100 million in 2006 to nearly £180.5 million in 2012-13 and it is budgeted to reach almost £190 million this financial year.⁴⁴ In comparison, UK military expenditure, since 2009-10, has averaged about £3.85 billion per annum. Total spending by the UK on the direct cost of the military intervention, excluding salaries, will be around £21 billion (2001-02 to 2012-13).⁴⁵

1.20 The UK Government has committed long-term support to the Government of Afghanistan and will maintain a level of non-military spending similar to today until at least 2017 (although this is a reduction in both real terms and as a proportion of DFID's total budget).⁴⁶

1.21 DFID Afghanistan allocates over half of its funding to multilateral development institutions. In the period 2006-14, DFID's largest contribution (£506 million) is to the World Bank-led Afghanistan Reconstruction Trust Fund (ARTF) – a co-ordinated financing mechanism for the Government of Afghanistan's budget and priority national investment projects.⁴⁷ As Figure 2 shows, over 85% of DFID Afghanistan's annual budget is allocated to growth and livelihoods – an important

reason this review focusses on such projects. Of this, around 40% is bilateral aid.

Figure 2: DFID Afghanistan's expenditure, by type, over the period 2006-16



Note: figures based on disbursements to date and projected future expenditure.

Afghanistan's future is highly uncertain

Security, economic and political changes will occur simultaneously with highly uncertain outcomes

1.22 The next two years are critical to Afghanistan's future:

- **Security:** security transition is underway. By the end of 2014, nearly all ISAF troops will have left and full control will be handed over to Afghan forces. While it is extremely difficult to know what implications this will have, territorial losses by the state are predicted;⁴⁸
- **Economic:** drawdown of troops is being accompanied by a very large reduction of direct military funding. International donors are further expected to reduce financial support to Afghanistan.⁴⁹ These reductions could lead to a large fiscal deficit, driven by the need for the Government of Afghanistan to maintain military spending. Donors are concerned about the government's ability to fund future spending. For example, a leaked IMF report stated that the government was failing to reach even the target of covering 40% of its annual non-security spending of \$5 billion because of 'widespread tax evasion abetted by government

⁴² *Education Management Information System Statistical Analytical Report 1390*, Islamic Republic of Afghanistan, 2011-12, http://www.moe.gov.af/Content/files/MoE_1390_Stat_Analysis_Final.pdf.

⁴³ *National Risk and Vulnerability Assessment 2011-12, Afghanistan Living Conditions Survey*, Central Statistical Office of the Government of the Islamic Republic of Afghanistan, 2014, [http://cso.gov.af/Content/files/NRVA%20REPORT-rev-5%202013\(1\).pdf](http://cso.gov.af/Content/files/NRVA%20REPORT-rev-5%202013(1).pdf).

⁴⁴ *DFID Afghanistan Operational Plan 2011-2015*, DFID, 2013, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/209876/Afghanistan1.pdf. Note: we have subsequently been informed by DFID that its budget for 2013-14 was reduced, in December 2013, by £11.25 million. The figure in the text takes into account this reduction.

⁴⁵ House of Commons Library, *The cost of international military operations*, Standard Note SN/SG/3139, 2012.

⁴⁶ Based on the budget of 2013, the year of commitment.

⁴⁷ For details, see <http://www.artf.af/>.

⁴⁸ *Contested transitions: International drawdown and the future state in Afghanistan*, Norwegian Peacebuilding Resource Centre (NOREF), 2012, http://www.peacebuilding.no/var/ezflow_site/storage/original/application/b327769997adb4c5c1376febaf6b3579.pdf.

⁴⁹ 'Drawdown' refers to the withdrawal of international military troops from Afghanistan.

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officials, the increasing theft of customs revenues by provincial governors and softening economic growth'.⁵⁰ Intensified violent competition for scarce resources is also expected;⁵¹ and

- **Political:** April 2014's presidential election will result in the first new head of government in over a decade.⁵² An election that is fair and representative of the people's will is likely to be rejected by insurgent groups; if there is widespread fraud, it is likely to lead to a greater level of conflict. The election could also further weaken the state if sub-state actors, especially power brokers from northern and western Afghanistan, lose faith in the central government and accelerate efforts to rearm.⁵³

1.23 The cumulative effect of these changes is hard to predict but may have widespread impact on DFID's and other donors' ability to deliver aid. Potential effects include even greater barriers to accessing project sites and intended beneficiaries than at present, difficulties hiring and motivating staff and more challenges to working with the Government of Afghanistan. Living conditions for staff may also become more restricted if the risk of attacks, such as that in January 2014 on a popular restaurant in Kabul, which killed 21 people including two Britons, continue.⁵⁴

1.24 Responding to such difficulties may involve a greater need for flexibility to shift resources to where they are most needed; a different mix of implementing partners with a greater access to intended beneficiaries; and an allocation of more resources to influence other donors to maintain their spending levels.

Our approach to this review

We reviewed DFID's overall strategy for growth and livelihoods and considered five projects in detail

- 1.25 We assess how DFID's strategy to deliver growth and livelihoods projects in Afghanistan links to the overarching objectives of the UK Government. We also assess the robustness of the theories of change – or similar project design methodologies – which underpin relevant interventions.⁵⁵ We examine DFID's preparedness to deliver sustainable impact throughout and beyond the period of drawdown of international troops in 2014.
- 1.26 We undertook a review of the literature on growth and livelihoods interventions in Afghanistan and comparable fragile and post-conflict environments. In addition, we interviewed subject experts in Afghanistan, the UK and the United States, including the Special Inspector General for Afghanistan's Reconstruction (SIGAR).⁵⁶ This work informs our assessment of the evidence that DFID has available in terms of strategic options, project choices and detailed design decisions.

⁵⁰ See http://www.nytimes.com/2013/05/03/world/asia/afghan-government-faces-cash-crunch-imf-says.html?pagewanted=all&_r=0.

⁵¹ IMF World Economic Outlook Database, 2013, <http://www.imf.org/external/pubs/ft/weo/2013/02/weodata/index.aspx>.

⁵² Hamid Karzai was interim President from December 2001-04.

⁵³ Graeme Smith and Seth G. Jones, *Prospects for Afghanistan in 2014*, Council on Foreign Affairs, 2013, www.cfr.org.

⁵⁴ See: <http://www.theguardian.com/world/2014/jan/18/british-mep-bodyguard-among-dead-kabul-restaurant-suicide-attack>.

⁵⁵ Throughout this report we will use 'theories of change', or its singular variant, as shorthand for this range of design methodologies.

⁵⁶ The Special Inspector General for Afghanistan's Reconstruction (SIGAR) conducts audits, inspections and investigations to provide oversight of the United States' expenditure on relief and reconstruction programmes in Afghanistan. See <http://www.sigar.mil>.

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Figure 3: Our five case study projects

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| Helmand Agriculture and Rural Development Programme <i>The 'Rural Development Programme'</i> | 2006-10 £19.3 million |
| 'Reduce poverty and increase legal economic activity in Helmand through more visible national and provincial government service delivery.' ⁵⁷ (Capacity building, microfinance, market support, infrastructure, water and sanitation.) | |
| Herat Demining Project <i>The 'Demining Project'</i> | 2008-18 £20.6 million |
| 'Enable increased legal livelihoods opportunities for the poorest and most vulnerable communities.' (Landmine and other unexploded ordnance removal.) | |
| Supporting Employment and Enterprise Development <i>The 'Employment and Enterprise Programme'</i> | 2009-14 £36.0 million |
| 'Increase employment and income opportunities by strengthening the private sector's ability to invest and compete.' We focus on the three bilateral elements: The Afghanistan Business Innovation Fund (ABIF); Zardozi – design support, technical advice and market information for chronically poor female home workers; and Turquoise Mountain – training in traditional Afghan crafts. | |
| Road Improvement in Central Helmand <i>The 'Road Project'</i> | 2010-13 £7.7 million |
| 'Contribute to significant growth in Helmand's licit economy by improving road links.' (Upgrading of five sections of road totalling 46 kilometres.) | |
| Helmand Growth Programme <i>The 'Growth Programme'</i> | 2010-14 £14.2 million |
| 'Support farmers, agri-businesses and the workforce in Helmand'. We focus on five bilateral elements: improving youth employment skills; DASTGAH – skills training for farmers and a voucher scheme; funding the growth of new agribusiness ventures; an innovative Islamic loan product to encourage growth of small- and medium-sized enterprises (SMEs); and support for establishing a small business membership association. | |

Note: project descriptions are quotations from DFID's project documents. Main activities are added in parentheses.

1.27 We chose five bilateral case study projects to examine in detail, with a combined budget of £97.7 million, implemented from 2006 to 2018. Figure 3 above sets out the chosen projects giving their cost, duration, intended impact (as set out in DFID's project documents) and a summary of the

activities involved. Figure 6 on page 16 details intended targets and reported results.

- 1.28 Projects were selected with a set of objective criteria, including how directly they focussed on the poor; our ability to access intended beneficiaries and project staff; and implementation dates to facilitate beneficiary recall.⁵⁸ We chose our shortlist to ensure that we had fair coverage in terms of location, size and thematic focus.
- 1.29 In 2006, the UK took control of the joint military and civilian Helmand Provincial Reconstruction Team (PRT), which closes in 2014, with support from the governments of Denmark, Estonia and the United States. UK troop levels in Helmand rose from 3,300 in Spring 2006, peaking at around 10,000.⁵⁹ As a result, the UK decided to increase its development programme and hence the number of its growth and livelihoods projects based in and around Helmand. To ensure fair coverage, three of our five case studies are Helmand-based. These projects aim to support both DFID's strategic objectives and the jointly owned Helmand Plan, which guides the work of the international partners working in close co-operation with the Government of Afghanistan.

Our methodology includes interviews in Afghanistan and engagement with intended beneficiaries

- 1.30 Meeting directly with intended beneficiaries is an important part of our assessment process. Our core team met with intended beneficiaries and their representatives, implementing agents, officials of the Government of Afghanistan and other local stakeholders in Kabul and Helmand.
- 1.31 In addition, we engaged a local Afghan research team to conduct qualitative interviews with intended beneficiaries in Helmand and Herat Provinces (see Figure 4 on page 8). This fieldwork focussed on the Road Project, the Demining Project and the Developing Access to Skills and Trade for Growth of Agri-Business in Helmand (DASTGAH) sub-component of the Growth Programme. Fieldwork projects were selected based on the following criteria: a recent evaluation

⁵⁸ *Terms of Reference: DFID's Bilateral Support to Growth and Livelihoods in Afghanistan*, ICAI, 2013, <http://icai.independent.gov.uk/wp-content/uploads/2011/11/ICAI-Afghanistan-ToR-final.pdf>.

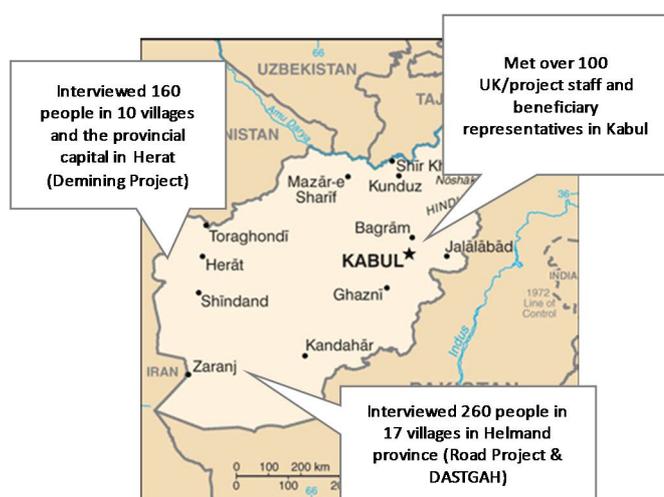
⁵⁹ See <https://www.gov.uk/uk-forces-operations-in-afghanistan>.

⁵⁷ The illicit economy is dominated by opium cultivation for heroin production.

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had not taken place; the project is on-going or recently completed (to ensure beneficiary recall) and it was delivered in a safely accessible location, with identifiable intended beneficiaries.

Figure 4: Map of Afghanistan, showing the locations of ICAI’s fieldwork for this review



Note: Interview feedback data; map from the United States Central Intelligence Agency World Factbook.

1.32 We interviewed 420 individuals across three provinces in Afghanistan, as shown in Figure 5, using both individual interviews and focus groups (around 20 people in each). Focus groups were used to understand impact at the village level and individual interviews assessed household impact.

Figure 5: Interviews undertaken by our team

| Case Study Project | Focus Groups (people) | Individual Interviews (male) | Individual Interviews (female) ⁶⁰ |
|--------------------|-----------------------|------------------------------|--|
| Growth Programme | 46 | 55 | 40 |
| Road Project | 46 | 73 | - |
| Demining Project | 70 | 65 | 25 |
| Total | 162 | 193 | 65 |

1.33 A full description of our fieldwork methodology and findings for each project can be found in Annexes A2-A6.

⁶⁰ We were unable to conduct female interviews for the Road Project, as selected villages were too far from the comparatively safe provincial capital and security of the female researcher could not be guaranteed. Helmand is significantly more conservative with regard to gender relations and more insecure than Herat.

2 Findings

Objectives

Assessment: Amber-Red 

2.1 This section reviews the role and relationship of DFID's strategic aims and those of the five case study projects. It considers whether objectives are realistic and relevant given the operational circumstances in Afghanistan.

DFID's strategy in Afghanistan

DFID's current strategy derives from the UK Government's overall approach to Afghanistan and has changed over time

2.2 DFID's current strategy is set out in its Operational Plan, published in 2010 and updated annually.⁶¹ This plan derives from the 'viable state' pillar of the UK Government's current National Security Council's (NSC's) Strategy for Afghanistan (unpublished), for which DFID is responsible. The NSC's plan is soon to be refreshed to give DFID greater prominence following UK military drawdown.

2.3 The Operational Plan specifically aims for a 'more peaceful, stable, viable and prosperous Afghanistan', implemented, at the time of our fieldwork in September 2013, through 32 active projects.⁶² This ambitious plan is set out under three 'priority areas':

- supporting peace, security and political stability;
- promoting economic stability, growth and jobs; and
- helping the state to deliver improved services.

2.4 The current strategy has changed repeatedly since the Transitional Country Assistance Programme was published in 2003, at which time approximately half of funds were spent on humanitarian assistance. Following elections in 2005, DFID produced an interim strategy supporting the Government's strategy of that time. Although initially designed for one year, it was extended to 2008. This focussed on state building and on poppy reduction. A similar focus was set

out in 2008 in a short Country Plan – developed from a set of detailed context studies.

2.5 Some trends across these plans are discernible. Humanitarian assistance fell in relative importance as counter-narcotics and governance (particularly in central government) objectives increased. Counter-narcotics was a very large – and a very ambitious – part of DFID's strategic focus for many years. The current plan and future thinking reverses many of these trends. In particular, the reduction of poppy growing does not feature in any major way, humanitarian support will grow and there are plans for a major infrastructure programme (£130 million over five years) – a sector which is becoming increasingly important for DFID in Afghanistan.

DFID's current strategy has an unclear role in determining the growth and livelihoods project portfolio

2.6 DFID Afghanistan must deliver its strategy in a context of substantial political, military and headquarter pressures. We did not, therefore, expect to find a mechanical system through which the 'viable state' objective is translated into growth and livelihoods projects – this is often an iterative process. We do, however, question whether DFID's strategy adequately informs the project selection and design process. Staff were not clear, for example, about how additional money would be spent if it became available.

2.7 We did not find any robust processes for translating the high-level strategy into project options and decisions or any analysis of how the growth and livelihoods portfolio is, in combination, contributing to the overall aims of the strategy. This was compounded by the inability to track the impact of projects (particularly the smaller ones) and, thus, the feedback into project selection and design was weak (see Learning section on page 22). Few DFID staff had an awareness of the full portfolio – unsurprisingly, given it consisted of 32 projects at the time of our fieldwork – which also limits the opportunities for staff to identify synergies and to co-operate effectively.

2.8 We heard in the DFID Afghanistan office of plans by central teams to start to think more coherently about the portfolio and a desire to rationalise the approach into fewer, larger projects. If DFID's

⁶¹ DFID Afghanistan Operational Plan 2011-2015, DFID, 2013, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/209876/Afghanistan1.pdf.

⁶² We have subsequently been informed by DFID that, as of February 2014, its portfolio in Afghanistan consists of 25 projects.

2 Findings

growth and livelihoods projects are to be fully coherent with the Operational Plan (and the NSC strategy), then either the strategy itself ought to be more specific or more planning needs to take place at the intermediate level between projects and the 'priority areas'.

- 2.9 More planning would also enable DFID to assess how individual projects contribute to its strategic priorities (and ensure that all parts of the strategy have corresponding projects) and to design its portfolio to take better advantage of opportunities for synthesis and scale and be suitably robust for an unknown future.

DFID co-ordinates well with other donors and supports multilateral systems in support of its strategic aims

- 2.10 DFID is well-regarded in the donor community in Afghanistan. The UK has contributed to and has influenced various important donor co-ordination processes, such as the recent Tokyo Mutual Accountability Framework that established an initial approach to delivering aid based on mutual commitments.⁶³

- 2.11 DFID is a major contributing donor to multilateral funds and is active in their management (see Figure 2 on page 5). DFID also works in partnership with other donors, including Australia, Denmark, New Zealand and Sweden.

Project objectives and design

The objectives of our case study projects were often suitable for their contexts and innovative, yet sometimes too ambitious

- 2.12 The objectives of three of our case study projects were suited to their contexts. The Demining Project had clear, relevant and realistic objectives with (in phase one) a strong humanitarian focus and (in phase two) a livelihoods focus. The Enterprise and Employment Programme was well suited to the Afghan context, given both the 'youth bulge' and that private sector development is a clear presidential priority.⁶⁴ The Road Project also had a

realistic and desirable goal to impact economic growth as a result of the intended improved roads. It also had security benefits such as reducing vulnerability to Improvised Explosive Devices (IEDs) and enabling faster incident response times.

