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Enabling poor rural people
to overcome poverty

Islamic Republic of Afghanistan

Country strategic opportunities programme

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For: **Review**

Note to Executive Board Directors

This document is submitted for review by the Executive Board.

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Abbreviations and acronyms

ANDS	Afghanistan National Development Strategy
BRAC	Bangladesh Rural Advancement Committee
CDC	community development council
CPMT	Country Programme Management Team
FAO	Food and Agriculture Organization of the United Nations
I-ANDS	Interim Afghanistan National Development Strategy
I-PRSP	Interim Poverty Reduction Strategy Paper
ICARDA	International Center for Agricultural Research in the Dry Areas
ICIMOD	International Centre for Integrated Mountain Development
IMF	International Monetary Fund
MAIL	Ministry of Agriculture, Irrigation and Livestock
MDG	Millennium Development Goal
M&E	monitoring and evaluation
MISFA	Microfinance Investment Support Facility of Afghanistan
MRRD	Ministry of Rural Rehabilitation and Development
MWA	Ministry of Women's Affairs
NSP	National Solidarity Programme
PBAS	performance-based allocation system
UNODC	United Nations Office on Drugs and Crime
WFP	World Food Programme

Map of Afghanistan



Source: United Nations

The designations employed and the presentation of the material in this map do not imply the expression of any opinion whatsoever on the part of IFAD concerning the delimitation of the frontiers or boundaries, or the authorities thereof.

Summary of country strategy

1. A landlocked country, Afghanistan has become, after more than 20 years of conflict, one of the poorest countries in the world. The current population is estimated at about 30 million; GDP per capita is US\$243 (2005); 21 per cent of the rural population lives in extreme poverty and 38 per cent of rural households face food shortages. Agriculture is the most important sector in terms of employment, with the formal agricultural sector contributing about 36 per cent to GDP and illicit opium production contributing an estimated further 47 per cent.
2. For Afghanistan, IFAD's comparative advantage lies in its experience in working with small farmer communities and vulnerable and marginalized socio-economic groups in rural and mountain environments, particularly women and ethnic minorities. Recognizing this, the Government of Afghanistan has asked IFAD to act as an incremental innovator and a catalyst with other international financial institutions and United Nations agencies in the formulation and implementation of rural-focused and gender-sensitive poverty reduction strategies and programmes. IFAD should launch new operations in pacified regions where no relevant donor activities have yet started, or lend its expertise to other development partners' investments.
3. This results-based country strategic opportunities programme (COSOP) for Afghanistan for the period 2008-2012 is the first that IFAD has developed for the country. Formulated in close consultation with Afghan authorities and development partners, the COSOP aims at supporting and complementing the pro-poor policies and programmes of the Government and other international and national development partners as envisaged in the Interim Afghanistan National Development Strategy and with a view to achieving the Millennium Development Goals.
4. The COSOP's overarching objective is to reduce gender disparities and increase the social and economic status of vulnerable and marginalized communities. Its specific objectives are (i) strengthening the capacity of local development institutions, private entrepreneurs and local government agencies for local-level planning, enterprise development and economic growth; (ii) increasing access to rural-focused financial services; and (iii) enhancing the assets, skills and productivity of rural households.
5. In partnership with key government ministries, civil society organizations and other development partners – such as the World Bank, the Food and Agriculture Organization of the United Nations and the World Food Programme and a host of bilateral donors – IFAD has identified key constraints to the country's economic growth and opportunities for rebuilding rural livelihoods through investments in productive infrastructure, access to financial services and value chain additions. IFAD will focus its investments in pilot areas that have been neglected by other donors and address the needs of some of the most vulnerable and marginalized socio-economic groups in the rural provinces of northern and central Afghanistan.
6. IFAD's performance-based allocation system provides an indicative funding allocation for Afghanistan of some US\$18.4 million for the period 2007-2009. Factors influencing the selection of the portfolio will include: security; accessibility; and potential for quick return, replication and scaling up by other development partners. The overall country programme will be managed in a flexible manner, with yearly reviews to adapt to the fragile process of state-building, peace-keeping, reconciliation and post-conflict reconstruction. Moreover, it can expand to accommodate cofinancing opportunities.

Islamic Republic of Afghanistan

Country strategic opportunities programme

I. Introduction

1. This results-based country strategic opportunities programme (COSOP) for Afghanistan for the period 2008-2012 is the first that IFAD has developed for the country. Formulated in closed consultation with Afghan authorities and development partners, the COSOP aims at supporting and complementing the pro-poor policies and programmes of the Government of Afghanistan and other international and national development partners as envisaged by the Interim Afghanistan National Development Strategy (I-ANDS) and in line with the Millennium Development Goals (MDGs). The COSOP deals with pervasive rural poverty in a war-torn country marked by hardships, inequalities and socio-economic disadvantages. It defines IFAD's potential role for strategic alliances and partnerships, thus providing a platform for dialogue and coordination with the Government and other international and local stakeholders. It is flexible, envisaging yearly reviews to adapt to the fragile process of state-building, peace-keeping, reconciliation and post-conflict reconstruction.¹