- 2.13 The remaining two projects, the Growth Programme and the Rural Development Programme, were complicated and ambitious. They have multiple objectives targeted at multiple beneficiaries making them difficult and costly to design, manage, monitor and evaluate effectively and efficiently.⁶⁵ Both projects were intended, in part, to reduce opium poppy production, which was a clear UK political priority at the time of project design. Opium poppy production is part of a complex and deeply embedded system that provides substantial incomes.

- 2.14 While we identified some interesting attempts to innovate in the Growth Programme, including the design of a new Islamic loan product suited to the needs of growing SMEs, the programme's overall objective of a 'vibrant' and 'licit' economy was unrealistic and vague and lacked specific, measurable, attainable, relevant and time-bound indicators. This complexity was one of the underlying causes of delivery and impact weaknesses and was not properly recognised as a risk by DFID in programme design and during delivery.⁶⁶

- 2.15 Two components of the Employment and Enterprise Programme were also innovative:

- Zardozi has introduced a simple membership-based guarantee mechanism for the women that it supports. Intended beneficiaries told us that this fairly simple process has significant impact in relieving a major constraint to the establishment of supplier relationships with shops; and
- ABIF is pioneering a risk-adjusted approach to grant allocation which has the potential to

⁶³ Senior Officials Meeting Joint Report, Tokyo Mutual Accountability Framework (TMAF), 2013, http://mof.gov.af/Content/files/TMAF_SOM_Report_Final_English.pdf.

⁶⁴ Afghanistan National Development Strategy 2008-2013, Islamic Republic of Afghanistan, 2008, http://www.undp.org.af/publications/KeyDocuments/ANDS_Full_Eng.pdf.

⁶⁵ DFID was warned of the high costs of the Growth Programme, which were a function of over-ambitious objectives (Growth Programme Approval Email 19/08/2010).

⁶⁶ Helmand Growth Programme Project Document, DFID, 2010.

2 Findings

substantially improve the efficiency of grant provision.⁶⁷

- 2.16 Of our focus projects that will continue into 2014, none have made any specific preparations for drawdown, even though it is likely that they would be affected by more instability and greater risk. For example, the beneficiaries of the Zardozi project (part of the Enterprise and Employment Programme) reported a fall in shopkeeper confidence – a probable response to uncertainties about future business prospects – reducing the availability of advances for handicraft goods.
- 2.17 Of the documentation we were able to review for projects in development, very little planning has yet taken place to test projects against likely future scenarios.

Weak project design limits DFID's ability to realise ambitious objectives

- 2.18 As a basic requirement for good project design, beneficiary consultation brings greater ownership of project objectives and encourages sustainability of benefits. Joint ownership of objectives reinforces local accountability, which is particularly important in Afghanistan given the regular combination of military and development objectives.
- 2.19 The Enterprise and Employment Programme, the Growth Programme and the Rural Development Programme did not sufficiently consult intended beneficiaries during the project design phase. Although difficult in a context like Afghanistan, this is not impossible to achieve.
- 2.20 A good theory of change – the sequence of events that is expected to lead to a desired outcome and long-term goal⁶⁸ – focusses attention on the needs and behaviours of intended beneficiaries. It makes explicit, evidence-based links between activities and impacts and relies on sound assumptions. We found incomplete and poorly articulated theories of

change. Examples of theory of change weaknesses in the projects include:

- the Employment and Enterprise Programme's theory of change was based on multiple empirical linkages (for example, using microfinance provision to stimulate enterprise development; or creating jobs as 'critical for combating the insurgency and tackling the illegal narcotics industry').⁶⁹ The programme design did not, however, provide evidence to show how assumptions about such linkages would be sustainable in the long term in Afghanistan; or, in some cases (job creation and insurgency, for example), sufficient evidence to justify the activity; and
 - transformational events in the Growth Programme's theory of change were not identified or appraised adequately, which affected sustainability of the intended benefits. For example, incentivising farmers to engage systematically and sustainably with input markets by providing highly subsidised agricultural inputs was already a discredited approach at the time of designing the programme.⁷⁰
- 2.21 More clearly basing project design on a well-evidenced theory of change would have made projects more realistic and their objectives more likely to be met. In areas with a less clear evidence base, projects should have clearly stated that an objective of the project was to test a hypothesis of the theory of change and then ensure adequate monitoring and evaluation took place.

Delivery

Assessment: Green-Amber 

- 2.22 This section examines the delivery of DFID's growth and livelihoods programme in Afghanistan. We assess whether the needs of intended beneficiaries were appropriately taken into account and whether DFID had appropriate arrangements for financial and risk management.

⁶⁷ ABIF is an example of a challenge fund. This is a competitive grant-making facility that DFID uses in Afghanistan to support private enterprises that are deemed able to deliver goods and services that provide benefits to intended beneficiaries.

⁶⁸ DFID formally introduced the 'theory of change' in December 2010. Before this, DFID developed a results chain to demonstrate the links between project activities and impact for intended beneficiaries. For simplicity, we use the term 'theory of change' throughout.

⁶⁹ Project Document, *Supporting Employment and Enterprise Development*, DFID, 2009, <http://devtracker.dfid.gov.uk/projects/GB-1-200898/documents/>.

⁷⁰ By the time the Helmand Growth Programme (HGP) was designed, Making Markets Work for the Poor (M4P) principles were well established in DFID's policy thinking.

2 Findings

There is evidence of both good and poor delivery by implementing partners

Some delivery partners perform to high standards

2.23 The Demining Project was delivered very competently by The HALO Trust. The organisation demonstrated an ability to work closely with national and international co-ordination bodies – in part through DFID's intervention – as well as with the Ministry of Rural Rehabilitation and Development (MRRD). The HALO Trust works under very risky circumstances. For example, it has had staff abducted and equipment stolen – in January 2014, 57 of The HALO Trust's staff were kidnapped in Zarghun district in Herat as they drove to an area that needed to be cleared of mines; they were then released unconditionally. Such risks are managed, in part, through very good community relations, as well as through The HALO Trust's own competent risk management systems.⁷¹

2.24 The UK's Specialist Teams Royal Engineers (STRE) delivered mainly good results implementing the Road Project. They used local Afghan companies to undertake construction and hired and trained local staff to monitor and inspect progress, as well as undertaking some spot-checks themselves. The Afghan Provincial Department of Public Works was also involved in the implementation of the project and regularly inspected progress of the road works. They sign off on completed roads only when satisfied with the condition.

2.25 Our fieldwork respondents were very satisfied with the quality of the roads in two of the three areas we surveyed, in Central Marjah and in the area west of Lashkar Gah. Given the quality assurance processes that we were told about, we were surprised to find that respondents along the road section between Chah-e Anjir and Spin Masjed criticised the quality of the road construction. Both our researchers and DFID confirmed that approximately four kilometres of road has been seriously degraded.

⁷¹ See <http://www.theguardian.com/world/2014/jan/21/kidnappers-seize-57-afghan-mine-clearance-workers>.

2.26 The contract that DFID specified had only a six-month retention period to fix problems. This was too late for DFID to ask the contractor to fix these problems, as they became aware of the damage after the retention period.⁷² Our view is that DFID contributed to the likelihood that poor quality construction (and hence degradation) could take place for at least two reasons. First, during the early stages of construction STRE's quality assurance process was still being developed. Second, STRE's resources were overstretched – having implemented more than 120 construction projects in a volatile security environment.

Other attempts to deliver, especially through the Government of Afghanistan, were less successful

2.27 The Rural Development Programme aimed to demonstrate the Government of Afghanistan's competence to deliver services but the ministries involved failed to deliver as planned.⁷³ In particular, there was no operational budget and weak budget and management control, leading to significant monitoring and project redesign costs to DFID.⁷⁴ This lack of capacity caused DFID to consider closing or suspending the Rural Development Programme. Neither action was, ultimately, pursued but DFID mitigated its exposure to under-performance by limiting the role of government in the following Growth Programme.⁷⁵

2.28 Some private sector implementing partners proved unreliable. For example:

- DFID decided to drop one of the components of the Growth Programme – an Islamic loan product – because the implementing partner was unable to sell the loan product to the targeted business community. The target market, small agribusinesses, was financially unsophisticated and could not understand the loan benefits;⁷⁶ and

⁷² A six-month retention period appears to be common for DFID road construction projects in Afghanistan; for example, the Road Rehabilitation and Maintenance Programme applies a similar retention period. See *Annual Review, Road Rehabilitation and Maintenance Programme*, DFID, 2013 (review undertaken 2 June – 21 July 2013).

⁷³ *Helmand Agricultural and Rural Development Programme Project Memorandum*, DFID, 2006.

⁷⁴ *HARDP Project Completion Report*, DFID, 2010.

⁷⁵ *Cost and Time Submission*, HARDP, DFID, 2012.

⁷⁶ *Review of the Helmand Improved Livelihoods and Economic Opportunity Programme*, Coffey International Development, 2013.

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- DASTGAH, another component of the same project, suffered a series of roll-out problems, including weak leadership, cash-flow difficulties and a long period of inactivity during negotiation with DFID. The independent consultant engaged to review the project concluded that little was done to expedite the project.⁷⁷

Implementing partners often engaged well with intended beneficiaries and the government of Afghanistan

2.29 Our fieldwork shows that the implementers of the Demining Project demonstrated excellent co-operation with local communities, which was both transparent and responsive to need. As a result, the community had confidence in The HALO Trust's ability to remove all mines, while previous attempts by other demining organisations were incomplete. Through beneficiary consultation, The HALO Trust was able to direct its work to where communities most needed land to be made safe. Staff were also praised for their culturally sensitive approach. For example, they always asked for permission to enter land or houses, regardless of whether they were abandoned. They prayed together with villagers and recited the Koran ahead of community meetings.

2.30 The Road Project was delivered with ongoing consultation between the implementing partners and the provincial government in Helmand. A regular infrastructure working group was established, placed first at the PRT and recently transferred to the provincial government's offices. This contributed to building local capacity and developing Afghan ownership. Our Afghan interview partners favourably contrasted DFID's approach to working with the provincial government to that of other donors.

2.31 As a result of this co-operation – and the desire of DFID and STRE for the Government of Afghanistan to be seen to be leading this work – most fieldwork survey respondents saw provincial government authorities as having led the project.

2.32 The Growth Programme's DASTGAH project, implemented by the international non-

governmental organisation (NGO), Mercy Corps, co-operated well with local village representatives and Community Development Councils but failed to co-ordinate adequately with district government authorities, in particular with the Department of Agriculture, Irrigation and Livestock. The result was a delay in project implementation.

'Umbrella' programmes may provide organisational efficiencies and flexibility but the way they were used in Afghanistan reduced DFID's ability to deliver impact

2.33 An 'umbrella' programme incorporates a range of components with a common thematic focus, grouped and managed as a single project to deliver collectively the desired impact. Generally, each component could otherwise exist as a standalone project.

2.34 Umbrella programmes can be more cost effective and efficient than stand-alone projects, particularly if their design were to take into account the following criteria:

- coherence of individual projects (and fit with the overall growth and livelihoods strategy);
- focus on the same intended beneficiary or a homogenous group of intended beneficiaries (to avoid complexity);
- single or narrow range of objectives (to avoid complexity);
- sound internal logic (mutually consistent objectives);
- potential synergies between projects (for instance, co-ordination of monitoring and evaluation resources); and
- alignment of start and end dates of components (particularly to allow effective performance management through the annual review process).

2.35 DFID Afghanistan's use of umbrella programmes stemmed from a corporate desire to reduce management costs in project operations by reducing budget lines; permitting flexibility to introduce and remove components as required by external changes; and seeking economies of scale. (DFID Afghanistan's total number of projects would be much greater if the individual components of the umbrella projects were counted as separate

⁷⁷ Final Evaluation Report: Developing Access to Skills and Trade for Growth of Agri-Business in Helmand, AA International, 2013.

2 Findings

projects). Specific problems that we observed in the use of umbrella programmes include:

- long delays in the design and delivery of programme components with substantive reconsideration to approaches and activities (project components were successively cancelled, amended or added as it became evident that they would not achieve performance targets or political priorities changed). This was most notable for the Growth Programme and the Employment and Enterprise Programme. For example, the Growth Programme was originally planned to cost £28 million, then rose to £36 million and, with successive revisions, was reduced to £14.2 million as components were accepted, found to be non-performing and subsequently rejected;
- the introduction of a funding envelope which welcomed small components – that DFID would otherwise not have supported – and allowed resources to fund ad hoc activities and which did not contribute directly to targets;⁷⁸
- ability to allow project additions and subtractions with minimal justification – for example, the removal of the Employment and Enterprise Programme’s £3.5 million support agent and advisory council – without redesign. This strategic governance structure was presented as critical to maximising value for money, enabling engagement with the Afghan private sector and managing the multiple, varied risks of an umbrella programme in Afghanistan. Yet, within a year, DFID considered this structure to be unsuitable to the context (in which time nothing material in the context had changed) and it was discontinued, to be replaced with one private sector adviser;
- when major changes took place to programmes (such as the removal of the Bost Business Park core component of the Growth Programme), there was insufficient strategic review to ensure

that the proposed objectives and impact could still be met with the remaining components; and

- multiple components of varying length with start and end dates that created difficulties in monitoring the performance of a project, using DFID’s quarterly implementing partner reporting and annual review processes.

2.36 DFID acknowledges that its umbrella programmes are ‘complex and overstretched’ and is ‘unclear whether they are cohesive or mutually reinforcing/leveraging’.⁷⁹ We found that the use of an umbrella structure in the Growth Programme and Employment and Enterprise Programme damaged performance and negatively affected impact. While these programmes contain thematically similar projects, each individually lacks a convincing argument as to why it is the best option to contribute to the intended impact.

Financial management, risk and corruption

DFID continues to respond positively to our previous review

2.37 In response to our first review, *Programme Controls and Assurance in Afghanistan*,⁸⁰ DFID has translated our recommendations into nine clear and relevant management actions. DFID established a team independent of its Afghanistan office to develop actions to address ICAI’s recommendations for further controls and assurance, detailed in a published follow-up report.⁸¹

2.38 DFID has created new posts to focus on contracts and financial control; reviewed its risk register; started a due diligence assessment of implementing partners; produced an Anti-Corruption Strategy (reviewed every six months) and established a Portfolio Assessment Tool (PAT) to measure and track risk, performance, expenditure and management cost of all projects.

2.39 Across our case study projects, we found a good standard of financial and anti-corruption controls,

⁷⁹ *Cost and Time Submission (HGP)*, DFID, 2012.

⁸⁰ *The Department for International Development: Programme Controls and Assurance in Afghanistan*, ICAI, 2012, http://icai.independent.gov.uk/wp-content/uploads/2010/11/ICAI-Afghanistan-Final-Report_P1.pdf.

⁸¹ See <http://icai.independent.gov.uk/wp-content/uploads/2012/03/ICAI-Follow-up-DFID-Programme-Controls-and-Assurance-in-Afghanistan.pdf>.

⁷⁸ The Employment and Enterprise Programme, for example, includes support to Turquoise Mountain. The project’s budget from DFID, for a three-year period, was £121,000. Interviews confirmed that this is not the scale of project that DFID would have supported as a single budget line.

2 Findings

especially for the projects with a shorter delivery chain. We saw evidence of best practice, such as the use of contractor blacklisting. DFID was alerted to several cases of potential fraud in our focus projects, including the alleged misuse of funds, corruption and bribery. Cases were passed onto DFID's Fraud Unit; enhanced due diligence, restructuring of project components and additional controls were added as a result.

Fiduciary controls and risk management are working well

- 2.40 A risk register correctly identifies and records most programme risks and mitigating actions. Each project has a full risk matrix, setting out both probability and impact of all identified risks. The Rural Development Programme, for instance, identified nine risks as high or medium probability, including deteriorating security, ineffective provincial reporting structures, expanding poppy cultivation, supplier shortages and government corruption.
- 2.41 Mitigating actions to address these risks included robust financial management controls (to mitigate leakage risks) and capacity building support to government (to mitigate weaknesses in government decision-making). The security threat was correctly rated as high risk. It proved to be a major hindrance to project implementation and to effective monitoring and record keeping.
- 2.42 The Growth Programme identifies 16 risks, including ineffective beneficiary targeting by implementing partners and under-performance by the Government of Afghanistan.
- 2.43 The Roads Programme rated security as the main risk and STRE, DFID's implementing partner, mitigated this risk by training local staff members to undertake monitoring and by building the capacity of Afghan line ministries. STRE was aware of corruption by engineering contractors and security providers and held a blacklist of the fraudulent contractors. A forensic background check was conducted to check for links with insurgents.
- 2.44 The risks and realities of operating in Afghanistan continued to affect project performance, in spite of effective risk assessments. In the case of the Growth Programme, for example, the risks associated with the difficult operating environment

called for projects to be tailored to the context but implementing partners did not consistently provide workable solutions.⁸²

Impact

Assessment: Amber-Red 

- 2.45 This section assesses the impact of our case study projects on intended beneficiaries. We report results against DFID's intended targets and our independent fieldwork, discuss monitoring data and consider sustainability of the focus projects.

Results of our case study projects

Our case study projects report a range of performance for intended beneficiaries relative to intended targets

- 2.46 This section assesses our five focus projects using the data reported by DFID and our interviews with stakeholders, intended beneficiaries and their representatives. The following section details the results of our fieldwork for the Demining and Road projects and for a component of the Growth Programme, undertaken in Helmand and Herat in Autumn 2013.
- 2.47 Project performance relative to planned targets, reported by DFID and its implementing partners, is set out in Figure 6 on page 16. We have also set out project-specific scoring and more detailed findings in Annex A1 and Annexes A2-A6 respectively. In summary, the reported results show:
- the Demining and Road projects exceeded their target results (we refer to the achievement at DFID's outcome level as 'results'),⁸³
 - the Rural Development Programme partly achieved its target results;
 - of the projects still being implemented, the Growth Programme has undetermined results due to lack of suitable data; and
 - the Employment and Enterprise programme is off track with two of its three targets.

⁸² Examples include weak component design and assessment for the Bost Agri-Business Park, the Flexible Fund, the hybrid Sharia compliant loan product and the biomass project, all of which were, ultimately, cancelled or transferred to other programmes. *Helmand Growth Programme Annual Review*, DFID, 2012.

⁸³ A project has a target outcome (which it is expected to deliver) and a target impact (to which it is expected to contribute). Each of these targets, if achieved, represents the provision of benefits to intended beneficiaries. We discuss the difficulties in assessing impact in paragraphs 2.52-2.57.

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Figure 6: Case study projects' performance against objectives

| Project Name, Value Period, Implementer | Description of Activities | Objectives | Achievements against selected key targets (assessed to time of review, unless project has completed) | |
|---|--|--|---|---|
| The Rural Development Programme ⁸⁴ £19.3 million 2006-10 Government of Afghanistan; NGOs, donors, private sector | <ul style="list-style-type: none"> Capacity building Market promotion Support to farmers Microfinance provision Infrastructure improvements Water and sanitation provision | Results | | |
| | | Provide economic opportunities for the rural poor, including alternatives for poppy farmers | Target 180 km roads rehabilitated or constructed 50 jobs created through Microfinance Investment Support Facility loans 70,000 people benefit from infrastructure improvements | Achievement 97 km 190 jobs 64,000 people |
| | | Impact | | |
| | | Reduce poverty and increase legal economic activity through more visible service delivery | <u>Undetermined</u> : there is no evidence of long-term sustainable change; no poverty data. Poppy cultivation initially decreased in Helmand (65,045 hectares in 2010 from 69,324 in 2006) but increased thereafter. | |
| The Growth Programme £14.2 million 2010-14 Private sector and NGOs | <ul style="list-style-type: none"> Market-based skills training Business skills training Technical skills training Technical assistance | Results | | |
| | | Increase the potential for licit economic growth in selected districts of Helmand | Target 177 full-time employees created by project interventions Three projects fully transitioned to national programmes | Achievement No data on jobs created One project transitioned |
| | | Impact | | |
| | | A vibrant and licit economy in a stable Helmand | <u>Undetermined</u> : poppy cultivation increased rather than decreased (from 65,045 hectares in 2010 to 100,693 in 2013); vibrancy measured by proxy data: 53% saw the central bazaar improve and 40% saw opportunities improve. ⁸⁵ | |
| The Road Project £7.7 million 2010-13 Specialist Teams of Royal Engineers | Upgrade poor quality gravel roads to all-weather two-lane asphalt roads (47 km across five road sections) | Results | | |
| | | Improve road links between district centres and key provincial strategic economic locations | Target 20% traffic increase in vehicles (480 from 400 annual average daily vehicle count) | Achievement 610 vehicles |
| | | Impact | | |
| | | Significant growth in Helmand's economy and provide growing opportunities for the population | <u>Undetermined</u> : indicator used by the project poses question about local government legitimacy and is, thus, irrelevant with regard to 'economic growth' and 'growing opportunities'. | |

⁸⁴ Both the Rural Development Programme and the Growth Programme focussed on poppy eradication. Positive impact was claimed when poppy cultivation was shown to have declined from 69,000 hectares (2006) to 65,000 hectares (2010); subsequently, production has increased, especially onto land in the Helmand desert (the 'dasht').

⁸⁵ Perception survey results are compared to DFID targets of 35% and 25% respectively. See paragraphs 2.14 and 2.55 for a discussion of the weaknesses of these indicators to assess a 'vibrant and licit' Helmand economy; and paragraph 2.35 for comment on insufficient revision of objectives following programme modifications.

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| Project Name, Value Period, Implementer | Description of Activities | Objectives | Achievements against selected key targets (assessed to time of review, unless project has completed) | |
|--|---|--|---|--|
| The Employment and Enterprise Programme £36.0 million 2009-14 (with extension) Government of Afghanistan; private sector and NGOs | <ul style="list-style-type: none"> • Technical assistance and capacity building • Business advisory services • Innovation challenge fund • Support to female workers • Technical and vocational training | Results | | |
| | | Increase employment and income opportunities by strengthening the private sector's ability to invest and compete | Target 9,173 (of which, 7,555 for women) jobs created 118,000 people (of which, 22,267 women) experience better value for money and/or improved income opportunities Draft 20 pieces of legislation, regulation or policy | Achievement 6,610 (5,914) 4,625 (1,907) 16 |
| | | Impact | | |
| | | Increased economic opportunity, delivered by the private sector | <u>Undetermined:</u> indicators (GDP growth rate and private investment as a percentage of GDP) are inappropriate to measure performance and they suffer major measurement difficulties. | |
| The Herat Demining Project⁸⁶ £20.6 million (£11.4 million and £9.2 million) Phase I 2008-12 (Phase II 2012-18) The HALO Trust | <ul style="list-style-type: none"> • Clear land of mines and unexploded ordnance • Reduce mine-related incidents | Results | | |
| | | Increased legal livelihood opportunities for the poorest and most vulnerable communities | Target 129,000 families benefit from cleared land 70% reduction in casualties caused by landmines or unexploded ordnance | Achievement 133,770 76% ⁸⁷ |
| | | Impact | | |
| | | Reduce the threat from landmines and unexploded ordnance to Afghan lives and livelihoods | <u>Undetermined:</u> milestones for 'all emplaced antipersonnel mines cleared' and 'all Afghan communities unaffected by presence of antipersonnel landmines' were not achieved. | |

⁸⁶ It is too soon to measure Phase II results so the table reports only on the completed Phase I.

⁸⁷ This figure was supplied to us by the Herat Demining Project, based on casualty reporting that came through after the DFID project completion report was finalised.

2 Findings

Our independent fieldwork found positive changes to intended beneficiaries' livelihoods

2.48 We conducted fieldwork for the Demining Project in Herat, the Road Project and a subcomponent of the Growth Project in Helmand. We surveyed project results and, to the extent that qualitative fieldwork allows, sought to understand whether projects achieved their stated objectives. Figure 7 sets out three case study highlights, Figure 8 on page 19 summarises our main findings and Annexes A2-A6 give details for each project and survey site.

2.49 While our fieldwork reflects the views of a sample of intended beneficiaries (locations were, in part, determined by secure access), it credibly demonstrates that valid insights into results can be collected relatively inexpensively – through carefully planned engagement – and suggests that more beneficiary consultation at the design stage is and has been possible. The information gained through such exercises is useful for DFID to gain a sense of what is working and why and provides insights for future project design.

2.50 We heard of significant changes to intended beneficiaries' livelihoods. Highlights include:

- **Herat Demining Project:** this demonstrated the greatest changes to livelihoods of our fieldwork. Through both our focus groups and individual interviews, we learned how The HALO Trust has improved physical security and employment opportunities (especially in agriculture and livestock keeping), provided greater access to services (such as education and health) and increased ease of movement;
- **Road Project:** a significant impact on the daily lives of intended beneficiaries was found. These include improved access to markets (to buy and sell goods and services), new job opportunities (particularly day labour), more and faster transportation, increased access to public services and greater security. Our interviews did, though, make us aware of a section of road that has already significantly degraded and where positive changes to livelihoods are less prominent; and

- **DASTGAH** (component of the Growth Programme): this introduced intended beneficiaries to plastic tunnelling that allows farmers to plant crops in winter (when they would traditionally only cultivate low-profit wheat). Nine months after completion, we found significant improvements to household incomes.

Figure 7: Case study highlights of our fieldwork

Herat Demining Project: the village of Saray Naw, located 7-8 kilometres from Herat City, benefited enormously from demining. The village was one of the worst affected with mining of most agricultural land. As a result, a large part of the population left; others turned to wage labour in Herat City. Following demining, villagers took advantage of the possibilities offered by the fertile clay soil and their vicinity to the rapidly growing city of Herat.

One opportunity was making bricks. Eight brick kilns have been established on demined land, offering seasonal work during the summer months for some 300 villagers. The bricks are sold in Herat City, which is experiencing a construction boom. An abattoir was also set up on demined land, offering jobs to 15-20 people, as well as three poultry farms employing seven workers. Additional employment opportunities are offered by NGO-funded projects, including tailoring and literacy courses, greenhouses and assistance to establish saffron production.

Road Project: freedom of movement and transportation services improved around the village of Nad-e Ali. Travel fares dropped markedly. For example, from Pir Abad, located halfway between Marjah Junction and Bolan, to Lashkar Gah used to cost AFN 50 and is now AFN 30:

'Before, fares were high but they have dropped and we can now go to the bazaar anytime. We can easily bring necessary groceries from the bazaar to cater for guests. For example, I had guests the day before yesterday who arrived early afternoon. I was able to hire a taxi from the road, travel to the market and buy meat and other necessities. Without the road, I wouldn't have been able to find a car but even if I had, I wouldn't have been able to get to the bazaar in time.'

Growth Programme: when asked about their future plans, half of the interviewed farmers (20 respondents) stated that they would continue to use provided plastic tunnelling next winter and pay fully for the necessary inputs. The seeds and plastic sheeting must be bought new each season, while metal rods can be used repeatedly. Some farmers even wanted to use plastic tunnelling on more land. A farmer from Kangai Village (Nawa District) explained:

'I want to apply the plastic tunnelling technology on more land so that I can obtain higher yields and increase my income even further. I want to spend the money [I've earned in the first year] on purchasing more plastic tunnelling materials.'

2 Findings

Figure 8: Main findings of our independent fieldwork

| | Evidence of need findings | Impact findings |
|--|--|--|
| The Road Project | <ul style="list-style-type: none"> ■ Freedom of movement was restricted through expensive and cumbersome transportation. This, in turn, restricted farmers' access to agricultural markets. Cash crop production was, thus, limited to dry products, such as cotton or wheat and the cultivation of the opium poppy. ■ Access to services, in particular to health and schooling, was limited. Bad roads had an impact on security. Insurgents regularly mined the dirt roads. ISAF and the Afghan National Security Forces (ANSF) had difficulties patrolling the area and projecting power. | <ul style="list-style-type: none"> ■ Paving the road network in central Helmand led to increased traffic, faster transportation and lower transportation costs. This, in turn, led to better access to markets and greater employment opportunities. ■ Improved legal economic opportunities compensated for the loss of income from poppy cultivation but could not improve the overall economic situation of households. ■ All surveyed bazaars in the Road Project catchment area grew in the last two years, suggesting a growth of the legal economy. ■ The quality of the road construction along one road section has severely degraded (substantial damage to the road surface two years after handover). |
| Herat Demining Project | <ul style="list-style-type: none"> ■ Over the years, all surveyed communities have suffered multiple human casualties (death and injury). ■ Agriculture and livestock-keeping were strongly restricted in many communities; and freedom of movement and access to services (health, schooling) were limited. ■ Development (for example, electrification or agricultural projects) was negatively affected. | <ul style="list-style-type: none"> ■ None of the seven demined villages where we conducted fieldwork reported any mine incidents (demining in these villages took place between 2008-11). ■ Demining enabled refugees to return to their homes and provided better access to services, such as health and education. ■ Irrigation systems that had fallen into disrepair were rehabilitated. Farmers and shepherds gained increased access to markets and were motivated to behave more commercially. ■ Demining was followed by increased state- and NGO-led development, such as construction. ■ Women emphasised improved access of children to schooling and healthcare and the removal of the mine threat to their families. |
| DASTGAH component of the Growth Programme | <ul style="list-style-type: none"> ■ The agricultural market was underdeveloped. Helmand did not fully use its agricultural potential. ■ In particular, Mercy Corps' analysis suggested deficient linkages between agricultural suppliers and farmers. ■ Due to large amounts of counterfeit goods, farmers were reluctant to pay high prices for high-quality inputs and retailers were not incentivised to offer such products. ■ Farmers only cultivated wheat in the winter months – a crop that sells for a low price. ■ Regarding nutrition, more households rarely ate meat or vegetables in the winter. | <ul style="list-style-type: none"> ■ The introduction of plastic tunnelling technology allowed farmers to cultivate vegetables during the winter months. ■ A hailstorm in December 2012 severely damaged the crops of 13 out of 40 surveyed farmers. Most farmers (24 out of 27) whose crops were not severely impacted reported impressive profits from the sale of their crop and an improvement of their livelihood situation. ■ Most farmers who had not lost their crop (20 farmers), intended to continue using plastic tunnelling technology – now paying market price for the necessary inputs. ■ Agricultural retailers participating in the project reported satisfactory profits, an extension of their customer base and increased trust between them and farmers. ■ Women explained that the windfall income was used to purchase new household items, to pay for improved healthcare of their children or to invest in the forthcoming planting season. ■ We found unclear evidence as to whether the gains/ improvements documented by our teams will be sustainable. |

2 Findings

Poor monitoring, validation and target-setting severely limit DFID's ability to assess impact

DFID Afghanistan's weak monitoring systems reduce its ability to show how its spending is affecting livelihoods

2.51 We found poorly designed monitoring methodologies and inappropriate indicators to be common features of our case study projects. The design of systems to measure intended results was poor and sometimes demonstrated a lack of understanding of what, if measured, would reliably reflect the performance of a project. These shortfalls in DFID Afghanistan's monitoring were found, despite several previous similar findings:

- DFID's 2009 Country Evaluation stated that 'DFID is keenly aware of the difficulties of assessing and demonstrating impact in the Afghan context';⁸⁸
- other reviews by the National Audit Office (NAO) and DFID on working in fragile and conflict-affected states report similar findings. For example, in 2008, the NAO found that 'learning has been hindered by incomplete project reporting... quicker and fuller dissemination of the lessons from front line experience will help DFID improve the effectiveness of its aid';⁸⁹
- a 2010 DFID synthesis of evaluations, reviews and monitoring made several recommendations for improvement; and⁹⁰
- the 2012 International Development Committee report makes several references to the problems of monitoring and welcomed that DFID was 'considering the use of 'third party verification and continuous audit''⁹¹ which DFID

set out in its response to our first report on Afghanistan.⁹²

Few incidents of validating reported monitoring means that the reported results are questionable

2.52 Results for the case study projects were, in most cases, reported directly by implementing partners. We saw very few validation mechanisms that sought to confirm the accuracy and reliability of those reports. Weaknesses include the following:

- DFID has just begun a trial survey to verify job creation figures, delivered by the bilateral components of the Enterprise and Employment Programme. This comes more than three-quarters of the way through the project's implementation period, in spite of a requirement for independent verification of results at the time of approval;⁹³
- validation is important to deter misreporting, especially in places like Afghanistan where data are hard to collect and often unreliable. This was a problem for the Growth Programme, where one implementing agent reported excellent results that did not hold up to closer scrutiny by independent review;⁹⁴
- there are insufficient data to assess whether the Growth Programme is meeting its intended outcome to increase 'potential for licit economic growth';⁹⁵ and
- the proposed baseline survey and annual assessment for the Rural Development Programme did not take place, which means no accurate assessment of intended job creation and income increases can take place.

2.53 The absence of validation was taken into account in our scoring of impact because we are unable to determine, credibly, whether DFID's targets have been met.

⁸⁸ *Country Programme Evaluation: Afghanistan*, Evaluation Report EV696, DFID, 2009, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/67734/afghan_eval.pdf.

⁸⁹ *Department for International Development: Operating in insecure environments*, NAO, 2008, <http://www.nao.org.uk/wp-content/uploads/2008/10/07081048es.pdf>.

⁹⁰ *Synthesis of Country Programme Evaluations Conducted in Fragile States*, Evaluation Report EV709, ITAD, 2010, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/67709/syn-cnty-prog-evals-frag-sts.pdf.

⁹¹ *Afghanistan: Development progress and prospects after 2014*, International Development Committee, 2012, <http://www.publications.parliament.uk/pa/cm201213/cmselect/cmintdev/403/403.pdf>.

⁹² See <http://icai.independent.gov.uk/wp-content/uploads/2012/03/ICAI-Follow-up-DFID-Programme-Controls-and-Assurance-in-Afghanistan.pdf>

⁹³ The original project document stated that the project would 'monitor progress [...] independent from implementing partners'.

⁹⁴ The implementing partner reported that the (self-) employment rate was 84% for training graduates but an independent verification survey produced lower results (47%). See *HGP Annual Review*, DFID, 2012, <http://devtracker.dfid.gov.uk/projects/GB-1-201023/documents/>.

⁹⁵ UNODC reported an increase in net poppy cultivation from 123,000 hectares in 2010 to 154,000 hectares in 2012. *World Drug Report 2013*, UNODC, 2013, http://www.unodc.org/unodc/secured/wdr/wdr2013/World_Drug_Report_2013.pdf.

2 Findings

Inappropriate indicators and targets further limit our ability to fully assess impact for the case study projects

2.54 DFID states that ‘impact is not intended to be achieved solely by the project. This is a higher-level situation that the project will contribute towards achieving’.⁹⁶ A well-defined indicator should, however, track whether positive changes are occurring at the impact level (with the assumption that a project has contributed to these changes) and indicate when adjustments to the project need consideration.⁹⁷

2.55 Largely due to inappropriate use of indicators and their targets, we are severely limited in our ability to assess the progress against DFID’s impact targets for our case study projects. DFID selected inappropriate indicators for four of our case study projects. Specific problems include:

- **Rural Development Programme:** DFID had no mechanism for measuring the programme’s impact on poverty or on the illicit cultivation of poppies in Helmand. Poverty data were neither collected before, during or after the programme and the effects of global wheat and opium prices eclipsed any programme effects and ensured that the beneficial effects could not be attributed solely to the programme;
- **Growth Programme:** impact indicators are not specific, relevant or measurable. DFID’s plans to commission consultants to collect periodic milestone data did not happen.⁹⁸ Only perceptions of improvements in economic opportunities were measured, neglecting quantified measures of self-assessed income or livelihood status (which were available from the

perceptions survey used by the Growth Programme);⁹⁹

- **Road Project:** the impact indicators measure neither ‘economic growth’ nor ‘growing opportunities’, which were the stated goals.¹⁰⁰ Instead, one indicator measures local government legitimacy,¹⁰¹ using the DFID-funded Helmand-wide perceptions survey.¹⁰² The second indicator was for the size of population living near the new road, which is also inappropriate to measure economic growth in Helmand. In addition, for this indicator, a baseline and targets were never populated, therefore this indicator was never used;
- **Employment and Enterprise Programme:** the chosen indicators of GDP growth rate and private investment, as a percentage of GDP, are influenced by, amongst other things, the changing security context. The use of GDP as an indicator by donors, more generally in Afghanistan, has been widely criticised – both because it is a poor choice of indicator and because the quality of the reported metrics is very low, variable and opaque.^{103,104} DFID is left unable, therefore, to separate the impact of its project from the influence of other factors at this high level. DFID cannot learn whether these activities are effective tools to achieve the desired impact in Afghanistan. ABIF, a component of the same programme, has recorded no improved income opportunities; and
- **Demining Project:** this is the only project for which we can assess DFID’s intended impact and only because a livelihoods survey was conducted in year five of the project – not from

⁹⁶ The results chain must be evidence-based to take account of lessons learned, evaluation and research evidence. This allows DFID to identify realistic targets and to determine how much change can be expected from an individual project. *How to Note, Guidance on using the revised Logical Framework*, DFID, 2011, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/253889/using-revised-logical-framework-external.pdf.

⁹⁷ For example, if a project is designed to increase employment then the unemployment rate could be a suitable impact indicator. As the rate moves DFID is provided with a sense of project performance and a trigger to consider whether it should increase or reduce its efforts in this area.

⁹⁸ DFID planned to commission monitoring and evaluation at the outset for six-monthly monitoring reports, 12- and 24-month project reviews, a post-project evaluation and a full impact evaluation 12 months after project completion. DFID HGP Project Memorandum, July 2010.

⁹⁹ Ian Robinson, *Final Evaluation Report: Developing Access to Skills and Trade for Growth of Agri-Business in Helmand*, AA International, 2013.

¹⁰⁰ *Intervention Summary: Road Improvement Central Helmand (RICH)*, DFID, 2010.

¹⁰¹ The term ‘legitimacy’ refers to people’s beliefs about the rightfulness of political authority. Survey respondents were asked to what extent they agreed with the statement: ‘Over the last 3 months in your District, the District Government has improved infrastructure and conditions to roads in my area.’

¹⁰² See <http://www.coffey.com/our-projects/helmand-monitoring-and-evaluation-programme-hmep-future>.

¹⁰³ This is a problem reported in the academic literature of many projects by different donors in Afghanistan. See: Richard Mallett and Rachel Slater, *Growth and Livelihoods in Fragile and Conflict-Affected Situations*, ODI, 2012, <http://r4d.dfid.gov.uk/pdf/outputs/sirc/sirc-wp9.pdf>.

¹⁰⁴ Anthony Cordesman, *The Afghan War in 2013 Meeting the Challenges of Transition: Volume II Afghan Economics and Outside Aid*, Center for Strategic and International Studies, 2013.

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the project's intended monitoring.¹⁰⁵ The late decision to conduct a survey, while commendable, meant that there was no livelihoods baseline available against which to measure change (i.e. the knowledge of the situation before demining took place is less reliable, as it had to rely on the memory of interviewees).

2.56 We also found poor choices of results indicators and targets (the level below DFID's definition of 'impact'). For example, while the Zardozi project, (part of the Enterprise and Employment Programme) delivered income benefits to intended beneficiaries, interviewees in Kabul reported no change in their time contribution to the labour market – the basis of DFID's job creation calculation.¹⁰⁶ In another case, DFID failed to agree on the outcome targets for the ABIF project (part of the same programme); results are yet to be measured.

2.57 The inappropriate nature of the indicators that were selected by DFID contributes to our scoring of impact because we are unable to determine whether these case study projects are contributing, meaningfully, to growth and livelihoods in Afghanistan. As a result, DFID loses the possibility to attribute impacts to its efforts in Afghanistan and, with this, loses an opportunity to learn what is effective in this challenging environment. Further analysis of existing data, establishing validation processes and additional fieldwork could fill these gaps.

More should be done to ensure sustainability

Our case study projects show variable quality of planning and design for long-term sustainable impact

2.58 The Road Project should provide long-term benefits. The head of Helmand's Department for Public Works told us that he is confident these roads can be maintained, so long as the security situation holds and state funding is available at current levels. We heard from the intended beneficiaries of the Herat Demining Project how they have been provided with long-term freedom of

movement to access services and develop livelihoods. The HALO Trust has shown it is likely to be able to continue operations under worsening scenarios. The Growth Programme implementing agents stated that they will also continue under worsening conditions but will be forced to withdraw further into urban strongholds if insurgent activity precludes field activities with beneficiaries.

2.59 There are questions, however, about the long-term sustainability of the Employment and Enterprise Programme. The lack of adequate long-term planning raises two future concerns:

- the mid-term review of Zardozi (the support to female workers component of the Enterprise and Employment Programme) recommended that the implementing agent step back to enable beneficiaries to manage their own business affairs and become self-sufficient. From our interviews with implementing partners, it is evident that this is unachievable in the timeframe of the current project and would require an extension;¹⁰⁷ and
- the likelihood that ABIF (the challenge fund component of the Enterprise and Employment Programme) will meet its already extended deadline to complete all awards by December 2014 is low. Even if this is achieved, which is unlikely based on round one experience, DFID will require monitoring capacity, post-2014, to assess the impact that this innovative tool is capable of delivering in Afghanistan.

2.60 As well as these specific examples, it will be increasingly important that all growth and livelihoods programmes are able to deliver sustainable impact in a post-drawdown state. This may require rethinking approaches to delivery, creating more flexibility and having appropriate review points and options available to adapt to conditions.

Learning

Assessment: Green-Amber 

2.61 This section reviews the preparations being made by DFID to ensure that it can continue to tackle poverty in Afghanistan in 2014 and beyond. It also

¹⁰⁵ *Project Year Five (of Five): Livelihood Report*, HALO Trust, 2013.

¹⁰⁶ Intended beneficiaries, interviewed in Kabul, stressed that they worked no more and no fewer hours than before Zardozi support. DFID will soon begin to verify Zardozi's results.

¹⁰⁷ DFID has received a concept note for a second phase of support to Zardozi. If DFID supports a second phase, there is a possibility of good impact sustainability.

2 Findings

reviews the areas where we observed learning at strategic and project levels.

Preparations for post-2014 impact

Earlier preparations would have given DFID more flexibility to respond to an uncertain future

2.62 International military drawdown was announced in January 2010 and began formally in July 2011 but DFID has only recently begun, formally, to consider how an uncertain future will affect its project portfolio. DFID's projects can take up to 24 months to be designed and approved. Earlier planning would have allowed DFID to have a clear understanding as to whether and how current projects can be delivered under the most likely futures.

2.63 The projects being designed that we were able to review do not yet adequately include considerations as to how they would operate under different futures or do not set out how the projects will need to adjust to different scenarios. This is something DFID is aware of and it was highlighted in a recent workshop, convened to consider likely futures.

2.64 It is likely to become increasingly difficult to design a new project portfolio in a future of greater risk and uncertainty. For example, reduced access will limit further DFID's ability to interact with intended beneficiaries and provincial governments to determine future needs.¹⁰⁸ These changes make it all the more important that the projects currently being designed are made sufficiently flexible and robust to be able to operate under likely futures.

DFID is taking initial positive steps to consider its post-2014 approach and portfolio

2.65 DFID has recently started a process to adapt to a post-2014 future. Many of the actions underway reference our previous review of Afghanistan in 2012 as the catalyst for action.¹⁰⁹ DFID intends to assess the current situation, develop a set of

scenarios and consider priorities and constraints. Work underway or completed includes:

- **Scenario forecasting:** internal UK Government workshops have produced a range of potential scenarios. DFID's intention is to ensure that all future projects state clearly what they would do under these likely futures. The workshop revealed, however, that staff were not clear how to modify projects to meet future scenarios. We encourage DFID to fill such capacity gaps. Scenarios, alone, have limited use. It is, therefore, important that DFID uses them to inform both the design of new projects, so it is clear how they would be required to operate under different futures; and for project reviews, to test whether further adjustments are needed;
- **Review of humanitarian aid:** DFID's current preparation of a new business case to double its allocation to humanitarian aid suggests that it is preparing for the potential of a worsening future. This can also be considered a response to known problems and past criticism that DFID Afghanistan has been underfunding humanitarian projects.^{110,111} We support DFID's plans to move its humanitarian aid to a multi-year, multilateral approach, based on learning from the past and from an assessment of future risks;
- **Conflict sensitivity:** DFID Afghanistan intends to audit projects for conflict sensitivity – which we welcome – and has recently increased its advisory capacity on conflict issues. In our view, however, this should have been routine throughout the period of DFID's activity in Afghanistan. The process aims to understand better how interventions interact with the operating context, in order to avoid negative impacts and maximise positive results;
- **Monitoring:** a study has been commissioned to determine whether the UK needs to do more to improve its monitoring in Afghanistan. Many

¹⁰⁸ Our discussions with the Special Inspector General for Afghanistan's Reconstruction reinforced this point: access to emergency medical facilities falls with a declining military presence. SIGAR has begun to map potential future areas of operation for US staff, based on maximum accepted distances from remaining medical facilities. It is clear from its early work that, as the drawdown proceeds, access will fall rapidly.

¹⁰⁹ *The Department for International Development: Programme Controls and Assurance in Afghanistan*, ICAI, 2012, http://icai.independent.gov.uk/wp-content/uploads/2010/11/ICAI-Afghanistan-Final-Report_P1.pdf.

¹¹⁰ *Humanitarian Emergency Response Review*, March 2011, https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/67579/HERR.pdf.

¹¹¹ The International Development Committee report (2012) recommended that 'DFID do much more to meet humanitarian needs and address the underlying causes of the crisis. More of DFID's budget should be spent on disaster mitigation'.

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donors have already concluded that more should and can be done (and will need to be, given the likely reductions of access),¹¹² for example, using both more local engagement and innovative use of technology.¹¹³ DFID intends its study to learn from these examples;

- **Evaluation:** DFID Afghanistan produced an ambitious Evaluation Strategy in May 2012, which aims to 'put evaluation at the heart of DFID Afghanistan's portfolio development',¹¹⁴ and
- **Resources and skills:** we saw evidence that DFID Afghanistan has considered how different futures might impact staffing. There was also a recognition that it may get much harder for staff to 'get beyond the compound' and improve their understanding of the operating environment. DFID has also started to improve staff skills¹¹⁵ and awareness of monitoring, evaluation and methodological design (such as through training in 'logframe' design). High turnover and relative inexperience of staff are, however, ongoing challenges.

2.66 DFID Afghanistan also has plans to refresh its strategy. We were presented with the following set of potential strategic aims:

- **A focus on equity:** in terms of gender, location and ethnicity (other documentation reviewed also suggested a greater emphasis on poverty reduction, as a central determinant of equity);
- **A focus on jobs:** in line with current objectives and DFID's corporate aims;
- **A more 'balanced portfolio':** fewer, larger projects and a greater focus in particular areas, such as infrastructure, as well as more options

that will not rely on input from the Government of Afghanistan; and

- **Projects that tackle violence against women:** a priority of the current Secretary of State.

2.67 This set of aims does not yet appear to derive from a top-down, clearly defined goal. Importantly, it does not draw from the available evidence base which, for jobs, growth and livelihoods interventions in Afghanistan, is very weak. The evidence that does exist is usually of low quality, with 'outputs privileged over impacts' and focussed on design and not on the experiences of intended beneficiaries.¹¹⁶

2.68 While it is now widely accepted that conflict retards economic growth and that higher poverty levels are linked to a greater likelihood of conflict, relatively little is known about the specific mechanisms through which these processes operate. More complicated still is that, while livelihoods and growth share a complex and slightly ambiguous relationship, they are not necessarily positively linked or mutually supporting.¹¹⁷

2.69 Job creation, in particular (although a seemingly sensible response to the large numbers of young people entering the workforce), has no evidence base to support the link that employment creation will promote poverty reduction or increase stability in conflict-affected states.¹¹⁸ In addition, given how difficult job creation is in non-conflict affected states, it may be wise to exercise caution over the extent to which this guides a future strategy, especially relative to other options with a stronger evidence base.

¹¹² For example, USAID personnel can only travel within a specified distance of hospitals providing adequate trauma care, which are currently mainly based in PRTs which are closing, severely reducing the ability for staff to travel, irrespective of conflict.

¹¹³ USAID, for example, has very ambitious technology-focussed plans, while CIDA (Canada) and GIZ (Germany) are establishing independent monitoring units. The World Bank, in its delivery of the ARTF, has demonstrated effective and continued use of a third-party monitoring agent; a third-party supervisory agent (that uses smart phones, satellite imagery and innovative technology to systematically monitor developments financed under key ARTF-funded projects); and three independent evaluations of the fund have been conducted since its inception.

¹¹⁴ *DFID Afghanistan Evaluation Strategy*, DFID, 2012.

¹¹⁵ The 2012 International Development Committee report recommended that 'DFID create a cadre of experts with knowledge of Afghan language and culture'.

¹¹⁶ A very useful resource is the following systematic review which has a very wide-ranging bibliography of further reading (this paragraph draws from these findings): Richard Mallett and Rachel Slater, *Growth and Livelihoods in Fragile and Conflict-Affected Situations*, Working Paper 9, ODI, 2012, <http://r4d.dfid.gov.uk/pdf/outputs/slrc/slrc-wp9.pdf>.

¹¹⁷ Richard Mallett and Rachel Slater, *Growth and Livelihoods in Fragile and Conflict-Affected Situations*, Working Paper 9, ODI, 2012, <http://r4d.dfid.gov.uk/pdf/outputs/slrc/slrc-wp9.pdf>.

¹¹⁸ *What is the evidence on the impact of employment creation on stability and poverty reduction in fragile states, a systematic review*, Working Paper 9, ODI, 2013, <http://www.odi.org.uk/sites/odi.org.uk/files/odi-assets/publications-opinion-files/8386.pdf>.

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Learning from experience in growth and livelihoods

Our focus projects demonstrate little formal learning from other comparable contexts but there were good examples of learning within Afghanistan

- 2.70 Opportunities for our focus projects to learn from the experiences in other fragile and post-conflict states, at either the project design or delivery stages, were not taken. Little was formally learned, for example, from aid delivery in Iraq: an acknowledged missed opportunity.¹¹⁹
- 2.71 DFID has, however, demonstrated a willingness and ability to learn from its activities in Afghanistan. There are examples of responses to design flaws and delivery weaknesses in our case study projects. In these instances, DFID took appropriate and measured action to change direction and closed or moved specific components following annual reviews, especially for the Growth Programme.
- 2.72 At a strategic level, DFID has learned that single crop substitution for poppy cultivation does not work. Detailed learning from counter-narcotics programmes dates from at least 2008 and, therefore, while not explicit, it seems the design of both the Rural Development Programme and the Growth Programme were trying to avoid past mistakes and go beyond crop substitution to promote alternative livelihoods to opium poppy growing. For example, the Growth Programme uses vouchers to allow farmers to purchase inputs at a subsidised rate.
- 2.73 We found interesting examples of learning in the Helmand PRT. Both military and civilian staff talked about how they had, through trial and error, markedly improved the way they worked together, particularly within the Helmand PRT base. We also recognised the innovation that was attempted in establishing the Helmand Monitoring and Evaluation Programme (HMEP). Based in the PRT, this Helmand-wide perceptions survey monitored the implementation of the Helmand Plan (the shared plan for international donors and the military). HMEP data helped to inform a substantial

revision of the plan. Figure 9 describes HMEP's main features.

- 2.74 Few of our case study projects demonstrated or documented any formal learning. The Demining Project is a notable exception. This project clearly built on learning between its two phases, in particular, expanding its objectives to include livelihood and economic growth targets following criticism by an independent evaluation. We observed good collaboration between DFID and its implementing partner, The HALO Trust, in conducting a livelihoods survey to identify and define explicit targets in response to the evaluation. To monitor future impact, a livelihoods monitoring survey, with a baseline and follow-up survey, is being developed. In addition, The HALO Trust's performance is reviewed on a quarterly basis by the national demining agency.

Figure 9: Innovative survey methods in Helmand

The Helmand Monitoring and Evaluation Programme (HMEP) is a highly innovative attempt by DFID to measure progress against the Helmand Plan using a quantitative perception survey. The survey baseline was undertaken in 2009 and is added to on a quarterly basis. The project will continue until 2014 when the PRT closes.

Whilst suffering some initial problems, it has played an important role in the redesign of the Helmand Plan and has provided some useful insights into the perceptions of the population of Helmand.

HMEP staff consists of contractors working for Coffey International Ltd.¹²⁰ Staff learned useful lessons that should be shared more widely. For example, independent validation should have been used at an earlier stage, indicators designed to measure a province-wide, multi-agent plan should not be used to monitor the impact of individual projects and more control should have been exercised on the use of the data (particularly political pressure to generate 'good news stories').

¹¹⁹ Similarly, Rt. Hon. Andrew Mitchell MP, when shadow Secretary of State for International Development, called for a full investigation into all aspects of British involvement in Iraq, including the aid and reconstruction effort, in order to learn lessons for their involvement in Afghanistan. Birmingham Post, July 2009.

¹²⁰ See <http://www.coffey.com/our-projects/helmand-monitoring-and-evaluation-programme-hmep-future>.

3 Conclusions and Recommendations

Conclusions

- 3.1 DFID has implemented a range of projects as part of its role in the UK presence in Afghanistan. These had a considerable focus on growth and livelihoods, especially within Helmand province. The projects have been conducted against the backdrop of a very difficult security and political situation in a culturally and geographically complex environment. We have, however, found less strategic perspective to the balance of the portfolio than expected and limited evidence that the tight coherence of the programmes to integrated outcomes, which meet beneficiary needs, has been in place. Top-down policy directives, pre-existing programmes and limited on-the-ground options have skewed and reduced the focus.
- 3.2 Once international military forces have left Afghanistan by the end of 2014, meeting the humanitarian and development needs of the poor is likely to become even more difficult. It is vital, therefore, that DFID selects the right mix of projects for this context – projects that focus on the needs of intended beneficiaries and that are based on sound evidence. This, in turn, requires up-to-date information on the performance of existing projects to learn what is working best and why.
- 3.3 We reviewed five case study projects which aimed to support infrastructure and to improve livelihoods of the poor in Afghanistan. While the projects had strong development-oriented objectives, their weak project design and insufficient attention to country context – especially consultation with intended beneficiaries – diminished the prospects of success. The projects' combined role in DFID's aim of a viable state was also unclear.
- 3.4 We found mixed success in our case study projects, including some very good results. The Demining Project and the Road Project exceeded their targets. The Rural Development Programme partly achieved its targets. We could not determine the results of the Growth Programme, due to lack of suitable data. The Employment and Enterprise programme is off track with two of its three targets.
- 3.5 The positive results were supported by our independent fieldwork. We saw evidence of significant changes to intended beneficiaries' livelihoods. The Demining Project has improved physical security and employment opportunities, provided greater access to services and increased ease of movement. The Road Project has improved market access, created new job opportunities and brought more (and faster) transportation, with a resulting increased access to services and greater security. One component of the Growth Project has enabled farmers to grow higher-value crops and improved household incomes.
- 3.6 DFID has not always been able to supply us with reliable, up-to-date targets and results. Most of the results published by DFID were unverified. This opens them to challenge and limits DFID's ability to know how its money was spent. In addition, DFID's use of inappropriate indicators made it difficult to ascertain whether the projects are contributing, meaningfully, to DFID's high-level impact targets to improve growth and livelihoods in Afghanistan. With this, DFID loses an opportunity to learn what is effective in this challenging environment.
- 3.7 The HALO Trust, which delivers DFID's Demining Project in Herat and STRE, which delivered the Road Project in Helmand, stand out for their strong delivery performance in high-risk environments. Both organisations work effectively with government and have developed trusted community relations, confirmed by our independent fieldwork.
- 3.8 Other projects were delivered less effectively. The Rural Development Programme required significant monitoring and project redesign as a result. Also, some private sector implementing partners proved unreliable, particularly those implementing components of the Growth Programme. This demonstrates the importance of ensuring that implementing partner competencies are fully assessed in relation to operations in conflict situations and that assistance is provided to build capacity, if needed.
- 3.9 We were not convinced that the way DFID used umbrella programmes in Afghanistan was, on balance, positive. Although such methods of delivery should facilitate streamlined project

3 Conclusions and Recommendations

management they, instead, affected programme coherence and complementarity of activities, ultimately reducing their potential impact.

- 3.10 Our focus projects demonstrate little formal learning from other comparable contexts but there were good examples of strategic-level learning within Afghanistan, including how civilian and military staff can best work together.
- 3.11 DFID has begun to think about how it needs to adapt both its approaches and strategy after the forthcoming security transition is complete. Initial steps are encouraging but incomplete and there is a risk that this work is unco-ordinated and inadequate to the scale of the challenges ahead.
- 3.12 It will be increasingly important that all growth and livelihoods programmes are able to deliver sustainable and verifiable impact in a post-drawdown state. This requires rethinking approaches to delivery, creating more flexibility and having appropriate review points and options available to adapt to conditions.

Recommendations

- 3.13 Three recommendations address the areas we consider most important to ensure that future projects have the best chance of changing the lives of the poorest in Afghanistan. Collectively, they aim to help DFID to find the right mix of projects which are focussed on intended beneficiaries' needs, assess impact and provide the information required to learn and to design better projects.

Recommendation 1: DFID should formally review current and future projects to focus its portfolio more firmly on reducing poverty using evidence-based interventions. This should be completed within six months using a consultative and evidence-led process.

- 3.14 We understand that there are plans to review DFID's overall strategy for Afghanistan. We support the intended approach to narrow DFID's remit and focus on those in greatest need. This will, in turn, make fulfilment of this recommendation easier (see paragraph 2.66).
- 3.15 Building on the work DFID has already begun, it should map current and pipeline projects against

its strategic objectives to identify limitations, gaps and opportunities to focus specifically on reducing poverty in Afghanistan, subject to access restrictions.

- 3.16 Using the results of this exercise, DFID should analyse how projects relate to and complement one another. It should identify which projects are at risk of failing to deliver under worsening scenarios and where gaps in coverage exist for new projects to focus on reducing poverty in Afghanistan.
- 3.17 Existing projects should be adapted to ensure that they are able to operate under likely futures. This will require rethinking approaches to delivery, ensuring adequate flexibility to changes in the operating environment and building in appropriate review points that are informed by scenario planning. This process would enable DFID to consider future project options as combinations that support one another, spread risk and gather evidence for future project design.
- 3.18 All future project designs should ensure, for a range of likely scenarios, that project objectives are realistic and flexible. They should be based on a clearly articulated theory of change which uses evidence to demonstrate that the chosen design is the most appropriate way to reduce poverty.

Recommendation 2: DFID should ensure that intended beneficiaries are, as far as practicable, directly consulted when new projects are being designed, so that their needs are clearly addressed and their ownership is enhanced.

- 3.19 Given the probable future in Afghanistan, it is all the more important that DFID focus future projects on the needs of the poor.
- 3.20 Because its staff are likely to be subject to continued and greater movement restrictions, DFID needs to engage competent Afghan research and development institutions to build a network of local partners, who have the confidence and ability to access rural and urban beneficiary groups, collect qualitative and quantitative data to an acceptable standard and inform and advise on project design.
- 3.21 DFID should consider not moving ahead with a project if it has not been able to engage sufficiently

3 Conclusions and Recommendations

with beneficiary groups and secure local ownership.

Recommendation 3: DFID should enhance its approach and commitment to independent monitoring in order to assess current and future project performance and to allow it to assess the impact of its programme.

- 3.22 Given that monitoring projects will very probably become harder over the next few years, it is even more important for DFID to make the necessary improvements to its monitoring systems. A pragmatic, balanced approach should be taken to improve independent, real-time monitoring, as well as longer-term evaluations. Enhanced monitoring comes at a cost. It is, therefore, essential that sufficient resources are allocated to meet this recommendation.
- 3.23 In its 2012 Evaluation Strategy, the use of local partners for future monitoring is recommended by DFID to overcome problems of access. DFID should publish a plan, within the next six months, that places Afghan organisations at the heart of its future monitoring strategy and, with it, make a long-term commitment to build the monitoring capacity of its implementing partners.
- 3.24 New projects should not be approved until they assess how performance against their intended targets will be robustly measured. These results will be important, not just to enable DFID to track progress and prove impact but also to build an evidence base of what works in aid programmes in fragile and conflict-affected states.

Annex

This annex provides more detailed background information to the review. This includes:

- Annex A1: Assessment of our case study projects;
- Annex A2: The Rural Development Programme;
- Annex A3: The Growth Programme;
- Annex A4: The Employment and Enterprise Programme;
- Annex A5: The Herat Demining Project;
- Annex A6: The Road Project; and
- Annex A7: List of interviewees.

Sections A2-A6 summarise the five case study projects, within which each of the following are covered:

- details of the project's purpose, activities, targets and reported results;
- details of our fieldwork (where applicable); and
- additional recommendations (where applicable).

Annex

Annex A1: Assessment of our case study projects

A.1.1 We chose five case study projects to examine in detail, with a combined budget of £97.7 million, implemented from 2006 to 2018.

A.1.2 Projects were selected with a set of objective criteria, including how directly they focussed on the poor; our ability to access intended beneficiaries and project staff; and implementation dates to facilitate beneficiary recall. In addition, we interviewed 420 individuals across three provinces in Afghanistan, as shown in Figure 5 on page 8 of

the main report, using both individual interviews and focus groups.

A.1.3 We assessed each project against the four ICAI criteria: objectives, delivery, impact and learning. Each project was scored against each criterion, which together helped to inform the overall score for the report. The sections below give more detail on our findings under each of these areas, as well as further fieldwork findings for those projects where relevant.

For ease of reference we (below) set out our ‘traffic light’ summary of the assessment across the five case study projects. Each ‘traffic light’ reflects our judgement on each project and has the following meaning:

| | |
|---|--|
|  | Green: The programme performs well overall against ICAI’s criteria for effectiveness and value for money. Some improvements are needed. |
|  | Green-Amber: The programme performs relatively well overall against ICAI’s criteria for effectiveness and value for money. Improvements should be made. |
|  | Amber-Red: The programme performs relatively poorly overall against ICAI’s criteria for effectiveness and value for money. Significant improvements should be made. |
|  | Red: The programme performs poorly overall against ICAI’s criteria for effectiveness and value for money. Immediate and major changes need to be made. |

Individual project scoring is assessed as follows (a detailed description of our judgement can be found in the full report):

| | The Rural Development Programme | The Growth Programme | The Road Project | The Employment and Enterprise Programme | The Demining Project |
|------------|---|---|---|---|---|
| Objectives |  |  |  |  |  |
| Delivery |  |  |  |  |  |
| Impact |  |  |  |  |  |
| Learning |  |  |  |  |  |

Annex

Annex A2: The Rural Development Programme

Project purpose, activities, targets and results

Details of the project's aims

A.2.1 DFID's programme for agriculture and rural development in Helmand was designed to provide economic opportunities for the rural poor, including those who make a living from growing poppies, through integrated support to improve their livelihood options.

A.2.2 The Rural Development Programme ran from June 2006 to September 2010, with an initial budget of £31.72 million and a final adjusted budget of £19.25 million. It was implemented by the Government of Afghanistan, an NGO and other partners.

A.2.3 The Rural Development Programme was the forerunner of a series of growth and livelihoods programmes that were partially designed to deal with poppy cultivation by replacing poppies with a range of alternative livelihood opportunities. The programme's design was influenced by very difficult security conditions and was aimed at cultivating low-risk, low-value crops, diversifying household income sources and increasing farmers' engagement with markets.¹²¹

A.2.4 The counter-narcotics objective – replacing poppies with licit crops – was key to the Rural Development Programme's success but the result – an initial reduction in poppy cultivation in target areas – was soon followed by an increase in hectares devoted to poppies, particularly in marginal desert areas.

A.2.5 The Rural Development Programme had links with other programmes in the Helmand Plan and was co-ordinated with other capacity building, stabilisation, security and counter-narcotics interventions funded by DFID, the PRT and a range of other organisations.

Figure A2.1: Activities, targets and results of the project

| Purpose |
|--|
| Provide economic opportunities and livelihood options for the rural poor, including poppy farmers |
| Activities |
| <ul style="list-style-type: none"> ■ Improve public services to Helmandi communities by building the Government of Afghanistan's capacity to deliver services ■ Facilitate input markets for agriculture by incentivising the use of high-yield seeds and fertiliser for alternative crops ■ Catalyse greater agricultural productivity by improving farming techniques ■ Improve access to finance for agribusinesses through loans from the Microfinance Investment Support Facility for Afghanistan ■ Improve road infrastructure and build or rehabilitate irrigation canals ■ Improve water and sanitation services |
| Targets |
| <ul style="list-style-type: none"> ■ Funding for 564 Community Development Councils (CDCs) ■ 2,000 farmers and agribusinesses supported ■ 100 farm projects completed ■ 80 college graduates ■ 75% microfinance loans repaid ■ 50 microfinance jobs created ■ 180 km of road built ■ 1.4 million m³ canals improved ■ 4,000 water sources improved ■ 3,000 toilets provided ■ 70,000 people benefiting from infrastructure projects |
| Results |
| <ul style="list-style-type: none"> ■ 284 CDCs received funding ■ 4,000 farmers and agribusinesses provided with skills ■ 37 farm projects completed ■ 90% microfinance loans repaid ■ 190 jobs created through microfinance loans ■ 97 km road constructed or rehabilitated ■ 1.37 million m³ irrigation canals improved ■ 4,325 improved water sources ■ 3,000 toilets constructed ■ 64,000 people benefited from infrastructure projects |

¹²¹ *Growth and Livelihoods in Fragile and Conflict-Affected Situations*, Secure Livelihoods Research Consortium, 2012, http://www.securelivelihoods.org/publications_details.aspx?resourceid=153&.

Annex

Annex A3: The Growth Programme

Project purpose, activities, targets and results

Details of the project's aims

- A.3.1 DFID's strategic vision for Helmand is to replace poppy cultivation and introduce economic interventions to complement military objectives. The approach is based on alternative sustainable livelihoods and private sector development to strengthen the economic corridor from Gereshk in the north through Lashkar Gah to Garmsir in the south, covering 45% of the population. The chosen districts are agriculturally rich and most are (relatively) secure.
- A.3.2 The Growth Programme was preceded by the Helmand Agricultural and Rural Development Programme (HARDP) and Helmand Alternative Livelihoods Programme (HALP), both of which had a focus on poppy eradication. HALP was an interim programme running from 2009 to 2010.
- A.3.3 The Growth Programme has undergone repeated changes in scale. Originally designed at £28 million, it was initially increased to £36 million but then reduced to £14.2 million as components were added and removed after annual reviews.
- A.3.4 The programme's original design consisted of skills and improved market linkages and support to rural enterprise. Some components were either cancelled or moved to other programmes: Bost Business Park, a Flexible Fund, access to credit and a biomass energy project. Changes were introduced in response to slow implementation and non-performance caused by a combination of factors: the deteriorating security situation in parts of Helmand; poor performance of implementing partners; and over-ambitious and complex programme design, which delayed implementation or resulted in component failure.
- A.3.5 The Growth Programme is aligned with the Afghan National Development Strategy and the Government's aim is to integrate the rural economy with the national economy and reduce poppy

cultivation.¹²² The Growth Programme is also aligned with the Helmand Plan and supports DFID's operational plan for Afghanistan. The Growth Programme consulted with the Government of Afghanistan and the private sector.

- A.3.6 We undertook fieldwork for one component of the Growth Programme: Developing Access to Skills and Trade for Growth of Agri-Business in Helmand (DASTGAH). This was implemented by Mercy Corps, an NGO, between 1 May 2010 and 30 April 2013. It aims to contribute to the emergence of sustainable agribusiness in Helmand by connecting farmers with agricultural suppliers, using subsidised vouchers and by introducing a new agricultural technology (plastic tunnelling).
- A.3.7 DASTGAH was revised in 2012. As part of this revision, Mercy Corps provided DASTGAH with 'a stronger market-driven focus and aimed to build linkages with the private sector, adopting a value chain approach.'¹²³ The main output of DASTGAH was defined as 'increased access to training and improved market linkages for farmers and agri-businesses'.¹²⁴
- A.3.8 DASTGAH itself is part of a broader 'market linkages' strategy implemented by Mercy Corps. It consists of two components (see Figure A3.1). These are the strengthening of links between farmers and agricultural input providers (suppliers who provide items, such as seeds, tools, plastic tunnel materials and animal feed), as well as the strengthening of links between farmers and buyers (such as wholesale vegetable buyers who sell locally or to distant markets, such as Kabul or other countries).

Figure A3.1: market links from input supplier through to produce buyer



¹²² *Afghanistan National Development Strategy (ANDS), 2008-2013*, The Government of Afghanistan, 2008, http://www.undp.org.af/publications/KeyDocuments/ANDS_Full_Eng.pdf.

¹²³ *DASTGAH Final Report*, DFID, 2013.

¹²⁴ *Logframe HGP 2013*, DFID, 2013.

Annex

Figure A3.2: Activities, targets and results of the Growth Programme (including DASTGAH) project

| Purpose |
|---|
| Increase the potential for licit economic growth in selected districts of central Helmand |
| Activities |
| <ul style="list-style-type: none"> ■ Provision of market-based skills training to increase rural employment and self-employment ■ Improved business skills that result in more competitive industry clusters ■ Technical training and facilitated market linkages for farmers and agribusinesses ■ Technical support for improvements in rural economic infrastructure |
| Outcome targets |
| <ul style="list-style-type: none"> ■ 177 permanent full-time employees created by project interventions ■ Three projects transitioned to national programmes |
| Activity targets |
| <ul style="list-style-type: none"> ■ 7,800 students graduate in agricultural skills (of which 1,200 should be female) ■ Improved business skills and more competitive industry clusters; 36 SMEs produce business plans ■ Technical training: 20% yield growth ■ 300 market linkages for farmers and agribusinesses ■ Bost Business Park works 90% complete ■ Islamic loans: lend US\$500,000 (15% maximum default) ■ Flexible Fund: four applications; award 65% of fund |
| Results |
| <ul style="list-style-type: none"> ■ No data on permanent full-time employees created by project interventions ■ One project transitioned to national programme ■ 17,792 students graduated (5,200 female) by 2013 ■ 25 SMEs produced business plans ■ Farms produced 17.8% yield growth ■ 410 farmers and agribusinesses benefited from improved market linkages ■ Bost Business Park, Islamic loan product and the Flexible Fund either cancelled or transferred to other programmes |

A.3.9 The first area of improvement (input linkages) is targeted by DASTGAH, while the second (strengthening output linkages) is targeted by the Helmand Agriculture Support Programme (HASP).¹²⁵ Both projects are supported by DFID.

¹²⁵ HASP's budget is £938,000 for two years (telephone interview with Mercy Corp, on 16 December 2013).

A.3.10 Mercy Corps distributed vouchers to 1,411 farmers, to be used to purchase seeds, materials for plastic tunnelling and plastic baskets. Plastic tunnelling is a relatively new agricultural technology in Helmand and was used by only a few farmers prior to DASTGAH. It allows farmers to plant vegetables in the winter months when, previously, they could only plant winter wheat. In addition to strengthening linkages between agricultural suppliers and farmers, the project also aimed to introduce a new agricultural technology.

A.3.11 Mercy Corps contracted four agricultural retailers in Lashkar Gah to sell inputs (seeds, materials for plastic tunnelling and plastic baskets) in exchange for vouchers. Before signing a contract with them, Mercy Corps vetted and certified four agricultural retailers to ensure the commercial viability of their companies and the quality of the goods included in the voucher programme. Ethical issues were only indirectly addressed during the vetting. The vouchers provided inputs for the cultivation of 0.5 jeribs (0.1 hectares) of land and had a fixed value, 'estimated to cover 90% of the lowest price offered among the pool of vendors in the Lashkar Gah market'.¹²⁶ Given that it was a fairly unknown agricultural technology, Mercy Corps also provided intense training and coaching to project beneficiaries.

A.3.12 The project also included a small component focussing on livestock farmers. Mercy Corps distributed 5,000 animals (mostly sheep and cattle) to 931 livestock farmers and provided them with vouchers for purchasing improved animal feed.

Fieldwork findings

A.3.13 This section gives some background information on the area in which we undertook our fieldwork; sets out our methodological approach; reviews our findings on the impact the project had on the livelihoods of intended beneficiaries and discusses the extent to which attribution between the impact and the intervention can be made.

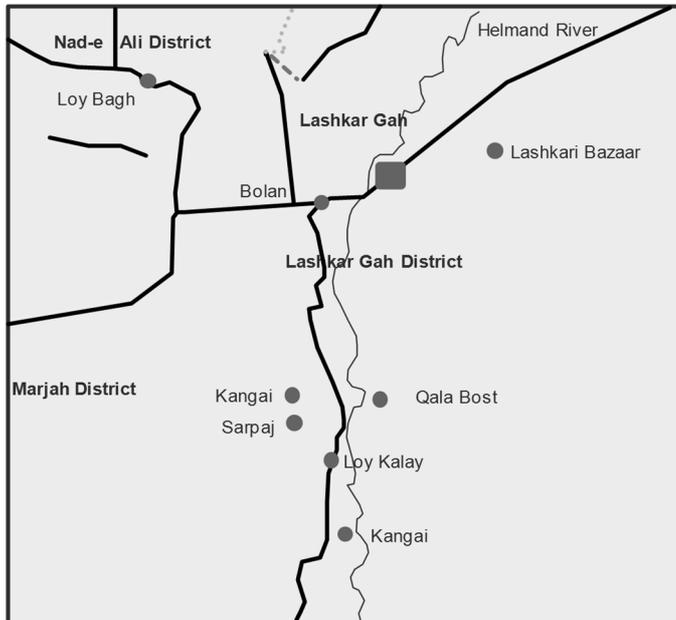
¹²⁶ DASTGAH Final Report, DFID, 2013, page 10.

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Background

A.3.14 Selected beneficiary villages were located in three central Helmand districts: Lashkar Gah, Nad-e Ali and Nawa-e Barakzai. The villages of Lashkar Gah District (Lashkari bazaar, Qala-e-Bost and Bolan) are located in the immediate vicinity of the provincial centre of Lashkar Gah and have benefited from the opportunities offered by this economic hub (see the map in Figure A3.3).

Figure A3.3: Map of Central Helmand Province showing DASTGAH survey villages (dashed lines represent damaged roads; black lines represent paved roads; dotted lines represent unpaved roads)



A.3.15 Other survey villages are more remote but have received significant infrastructure development in the last two years. These villages are now either directly linked to paved roads or can connect to paved roads via recently constructed gravel roads. Travel times by car to the respective district centres now range between 10 and 35 minutes and even from the furthest location, Lashkar Gah City can be reached within 45 minutes. Good transport infrastructure is a precondition for the development of legal commercial agriculture. In the absence of good paved roads, it is difficult for farmers to transport soft produce (fruits or vegetables) to the main Lashkar Gah market, as the goods get damaged on the way.

A.3.16 Aside from significant infrastructure improvements in the last two years, direct agricultural support to the survey communities has been limited. Only one village, Loy Bagh, has benefited from such a programme – the distribution of support poles for grapevine (this project was also implemented by Mercy Corps). Lastly, the use of plastic tunnelling technology was present in some of the villages before the project commenced but only very few farmers used it.

Our approach

A.3.17 The fieldwork was limited to investigate the impact DASTGAH delivered after the 2012 revision of the Growth Programme and, within this project component, to focus on the plastic tunnelling sub-component.

A.3.18 The overall objective of our research was to understand how Mercy Corps delivered DASTGAH and to what extent it has improved the livelihoods of intended beneficiaries. As part of this livelihood-related research question, we also wanted to understand how the project impacted women.

A.3.19 In addition, we wished to gather evidence of performance against the objectives of the revised DASTGAH programme, the improvement of 'market linkages for farmers and agribusiness'¹²⁷ and whether the project has contributed to lasting supplier-customer relationships.

A.3.20 The researchers visited eight settlements where Mercy Corps had implemented the farming component of DASTGAH, conducting one focus group discussion and five male head-of-household interviews at each location. Five voucher beneficiaries were selected randomly at each location. The teams identified interview partners via the Community Development Council (CDC) of each village, which directed our researchers to the identified individuals.

A.3.21 In addition, we interviewed all four certified agricultural retailers who were contracted to sell the programme inputs (plastic tunnelling material, plastic baskets and seeds) and held 40 interviews with women in two selected research locations:

¹²⁷ Logframe HGP 2013, DFID.

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Bolan (Lashkar Gah District) and Loy Bagh (Nad-e Ali District).

A.3.22 Female-only interviews were possible because Bolan is located very close to Lashkar Gah and is therefore relatively more secure than other research locations. As a result, the female researcher felt sufficiently safe to work at this location. In Loy Bagh (Nad-e Ali District), the female researcher had close relatives, once again offering her a sense of increased security.

Impact on intended beneficiaries

A.3.23 One year after the implementation of the revised project, DASTGAH appears to have achieved most of its immediate objectives:

- the project was successful in introducing a new agricultural technology in target villages;
- most participants improved their income, in spite of a hailstorm that damaged their crops; and
- many DASTGAH voucher participants (29 out of 40) continued buying from the same retailers to whom they were introduced by the project.¹²⁸

A.3.24 Farmers were generally pleased with the inputs provided by DASTGAH, in spite of delivery and weather challenges. Most farmers were satisfied with Mercy Corps' implementation (38 out of 40 respondents) and positively emphasised the training and support they had received (39 out of 40). We received a few comments alleging nepotism during beneficiary selection but these allegations could not be validated.

A.3.25 We identified all interview partners (whom we pre-selected based on Mercy Corps' beneficiary lists) and found no evidence of non-existent beneficiaries – a frequent problem of project implementation in insecure and difficult-to-access areas.

A.3.26 We noted three cases of potentially ineligible farmers gaining access to the project. Two farmers were already familiar with plastic tunnelling

technology,¹²⁹ while another farmer appears to be very wealthy¹³⁰ and, thus, also potentially ineligible.

A.3.27 A hailstorm in Central Helmand in December 2012 caused significant damage to crops (13 out of 40 farmers suffered complete or almost complete loss of their crop). Beneficiaries whose crops were either not damaged or suffered minor losses reported an improvement in household income (24 out of 27). They used additional income for more diverse food consumption (for example, more meat and vegetables during the winter), repaying debts, making improvements in their household or investments, such as buying a motorcycle or a car.

A.3.28 Many farmers participating in DASTGAH in 2012 continued to buy inputs in 2013 from the same agricultural retailer with whom they were linked by DASTGAH (29 out of 40). This was confirmed by our interviews with the certified retailers. In addition, half of interviewed farmers intend to continue using plastic tunnelling technology in the 2013-14 planting season (20 out of 40; four further farmers were undecided) and have set aside funds to buy inputs without subsidy.

A.3.29 The majority of women we interviewed were aware of the project and had a clear opinion about it. Even though the project has not delivered any specific benefits for them, the project's impact on the livelihood of their household was evaluated positively by our female respondents.

A.3.30 The sustainability of these gains is questionable if they are not supported by improved farmer-buyer links. Some interview partners expressed concern that increased yields could soon lead to over-production, thereby reducing the profits of farmers applying plastic tunnelling technology. These concerns highlight the need for improved sales opportunities for farmers' produce. It is our understanding that Mercy Corps currently works on strengthening output linkages under the HASP.

¹²⁸ Other farmers who do not buy from the retailers they were linked with during the project either have other 'favourite' suppliers or prefer to buy the cheapest product on the market, irrespective of the vendor. One respondent explicitly stated that the retailer he was linked with was, generally, too expensive.

¹²⁹ 'Having never used plastic tunnel technology' was one of the selection criteria; *DASTGAH Final Report*, DFID, 2013.

¹³⁰ 'Expressed difficulty in covering costs of inputs' was a further selection criterion; *DASTGAH Final Report*, DFID, 2013.

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Attribution

A.3.31 Development projects conducted by other organisations, including the Government, must be considered before trying to attribute any impact to the evaluated project. They can enhance or diminish the impact of a project. In the case of the DASTGAH review, infrastructure development is a key such variable as it strongly influences the capability of beneficiaries to engage in commercial agricultural production.

A.3.32 The positive outcomes, observed less than a year after project completion, had two important preconditions:

- improved security established by coalition forces (ISAF and ANSF); and
- improvements in road infrastructure, without which the commercial cultivation of vegetables is not profitable.

A.3.33 Given these preconditions, we can attribute a number of positive outcomes to DASTGAH activities. These include direct benefits from plastic tunnelling technology and improved relations between agricultural suppliers participating in the voucher programme and farmers. The likelihood of attribution is based on process tracing and logical conjecture:

- outcomes were the result of very specific DASTGAH inputs (Mercy Corps community mobilisation, training in the use of plastic tunnelling technology, the inclusion of four retailers in the programme and the distribution of vouchers to beneficiary farmers). We are not aware of other projects or processes that could have led to similar outcomes; and
- intended beneficiaries also confirmed the link between the DASTGAH inputs and observed outcomes. They began using plastic tunnelling as a result of Mercy Corps' mobilisation, turning to one of the four agricultural retailers who were the only ones accepting their vouchers.

A.3.34 Attributing improved household income to DASTGAH project activities is more difficult, as other processes (for example, the growth of Helmand's economy) will also have contributed. Here we can rely on two survey questions:

- **Attribution by interview partners:** 24 out of 27 interview partners, whose crop was not destroyed by the hail, believed that the DASTGAH project had a positive impact on the livelihood of their household; and
- **Comparison with farmers whose crop was damaged:** the hailstorm provided the opportunity to construct a small control group, as it has randomly destroyed the fields of some farmers. The two groups of farmers (those with little or no damage and those with extensive damage to their crops) are similar, the only difference being hailstorm damage.
- Using the self-assessed material well-being of our respondents,¹³¹ we can observe a difference between the two groups (those whose crops were completely destroyed by the hailstorm and those who suffered no or only minor damage): all 13 farmers whose crops were destroyed or seriously damaged responded that the material wellbeing of their household remained 'unchanged' or 'deteriorated', whereas the majority of successful farmers (19 out of 27) stated that their wellbeing had improved. This result suggests that DASTGAH's inputs might have been the main factor determining the material well-being of a household.

Additional recommendations

A.3.35 The design and implementation of innovative programmes in conflict environments gives rise to one of the highest levels of risk in a growth and livelihoods strategy. The Growth Programme is an example of such high risk – the components seek to address the needs of multiple market segments in different ways, without a solid and well-researched understanding of the behaviour and needs of the various segments. In addition, there is an absence of lessons learnt from other conflict or post-conflict states.

DFID should commission an evaluation of the Growth Programme to inform future

¹³¹ The standardised question is as follows: 'Has the material wellbeing of your household changed in the last two years?' Respondents could then choose between three options: 'improved', 'deteriorated' or 'unchanged'.

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programme design and implementation in conflict environments.

A.3.36 The 2013 Annual Review recommended that DFID should commission wide consultation in the final completion review to seek inputs from stakeholders and beneficiaries.

DFID should use the 2014 Project Completion Review to give implementing partners, stakeholders and intended beneficiaries the opportunity to comment on the design, delivery and achievement of results.

Annex

Annex A4: The Employment and Enterprise Programme

Project purpose, activities, targets and results

Details of the project's aims

A.4.1 The Employment and Enterprise Programme is DFID Afghanistan's largest private sector development project. It was established to 'increase economic opportunity' and to 'contribute to the creation of 20,000 permanent jobs and increase the incomes of 200,000 people by at least 10%... it will ensure that women and young people, amongst whom unemployment is especially high, benefit strongly'. The programme's budget is £36.0 million over the period August 2009-13.¹³²

A.4.2 The two original projects identified as most capable of providing benefits to women and youths were discontinued. Afghan NGOs in the programme, however, offer specific opportunities for women and youths. Zardozi and Turquoise Mountain each provide technical training and business skills advice, targeted at disadvantaged – generally illiterate – women and youths.

A.4.3 The programme's final seven components, following revisions, are:

- **Technical assistance to the Ministry of Commerce and Industries:** supporting the development of new legislation, internal restructuring and staff training;
- **Technical assistance to the Ministry of Mines:** supporting public administrative reform, staff training and development of new legislation;
- **Business Edge:** capacity building of local training providers and trainers, including production of training content in local languages and awareness raising amongst SMEs about the benefits of management training;
- **The Afghanistan Rural Enterprise Development Programme (AREDP):** business advisory and financial services to community-based rural enterprises and rural SMEs;

- **Afghanistan Business Innovation Fund (ABIF):** a challenge fund that supports private sector investment in innovative and commercially viable products or services that will benefit poor men and women (based on DFID's M4P philosophy);

- **Zardozi:** design support, technical advice and market information to chronically poor female home workers; and

- **Turquoise Mountain:** technical and vocational training in four traditional Afghan crafts: carpentry, jewellery, tailoring and knitting.

A.4.4 This review focusses on the performance of the three bilateral components: ABIF, Zardozi and Turquoise Mountain. The purpose, activities and relevant targets are summarised in Figure A4.1 on page 39.

A.4.5 Because ABIF was subject to a late start, there have been no results for users of products and services introduced into the market.

A.4.6 At the time of review, DFID had not independently verified any results, relying instead on reports from implementing agents. Monitoring procedures for Zardozi and ABIF were under review by DFID in Autumn 2013.

Additional recommendations

A.4.7 As we note in paragraphs 2.56 and 2.59: (a) Zardozi is delivering income benefits to intended beneficiaries; (b) a mid-term review made clear recommendations to enable intended beneficiaries to become self-sufficient; but (c) from interviews with project partners, self-sufficiency in the management of all business affairs is not achievable in the timeframe of the current project. We recommend:

DFID should consider support to a second phase of the Zardozi programme. This support should ensure that intended beneficiaries are equipped to remain active in the market without donor support. Any future design should prioritise sustainability through the gradual transfer of ownership and responsibility to intended beneficiaries. Any future phase should also (as DFID is beginning to trial) incorporate appropriate verification of results.

¹³² Due to delays in the implementation of some components, the Enterprise and Employment programme will now run until 2014.

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A.4.8 As we note in paragraph 2.59: given delays to implementation, the likelihood that ABIF will meet its already extended deadline to complete all awards by December 2014 is low. Even if this is achieved, which is unlikely based on round one experience, DFID will require monitoring capacity, post-2014, to assess the impact that this innovative tool is capable of delivering in Afghanistan. We recommend:

DFID should ensure that sufficient management capacity is in place to monitor, verify and disburse ABIF's round two milestone payments. DFID should also ensure that, in line with its recent revisions to monitoring of the ABIF programme, all benefits accruing to intended beneficiaries are monitored for an appropriate period after all 'innovations' have been completed. DFID should be able to judge the efficacy of this challenge fund format in Afghanistan with this information.

Figure A4.1: Activities, targets and results of the project

| |
|--|
| Purpose |
| Strengthen the private sector's ability to invest and compete |
| Activities |
| <ul style="list-style-type: none"> ■ Strengthened capacity in the Government of Afghanistan to establish an enabling environment for private sector development ■ Improved access to finance for businesses ■ Greater productivity through better skills and more industry clusters ■ Innovative business models to improve incomes for the poor |
| Outcome targets |
| <ul style="list-style-type: none"> ■ 9,173 new jobs created (of which, 7,555 for women)¹³³ ■ 118,000 people (of which, 22,267 women) with improved income opportunities |
| Activity targets |
| <ul style="list-style-type: none"> ■ 14,951 people (of which, 3,131 women) to receive business skills training ■ \$4.7 million of consumer products purchased from ABIF grantees (attributable to ABIF support)¹³⁴ ■ \$9.2 million of input products purchased by ABIF grantees from Afghan producers (attributable to ABIF support) |
| Results |
| <ul style="list-style-type: none"> ■ 696 new jobs were created for men ■ 5,914 new jobs were created for women ■ 7,241 men and 3,663 women received business skills training ■ 2,718 men and 1,907 women had improved income opportunities |

¹³³ Note: DFID reduced this target after project approval, following the removal of the microfinance and large-scale technical and vocational education and training components.

¹³⁴ Until Spring 2014, at which time the project plan was revised, ABIF results were measured in terms of numbers of products or services introduced to the market by ABIF grantees. No results were recorded against milestone targets.

Annex

Annex A5: The Herat Demining Project

Project purpose, activities, targets and results

Details of the project's aims

A.5.1 The Herat Demining Project is implemented by The HALO Trust, the world's oldest and largest humanitarian demining organisation. They have operated in Afghanistan for more than 25 years.¹³⁵ The project consists of two phases, by the end of which The HALO Trust expects Herat province to be mine-free.

- **Phase I:** March 2008 to March 2013, with a budget of £11.4 million. In 2008, Herat had, together with Nangarhar, the highest number of mine casualties in Afghanistan. The return of Internally Displaced Persons and refugees is cited as the reason for this high number.¹³⁶ The Herat Demining Project is province-wide, with activities focussed in 14 of Herat's 16 districts. The HALO Trust cleared more than 55 million square metres of mine and battlefield over the five years of Phase I of the project. The HALO Trust estimates that 133,700 households benefited from this clearance.¹³⁷ The business case, however, did not foresee the need for any additional steps to facilitate growth and development in demined areas. The HALO Trust simply assumed that improved livelihoods and increased growth would automatically follow in a newly demined area; and
- **Phase II:** started in April 2013 and running to March 2018, with a budget of £9.2 million. This current phase has a clearer aim to improve livelihoods and contribute to economic growth.¹³⁸ At the impact level, Phase II has a clearer focus on 'increasing economic growth and reducing poverty in Afghanistan', without losing the fundamental humanitarian objectives established in Phase I.¹³⁹ In line with this,

Phase II indicators are better suited to measuring growth and livelihoods outcomes for intended beneficiaries.

Figure A5.1: Activities, targets and results of the project¹⁴⁰

| Purpose |
|---|
| Phase one: increased legal livelihood opportunities for the poorest and most vulnerable communities including returnees in Herat Province Phase two: contribute to increasing economic growth and reducing poverty in Afghanistan |
| Activities |
| Phase one <ul style="list-style-type: none"> ■ Clearing contaminated land and removing unexploded ordnance (UXO) ■ Contributing to overall co-ordination efforts ■ Monitoring the livelihoods outcomes and impact of the Herat Demining Programme Phase two <ul style="list-style-type: none"> ■ Removing the threat of landmines and UXO from the lives and livelihoods of residents of Herat ■ Improving the integration of mine and explosive remnants of war clearance activities with social and economic development ■ Monitoring and evaluating the livelihoods outcomes and impact of the Herat Demining Programme |
| Outcome targets |
| Phase one <ul style="list-style-type: none"> ■ 129,000 families benefiting from cleared land in Herat for use by settlement, agriculture, livestock grazing and infrastructure development by 2013 ■ 70% reduction in overall mine and UXO-related casualties by 2013 Phase I's relevant impact-level targets are: <ul style="list-style-type: none"> ■ All emplaced antipersonnel mines cleared (milestone for 2013) ■ All Afghan communities unaffected by presence of antipersonnel landmines (milestone for 2013) Phase two (selected outcomes) <ul style="list-style-type: none"> ■ Cleared land in Herat directly benefits 11,646 families by 2018, for use by settlement, agriculture, livestock grazing and infrastructure development ■ Release and support an additional 4.3 square kilometres (430 hectares) of arable land to be brought under cultivation ■ Reduce to zero the number of casualties caused by landmines |
| Results |
| <ul style="list-style-type: none"> ■ Phase I did not achieve its impact-level targets. The achievement of these targets was extended to 2020¹⁴¹ ■ As of 2013, 133,770 families benefited from cleared land in Herat for use by settlement, agriculture, livestock grazing and infrastructure development ■ 76% reduction in overall mine and UXO-related casualties¹⁴² |

¹³⁵ The HALO Trust was founded in 1988 and has been operating in Afghanistan ever since.

¹³⁶ The HALO Trust, *DFID Support to the HALO Trust for Mine clearance in West Afghanistan, 13 months and Final Grant Report*, 2013.

¹³⁷ The HALO Trust, *DFID Support to the HALO Trust for Mine clearance in West Afghanistan, 13 months and Final Grant Report*, 2013.

¹³⁸ *Support to Demining Phase Two: Business Case*, DFID, 2013, see: <http://devtracker.dfid.gov.uk/projects/GB-1-203748/documents/>.

¹³⁹ *Support to Demining Phase One Logical Framework*, updated 2011, see: <http://devtracker.dfid.gov.uk/projects/GB-1-113644/documents/>

¹⁴⁰ Phase II impact indicators have not yet been defined. Phase II began in 2013 and has not yet delivered measurable outcome-level results.

¹⁴¹ Although project activities are expected to complete in 2018, measurement of impact will conclude in 2020.

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Fieldwork findings

A.5.2 This section gives some background information on the area in which we undertook our fieldwork; sets out our methodological approach; reviews our findings on the impact the project had on the livelihoods of intended beneficiaries and discusses the extent to which attribution between the impact and the intervention can be made.

Background: Herat Province

A.5.3 Herat province is in western Afghanistan, bordering Iran and Turkmenistan. Its population is estimated to be 1.78 million (see Figure A5.2).¹⁴³ Herat experienced intense fighting during the anti-Soviet jihad and during the subsequent civil war. It was among the first provinces to fall to the Taliban in 1995 and was only liberated in 2001 in the wake of the US invasion. The anti-Soviet jihad and subsequent civil war left a legacy of contaminated land with both mines and unexploded ordnance (UXO). The fighting also led to very high levels of displacement during the jihad and civil war. From 2002, when refugees and internally displaced people (IDP) began returning, the level of mine and UXO-incidents increased dramatically.

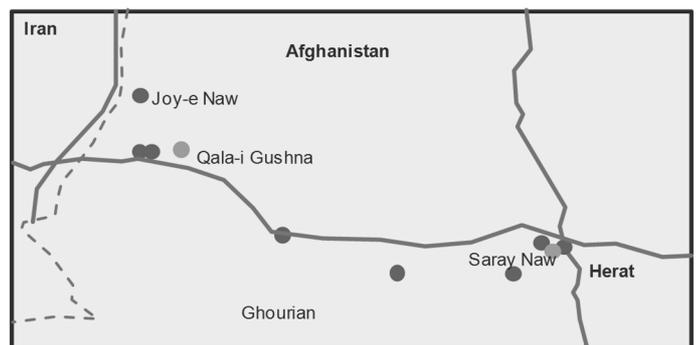
Our approach

A.5.4 The local research team visited ten villages: seven demined and three with ongoing or future demining. This combination of settlements with past and future demining allowed us to observe differences between the two types of settlement in livelihoods, economic activity and development. Ten focus group discussions (with seven participants on average), 50 male head-of-household interviews and 25 female household-member interviews were conducted.¹⁴⁴

A.5.5 We selected research locations in close co-operation with The HALO Trust to ensure the latest

security situation was taken into consideration. The security situation in Herat deteriorated significantly in the months prior to the field research. A few days prior to the deployment of the research teams, the situation suddenly worsened. On 27 August 2013, insurgents in Herat abducted and killed six local employees of the MRRD.¹⁴⁵ Since the MRRD is usually associated with bringing development benefits to the rural population and is thus seldom targeted directly, these killings represented a significant escalation of violence. We therefore restricted our research to the most secure districts in and around the provincial centre of Herat City.

Figure A5.2: Map of Herat showing research locations¹⁴⁶ (Dashed line represents border between Iran and Afghanistan)



Note: this map shows selected research sites (the locations mentioned in the field research summary are indicated by name).

Impact on intended beneficiaries

A.5.6 Because we surveyed villages both after and before they were demined, we were able to gather evidence of the impact of the presence of landmines. Frequent human and livestock casualties, restricted freedom of movement and limited development opportunities were commonplace. In every village visited, multiple human casualties (deaths and injuries) and significant loss of livestock from mine and UXO-explosions were reported. Five villages were reported to have been demined in the past by an

¹⁴² This figure was supplied to us by the Herat Demining Project, based on casualty reporting that came through after the DFID project completion report was finalised.

¹⁴³ *Settled Population of Herat province by Civil Division, Urban, Rural and Sex-2012-13*, Islamic Republic of Afghanistan, Central Statistics Organisation, 2012, <http://cso.gov.af/Content/files/Herat%281%29.pdf>.

¹⁴⁴ Interviews with women were more difficult to conduct, as female interview partners were constantly interrupted by household tasks and children and, thus, these interviews took almost twice as long on average than interviews with male heads of household.

¹⁴⁵ Pajhwok Afghan News, 28 August 2013, <http://www.elections.pajhwok.com/en/2013/08/28/6-nsp-workers-killed-mrrd-slams-incident>.

¹⁴⁶ Case study locations are indicated by darker dots.

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Afghan demining organisation but continued to suffer mine accidents.¹⁴⁷

A.5.7 Interviewees reported that mines and UXOs had negatively impacted upon their freedom of movement and on access to services. For example, inhabitants in Qala i Naw complained that doctors refused to visit their village because they were afraid of mines along the road. Mines also impacted negatively on livestock rearing (mentioned in seven out of ten villages) and agriculture (mentioned in six out of ten villages). In three cases, irrigation systems were also affected. The existence of mines and UXOs also had a negative impact on development. For instance, the construction of a new settlement for teachers could not go ahead in Qala i Naw while mines were present. In Chah Kaftari road-surfacing had to be stopped when a Government of Afghanistan-contracted truck involved in the construction suffered a landmine explosion.

A.5.8 Inhabitants in the affected settlements adapted to the presence of mines by moving to other villages, to Herat City or to Iran. They also shifted their incomes from agriculture to wage labour. The residents of settlements close to the border with Iran also engaged in illegal opium smuggling until around 2010-11, when Iran tightened border controls and made it too risky for petty smugglers to continue with their trade.

A.5.9 All interviewed villages were satisfied with The HALO Trust's work and how the organisation engaged with their communities. Interviewees emphasised the good quality of its work (see Figure A5.3). None of the seven demined villages of our sample reported any mine incidents following demining by The HALO Trust.

A.5.10 The HALO Trust's co-ordination and transparent communication with intended beneficiary communities was also frequently praised by our

interviewees. In particular, our researchers reported commendation for The HALO Trust's:

- responsiveness to requests by community representatives (e.g. prioritising the demining of certain areas);
- culturally sensitive approach to interacting with communities; and
- offers of employment opportunities to men in several villages (e.g. Rozanak and Joye Naw Villages).

Figure A5.3: Report from a Community Development Council (CDC) head in Rozanak Village

'Halo Trust came to our village on our request. Our village was already demined but still some incidents had occurred, so when the staff came they promised to us that they would accurately demine our village. We trusted them and permitted them to start their work. The work of Halo Trust must be praised: since they came we haven't witnessed any mine explosions in this area'.

Demining improved security, freedom of movement and livelihood opportunities. Development has been enabled. As Figure A5.4 on page 43 shows, demining had a wide impact. First, all seven demined villages reported multiple improvements as a result of demining. Agriculture (six villages) and irrigation – a key component of Afghan agricultural systems (five villages) – were the most commonly reported improvements, save the direct removal of threat to life. Livestock rearing significantly improved in all areas except the two settlements, Jebrael and Saray Naw, located in the immediate vicinity of Herat City.

¹⁴⁷ These villages are Saray Naw, Joye Naw, Jebrael, Qala i Naw and Chah Kaftari; to illustrate the point is a quote from Joye Naw: 'a few years ago this village was demined by [a mine-removal organisation] but they did not do their work accurately because some mine incidents occurred in the village after their demining. So we wrote an application to the district government and asked them to completely demine our village. They introduced us with HALO Trust who performed their demining activities very accurately and we are satisfied with their work'.

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Figure A5.4: Changes in the seven sample villages following demining

| Area of impact | Number of villages reporting improvements |
|-----------------------------|---|
| Security | 7 |
| Agriculture | 6 |
| Irrigation | 5 |
| Livestock keeping | 5 |
| Roads / freedom of movement | 6 |
| Access to services | 4 |
| Development | 6 |
| Economic activity | 4 |
| Employment | 5 |

This table represents responses from the focus group discussions regarding which areas of life have improved or changed in a village as a result of demining

A.5.11 Road quality and freedom of movement have improved in six locations. Two survey villages even reported that roads were gravelled following demining. Ultimately, these changes have led to increased traffic and communication. Access to services, in particular education and health, also improved (specifically mentioned in four locations).

A.5.12 Six survey locations mentioned increased development activities as a direct result of demining. Figure A5.5 sets out two further case studies relating to impact.

A.5.13 Benefits to the areas around urban settlements and the large villages located close to the border with Iran (Qudus-Abad and Qala i Naw) – where non-farm employment in state services or shops selling to travellers is a significant source of income – include increased economic activity, increased employment, more housing construction and rising land prices.

Figure A5.5: Case studies highlight multiple impacts on intended beneficiaries

Case study 1: Increased agricultural opportunities

In Qala i Naw, Kohsan District, an estimated 1,000 jeribs (200 hectares) of irrigated and 3,000 jeribs (600 hectares) of rain-fed land were freed up through demining and the construction of new sluices. The amount of irrigation also increased. It was only through improved road linkages, resulting from demining, that people could start producing to sell goods in the market. We were told:

‘After the demining of the village, access to the bazaar improved. Now they can easily transfer their agricultural and dairy products to the bazaar and sell them. In the past, due to the presence of mines, they couldn’t transport their products to the bazaar on time. Now, several taxis exist to transport people who want to sell their agricultural products to the market’¹⁴⁸

Case study 2: Increased economic activity

The village of Saray Naw, located 8 km from Herat City, has benefited from demining. The village was one of the most affected, as the majority of its agricultural land was mined. A large part of the population left and others turned to wage labour in Herat City, as they could not tend their fields. Following demining, villagers took advantage of the possibilities offered by the fertile clay soil and their proximity to the rapidly growing city of Herat.

Saray Naw’s clay soil is well suited for making bricks. Eight brick kilns have been established on demined land, offering seasonal work during the summer months for some 300 villagers. The bricks are sold in Herat City, which is experiencing a construction boom. An abattoir was also established on demined land creating jobs for 15-20 people, as well as three poultry farms employing five to seven workers. Development activities by NGOs have also increased following demining. Three NGO-funded projects now offer additional employment opportunities: the Norwegian Refugee Council has launched tailoring and literacy courses for the residents of the area; greenhouses were constructed on agricultural lands for growing off-season plants; and Catholic Relief Services has launched saffron production in the area.¹⁴⁹

¹⁴⁸ Focus group discussion in Qala-e Gushna, Kohsan District.

¹⁴⁹ Focus group discussion in Saray Naw, Injil District.

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Attribution

A.5.14 The observed improvements can be attributed with a high probability to The HALO Trust's demining activities. This assertion is based on three considerations:

- **Attribution by our interview partners:** in most interviews, intended beneficiaries clearly linked demining by The HALO Trust with improvements in the various types of impact set out in Figure A5.3 on page 42;
- **Logical conjecture:** there is a clear link between the elimination of mine incidents and demining. Similarly, demining is the precondition for the construction of a road or power line, where these had to pass through previously mined areas. Moreover, there were no other organisations conducting mine clearance who could claim the observed positive impacts as a result of their work; and
- **Comparison with villages with landmines:** a comparison between the seven demined and the three un-demined villages of our survey shows consistently better livelihood outcomes in demined villages than in villages that have not been demined.

Additional recommendations

A.5.15 We fully support aims to ensure that phase two of the demining project focusses more explicitly on long-term development. Through our interviews, we felt that activities aiming at attracting more development projects to demined villages could be strengthened. We therefore recommend that:

DFID should encourage The HALO Trust to intensify its co-operation with development actors (the Government of Afghanistan and NGOs) in order to facilitate more development in demined villages.

Annex

Annex A6: The Road Project

Project purpose, activities, targets and results

Details of the project's aims

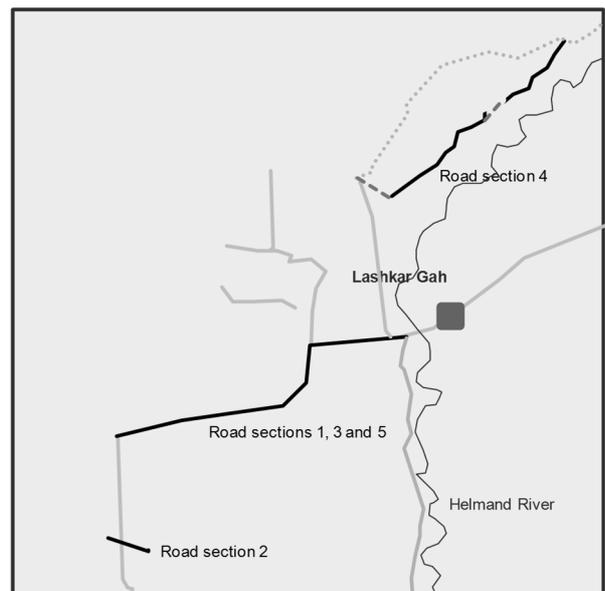
A.6.1 The Road Project was announced by DFID in August 2010, six months after a major international military operation (Operation Mushtarak) liberated most of Central Helmand from a violent insurgency, making such infrastructure projects possible.¹⁵⁰ In 2010, DFID regarded the Road Project as having aims between 'short-term stabilisation and longer-term development'.¹⁵¹ The £7.7 million project was designed to upgrade 40 km of poor quality gravel tracks to Ministry of Public Works standards by end 2012.¹⁵² The Road Project handed over 46.7 km of upgraded roads to the Government of Afghanistan.

A.6.2 The Road Project comprises five road sections at three different locations in Central Helmand. The Road Project should not be viewed in isolation but understood as part of a larger network of roads, based on the Afghan National Development Strategy (ANDS) and the Provincial Development Plan (PDP).¹⁵³ Parts of this road network were built or upgraded by different donors from 2010 onwards.

A.6.3 DFID saw the Roads Project as an opportunity to shift from purely stabilisation projects (so-called Quick Impact projects) to longer-term development. The project was implemented by STRE in cooperation with the relevant bodies of the provincial administration, most importantly the Ministry of Public Works (MPW). Implementation involved a capacity building element to the MPW.

A.6.4 The project consists of five road sections in Central Helmand (shown on the map in Figure A6.1):

Figure A6.1: Map of Central Helmand Province with the road sections marked (dashed line represents damaged road sections; black line represents road sections of the Road Project; grey line represents roads paved by other projects; and dotted line represents unpaved roads)



- **Central Marjah:** road section two (Marjah District Centre Road) is located in Central Marjah, a fertile irrigated area; Marjah's district centre is also located here;
- **Western Dasht Area:** road sections one (Bolan to Marjah T-Junction), three (Marjah Junction to Five-Ways-Junction) and five (Triknawar to Marjah Road) are located in Southern Nad-e Ali and Central Marjah Districts. This area is not comprehensively irrigated. People have to rely on deep wells for irrigation, which is costly as fuel is needed to power pumps. Agricultural opportunities are, therefore, limited; and
- **Chah-e Anjir/Spin Masjid Area:** road section four is located in Northern Lashkar Gah and Southern Nahr-e Saraj Districts. This area is fully irrigated and fertile.

A.6.5 The Central Marjah and the Western Dasht areas are connected by a paved road, completed in 2011 by USAID. The Western Area, therefore, forms a contiguous network of roads linking the agricultural area around Marjah via Bolan with the provincial

¹⁵⁰ Operation Mushtarak was launched on 13 February 2010 and involved Afghan, American, British, Danish and Estonian troops. By the end of February, most of Central Helmand was under Government of Afghanistan and ISAF control, though regular fire fights continued until well into the summer.

¹⁵¹ Interview with DFID's Senior Infrastructure Advisor in Kabul.

¹⁵² *Road Improvements in Central Helmand, Project Document: Annex A*, DFID, 2010; regarding the total length of roads, see *Road Improvements in Central Helmand Project Completion Review*, DFID, 2013, <http://devtracker.dfid.gov.uk/projects/GB-1-202054/documents/>.

¹⁵³ ANDS defines national roads, while PDP prioritises provincial roads.

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capital, Lashkar Gah. The Chah-e Anjir/Spin Masjid Area (section four) is linked via the national highway 21 – the Lashkar Gah to Gereshk road – (not part of the Road Project) with Bolan and the provincial capital, Lashkar Gah.

Figure A6.2: Activities, targets and results of the project

| Purpose |
|---|
| Attain significant growth in Helmand's economy and provide growing opportunities for the population by improving road links between district centres and key provincial strategic economic locations |
| Activities |
| <ul style="list-style-type: none"> Upgrade five gravel roads to Ministry of Public Works standards |
| Targets |
| <ul style="list-style-type: none"> 65% of households say 'they believe the District Government has improved infrastructure and conditions to roads in their area in the last 3 months' 25% of Nad-e-Ali's population and 10% of Nawa District's (approx. 68,000 individuals) live within 2 km of the road Increase the annual average daily traffic by 20% Improve road links between district centres and key provincial strategic economic locations Achieve 'significant growth in Helmand's economy, providing growing opportunities for the population' |
| Results |
| <ul style="list-style-type: none"> Traffic counts commissioned in February 2013 showed an increase of over 50% as compared to the baseline. This outcome target was thus achieved |

A.6.6 2013 survey results showed a 68% approval rate to the statement 'the district government has improved infrastructure and conditions to local roads in the last three months.' A number of road sections were, however, already finished in early 2012. The 2013 survey result thus does not capture the impact of these roads on respondent opinion, because the question asked is about the 'past three months'. Moreover, the result does not provide information on growth and economic opportunities (the intended impact-level target).

The size of the population along the road (the intended target) was not measured.

Fieldwork findings

A.6.7 This section gives some background information on the area in which we undertook our fieldwork; sets out our methodological approach; reviews our findings on the impact the project had on the livelihoods of intended beneficiaries and discusses the extent to which attribution between the impact and the intervention can be made.

Background: central Helmand

A.6.8 Helmand owes its current status as a fertile agricultural province to large-scale development in the 1950s and 1960s, when the United States built the Kajaki Dam in the north of the province and extended the canal network, thereby creating two new districts: Nad-e-Ali and Marjah. Even with such investment, modern commercial agriculture never took hold in Central Helmand, due in part to a lack of necessary road infrastructure.

A.6.9 Central Helmand experienced heavy fighting during the Soviet occupation and the subsequent civil war. It was one of the first provinces to fall to the Taliban in the mid-1990s. Under the protection of the Taliban, farmers turned to large-scale cultivation of opium poppies. A number of successive international military operations, carried out in 2009-10, succeeded in removing the Taliban from the populated areas of Central Helmand.

A.6.10 Post-Taliban protection, district government presence was re-established in the area and development projects were implemented 'to demonstrate to the local population that [the] Government [of Afghanistan] was extending its reach to the area' and providing Helmandis with opportunities to engage in the licit economy.¹⁵⁴

Our approach

A.6.11 Our objective was to understand how these roads impacted ordinary Afghans. In addition, we wanted to understand the extent to which the project achieved its intended impact of contributing

¹⁵⁴ *Marjah to 5 Ways (Route 608) – RICH Extension Submission*, DFID, Information Note, 2011.

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to 'significant growth in Helmand's economy',¹⁵⁵ and whether and how these roads might have contributed to the legitimacy of the district and provincial government in these recently retaken areas.

A.6.12 While contributing to government legitimacy¹⁵⁶ is not explicitly stated as a project goal (that is, an outcome or impact), project documents and interviews with DFID staff clearly indicate that this was a strategic objective in 2010-11. The term 'legitimacy' refers to people's beliefs about the rightfulness of political authority and, specifically, DFID was interested as to whether intended beneficiaries felt that the government was the responsible agent for providing improvements to infrastructure.

A.6.13 This is also expressed through the selection of Impact Indicator one ('percentage of households saying they believe the District Government has improved infrastructure and conditions to roads in their area in the last three months') in the logical framework.¹⁵⁷ This indicator refers to the legitimacy of local government (not to economic growth). The implicit theory of change appears to assume that people would attribute the improvement of road infrastructure to local government, thus strengthening its legitimacy.

A.6.14 Our research was conducted in nine settlements along the road sections, using one focus group discussion and five male head-of-household interviews at each location. In addition, we conducted 15 interviews with traders in bazaars along the road sections (the Marjah district centre bazaar and the Chah-e Anjir bazaar).

A.6.15 Interviews with traders and shopkeepers provided an understanding of the roads' impact on the local economy. Head-of-household interviews and focus group discussions provided information

regarding changing livelihoods and economic activities. Due to cultural and security reasons, we were not able to send a female researcher with the male research team.¹⁵⁸

Impact on intended beneficiaries

A.6.16 Infrastructure improvements were reported as a significant driver of change following re-establishment of government control. In all three areas we visited, DFID's road improvements were cited as a significant driver of change following the ousting of the Taliban and the re-establishment of government control. The quality of construction was felt to be positive in two regions (Central Marjah and the Western Dasht) but was criticised along section 4 (Chah-e Anjir/Spin Masjed Area), where intended beneficiaries reported that sections of the road have significantly degraded.

A.6.17 Interviewees in all surveyed villages reported increased traffic and easier and more rapid transportation, as well as lower transportation costs. A large number of taxis are now offering their services to passengers.

A.6.18 More rapid and convenient transportation and lower transportation costs have allowed farmers easily to access the main agricultural bazaar in Lashkar Gah to sell their products. In addition, all surveyed bazaars in the roads' catchment area grew in the last two years, suggesting a growth of the legal economy.

A.6.19 The smooth road surface makes it possible for farmers to grow and transport 'soft' agricultural products, such as tomatoes, cucumbers, okra and melons, to the Lashkar Gah bazaar without damage. Previously, farmers would not grow such crops, as transportation would severely damage the goods. While prices for agricultural products fell as a result of increased market production (and competition), most farmers still appear to be satisfied with the net impact of the road. Prices for some consumer goods also dropped.

A.6.20 The elimination of opium poppy cultivation, through local bans, forced the population of Central

¹⁵⁵ Updated RICH Logframe, DFID, 2013, <http://devtracker.dfid.gov.uk/projects/GB-1-202054/documents/>.

¹⁵⁶ The term 'legitimacy' refers to people's beliefs about the rightfulness of political authority. The specific question asked of households by the survey was whether respondents agreed with the statement 'Over the last 3 months in your District, the District Government has improved infrastructure and conditions to roads in my area.' Respondents were offered the following evaluations: 'strongly agree', 'agree', 'disagree' or 'strongly disagree'.

¹⁵⁷ Updated RICH Logframe, DFID, 2013, <http://devtracker.dfid.gov.uk/projects/GB-1-202054/documents/>.

¹⁵⁸ Helmand society is, even in the Afghan context, very patriarchal and the role of women is even more strictly confined to the household, with their possibilities more limited than elsewhere in the country.

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Marjah and the Western Dasht to look for alternative sources of income. Improved road communication to Lashkar Gah has allowed farmers in Central Marjah to shift to licit agricultural production (including vegetables and perishable fruits). It forced Western Dasht residents to rely more on wage labour (due to lower transportation fares, they can now easily access labour markets). It appears that the commercial opportunities offered by the road allowed the population in these areas to compensate for the loss of opium poppy income but not sufficiently so as to improve overall economic status. The majority of respondents described the livelihood status of their households as being able 'to buy food products but that it was hard to buy new clothes or pay for social obligations'.¹⁵⁹

A.6.21 In the Chah-e Anjir/Spin Masjed Area poppy cultivation was not fully eliminated. Instead, it has shifted to the desert to the north and northwest of the irrigated area. With poppy cultivation offering higher incomes, households in this area were under less pressure to experiment with new but labour-intensive cash crops, such as the vegetables now planted in Central Marjah.

A.6.22 Legal cash crop production, therefore, remains mostly restricted to the customary maize and cotton crops. Combining income from legal and illegal cash crops appears to be the reason for the comparatively higher self-reported material wellbeing in this area. Most respondents described their material status as being able to 'buy food products, clothes and pay for social obligations but not being able to buy such things as, for example, a new TV or refrigerator'.

A.6.23 The road introduced significant changes with regard to access to health and education services. For example, the settlements of the Western Dasht have no school of their own. The closest schools are located in Bolan, Duray or Marjah. Prior to the Road Project constructions, children had to walk up to ten kilometres or more to get to school.

Alternatively, households could also send their children to live in Lashkar Gah and go to school there (though very few households could afford this). As a result, most households in the Dasht did not send their children to school. With the paving of the road, the situation has changed. Children can cycle or, for a low fare, take a Zaranj three-wheeler.

A.6.24 The improved access to schooling was well appreciated by our interview partners. Two caveats need to be mentioned: in the entire survey area, households only send boys to school and there are no girls' schools in the area (the only exception is Lashkar Gah City).

A.6.25 The paving of a road had an important impact on security. A participant in our Central Marjah focus group summed it up as follows: 'Yes, the construction of the road had a great impact on our security because, in the past, IEDs were frequently laid under the surface of the road. Now, no danger of bombs exists. More importantly, security forces can easily patrol the road and solve people's problems during the day'.¹⁶⁰

A.6.26 The security impact of the road is pronounced in Central Marjah and in the Western Dasht where the road quality is high. It is less pronounced in the Chah-e Anjir/Spin Masjed Area where sections of the road are damaged and Taliban infiltration is stronger.

A.6.27 Most respondents credit the provincial government with a lead role in enabling and building the roads. First, respondents perceived a strong government role in providing security to the construction works: 'it was the local government authorities and the police which struggled to provide security for the road construction works'.¹⁶¹

A.6.28 Second, many respondents saw the road construction as having been ordered by the Government of Afghanistan. Lastly, some respondents correctly see the responsibility for road maintenance lying with the Government of Afghanistan's Department of Public Works (DPW): 'Afghan government played a key role in the

¹⁵⁹ Question 10: 'Please indicate, which of the following statements indicates best the material wellbeing of your household'. Respondents then had to select between five statements describing material wellbeing and ranging from 'It's hard for us to even buy simple food products' to 'We can afford to buy almost everything we want'.

¹⁶⁰ Focus group discussion, Marjah District.

¹⁶¹ Focus group discussion, Marjah District.

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construction of the road: it was made upon the order of the Government and it has instructed the police to provide security for its construction.¹⁶²

A.6.29 The road has also clearly expanded the reach of the Government. A resident told us: 'Before, when there was a dispute, the police couldn't reach the scene in time but now when there is any sort of dispute, the police is there soon to resolve the problems.'¹⁶³

A.6.30 The high degree to which respondents associate the road with the Government of Afghanistan (be it provincial or national) suggests that the project has contributed – at least temporarily – to increasing the legitimacy of the government.

Attribution

A.6.31 Other factors that took place in the areas surveyed made positive and negative contributions to livelihoods and need to be considered when making any statements about attribution.

A.6.32 A precondition for all observed changes was the improved security environment established by coalition forces. Improved security was necessary for the road construction itself to take place and for the subsequent changes in livelihood strategies.

A.6.33 The upgrading of these five roads makes a contribution to the wider network. Only through the paving and upgrading of other roads¹⁶⁴ did a road network, conducive to economic development, emerge.

A.6.34 Despite these factors, a contribution to impact by these roads is likely and is based on the following considerations:

- **Attribution by our respondents:** in most interviews, our interview partners found a clear link between roads from the Road Project and improvements in security, agriculture and economic opportunities and access to public services; and
- **Process tracing and logical conjecture:** these point to the road construction as a

contributing factor to improved livelihoods and growth of the legal economy.

Additional recommendations

A.6.35 As discussed in the main report, the quality of the road construction along one road section has severely degraded. We found substantial damage to the road surface two years after handover. Therefore:

DFID, in co-operation with the Ministry of Public Works, should investigate the reasons for the road damage along the Chah-e Anjir/Spin Masjed road section and ensure that it is repaired, as well as review whether the quality assurance processes used were adequate.

¹⁶² Interview, Marjah District.

¹⁶³ Interview, Marjah District.

¹⁶⁴ These names were given to the different road sections by the international military.

Annex

Annex A7: List of interviewees

The review team interviewed a range of organisations (in addition to UK government staff) as part of the literature review and fieldwork. The latter took place over a period of three weeks in September 2013.

Helmand

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|---|
| The Afghanistan Rural Enterprise Development Programme (AREDP) project staff |
| Comprehensive Agriculture and Rural Development Facility (CARD-F) project staff |
| Department of Agriculture Irrigation and Livestock (DAIL) |
| Department of Public Works (DPW) |
| Embassy of the United States of America |
| Helmand Governor's Office |
| Helmand National Investors Association (HNIA) |
| Mercy Corps |
| Ministry of Foreign Affairs of Denmark |
| Ministry of Rural Rehabilitation and Development |
| Specialist Team of Royal Engineers (STRE) |
| US Agency for International Development (USAID) |
| World Council of Credit Unions (WOCCU) |
| Helmand Monitoring and Evaluation Programme (HMEP)/Coffey International |

Kabul

| |
|---|
| AA International |
| Afghanistan Business Innovation Fund (ABIF) project staff |
| Afghanistan Chamber of Commerce and Industry (ACCI) |
| Alcis (research consultancy) |
| Ministry of Rural Rehabilitation and Development (MRRD) |
| Ministry of Agriculture, Irrigation and Livestock (MAIL) |
| Australian Agency for International Development (AusAID) |
| Comprehensive Agriculture and Rural Development Facility (CARD-F) project staff |
| Delegation of the European Union (EU) to Afghanistan |
| Royal Danish Embassy |

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|--|
| The HALO Trust |
| International Rescue Committee (IRC) |
| ISAF |
| Mine Action Coordination Centre of Afghanistan (MACCA) |
| Mercy Corps |
| Tribal Liaison Office |
| Turquoise Mountain project staff |
| United Nations Mine Action Services (UNMAS) |
| US Agency for International Development (USAID) |
| The World Bank |
| Zardozi project staff |
| UK |
| Afghanistan Business Innovation Fund delivery agents |
| Afghan Aid |
| Afghanistan Research and Evaluation Unit |
| British and Irish Overseas Afghanistan Group |
| Chatham House |
| Kings College, London |
| Overseas Development Institute |
| Secure Livelihoods Research Consortium |
| Special Inspector General for Afghanistan Reconstruction |
| Tearfund |
| Intended beneficiaries (core team interviews) |
| Helmandi farmer |
| Bost Fruit and Vegetable Association |
| Nisfe Jehan: five members |
| Three ABIF grant recipients |

Abbreviations

| | | | |
|---------|--|-------|---|
| ABIF | Afghanistan Business Innovation Fund | | |
| ACCI | Afghanistan Chamber of Commerce and Industry | MAIL | Afghanistan |
| ANDS | Afghanistan National Development Strategy | MPW | Ministry of Agriculture, Irrigation and Livestock |
| ANSF | Afghan National Security Forces | MRRD | Ministry of Public Works |
| AREDP | Afghanistan Rural Enterprise Development Programme | | Ministry of Rural Rehabilitation and Development |
| AREU | Afghanistan Research and Evaluation Unit | NAO | National Audit Office |
| ARTF | Afghanistan Reconstruction Trust Fund | NATO | North Atlantic Treaty Organization |
| CARD-F | Comprehensive Agriculture and Rural Development Facility | NCSA | National Capacity Self-Assessments |
| CDC | Community Development Council | NGO | Non-governmental organisation |
| CIDA | Foreign Affairs, Trade and Development, Canada | NOREF | Norwegian Peacebuilding Resource Centre |
| CSO | Central Statistics Office, Afghanistan | NRVA | National Risk and Vulnerability Assessment |
| DAIL | Department of Agriculture Irrigation and Livestock | NSC | National Security Council |
| DASTGAH | Developing Access to Skills and Trade for Growth of Agri-Business in Helmand | OCHA | United Nations Office for Coordination of Humanitarian Action |
| DFID | Department for International Development | ODI | Overseas Development Institute |
| DPW | Department of Public Works | OECD | Organisation for Economic Cooperation and Development |
| EU | European Union | PAT | Portfolio Assessment Tool |
| GDP | Gross Domestic Product | PDP | Provincial Development Plan |
| GIZ | Deutsche Gesellschaft für Internationale Zusammenarbeit (formerly GTZ) | PRT | Provincial Reconstruction Team |
| HALP | Helmand Alternative Livelihoods Programme | RICH | Road Improvement in Central Helmand |
| HARDP | Helmand Agriculture and Rural Development Programme | SEED | Supporting Employment and Enterprise Development |
| HASP | Helmand Agriculture and Rural Development Support Programme | SIGAR | Special Inspector General for Afghanistan's Reconstruction |
| HGP | Helmand Growth Programme | SME | Small and Medium Enterprise |
| HMEP | Helmand Monitoring and Evaluation Programme | STRE | Specialist Team of Royal Engineers |
| HNIA | Helmand National Investors Association | TMAF | Tokyo Mutual Accountability Framework |
| ICAI | Independent Commission for Aid Impact | UN | United Nations |
| IDP | Internally Displaced People | UNAMA | United Nations Assistance Mission in Afghanistan |
| IED | Improvised Explosive Device | UNDP | United Nations Development Programme |
| IMF | International Monetary Fund | UNMAS | United Nations Mine Action Service |
| ISAF | International Security Assistance Force | UNODC | United Nations Office on Drugs and Crime |
| M4P | Making Markets Work for the Poor | US | United States |
| MACCA | Mine Action Coordination Centre of | USAID | United States Agency for International Development |
| | | UXO | Unexploded Ordnance |
| | | WOCCU | World Council of Credit Unions |

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This report was prepared by ICAI with the assistance of KPMG LLP, Agulhas Applied Knowledge, Center for Effective Global Action (CEGA) and the Swedish Institute for Public Administration (SIPU International).

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