II. Country context

A. Economic, agricultural and rural poverty context

Country economic background

2. After more than 20 years of conflict, Afghanistan has become one of the poorest countries of the world. Since 2002, the Afghan economy has been gradually recovering thanks to a fragile renewal in confidence and substantive assistance inflows of development assistance – averaging some US\$2.3 billion a year in 2002-2005. The current population is estimated at 30 million inhabitants.² GDP per capita rose from US\$182 in 2002 to US\$243 in 2005. In 2005, the booming construction and service sectors accounted respectively for some 40 and 24 per cent of GDP; the formal agriculture sector recovered from the previous year's drought stabilizing at around 36 per cent of GDP.³ Unaccounted for in official statistics and larger in size than the formal agricultural sector, the illegal opium sector accounts for an estimated additional 47 per cent of GDP, according to the United Nations Office on Drugs and Crime (UNODC).
3. In 2005/06, official aid transfers (US\$2.8 billion) dominated the balance of payments, which was otherwise characterized by limited legal exports (mainly gas) and re-exports (mainly oil), cumulatively accounting for about 12 per cent of GDP, and a much larger amount of imports, accounting for 55.6 per cent of GDP. The majority of development expenditure, some 35 per cent of GDP in 2005/06, remained mainly distributed by donors outside of the Treasury channels, partially as an anticorruption measure. Fiscal management and policy have emerged from the

¹ This COSOP was prepared by a programme development team fielded in May 2007. Its strategic direction emerged from a series of consultations with national and local-level institutions, civil society and development partners as well as from a review of studies examining rural poverty, post-conflict recovery, gender relations and social exclusion in Afghanistan. As part of the consultation process, the programme development team held a workshop in Kabul on 17 May 2007 that was attended by more than 50 participants from the different government ministries, a broad spectrum of NGOs, donor agencies and farmers' associations. More than one fourth of the participants were women; their representation was further strengthened by their appointment to leadership roles in two of the four working groups. Workshop participants discussed broad strategic directions and specific project ideas within the context of the constraints, challenges and opportunities in Afghanistan. A final wrap-up meeting was held by the programme development team on 21 May 2007 with relevant country authorities. In-country members of the Country Programme Management Team contributed relevant sections to early drafts of the COSOP; a final review with Government authorities was held via a web-facilitated consultation in January 2008. Appendix 1 outlines the COSOP consultation process.

² The last available census dates back to 1979 and measured a population of 13 million. After that, only extrapolations are available.

³ World Bank, World Development Indicators 2007.

conflict in a dismal situation and with an inefficient centralized financial structure. The financial sector has been left with a dysfunctional monetary authority and a formal banking sector that is still restructuring. A major currency conversion has been successfully concluded, with the new Afghani stabilizing at around 49 per United States dollar. Exchange rate movements have been the main driver of inflationary pressures, but, as the Afghani stabilizes, it will be easier to monitor any inflationary impact of donor inflows.

4. Poverty measurement in Afghanistan is severely constrained by lack of data. The Human Development Index value (0.346) ranks Afghanistan 173 out of 178 countries worldwide. The National Vulnerability and Risk Assessment 2003 estimated that 3.5 million people were extremely poor and 10.5 million were moderately poor. Over 80 per cent of the population was illiterate. Life expectancy at birth was under 45 years. World Bank figures for 2005 indicate that life expectancy has slowly climbed to 47 years while the fertility rate is 7.2 births per woman. Infant mortality is at 16.5 per cent and one fourth of the children do not reach the age of 5. Some 40 per cent of the children are malnourished; 87 per cent enrol in primary education but only 32 per cent complete it; and 16 per cent enrol in secondary education. Some 55% of primary school enrolment is female. Thanks to sizeable investments, roughly 40 per cent of the population has access to improved water and 50 per cent to improved sanitation. On the other hand, the rate of deforestation has risen considerably, reaching a 2.3 per cent annual average in the period 1990-2005, leaving only 9 square kilometres of forest for every 1,000 square kilometres of territory. Appendix II provides country economic background.

Agriculture and rural poverty

5. Afghanistan is a rural economy with about 77 per cent of the population living in rural areas. Agricultural production is the main source of rural livelihoods. Agricultural production is highly constrained by climatic conditions (erratic winter snows and spring water rains) and is largely dependent on irrigation for crop production. Pre-war surveys indicated that over 80 per cent of wheat and all other crops were produced on irrigated land. Irrigation is dominated by small and medium-sized river valley schemes that are owned, operated and maintained by village communities. Horticultural production was estimated to cover about 16 per cent of the irrigated land. Due to the conflict, much of the agricultural land has been deserted or mined. Irrigation systems have been damaged or destroyed. A survey carried out by the Food and Agriculture Organization of the United Nations (FAO) in 2001 estimated that about one half of the irrigated areas were no longer used. Roads to markets are very precarious and severely limit rural mobility. Due to the extensive damage caused by war and a succession of droughts, agricultural production dramatically decreased. There is limited access to rural credit and agricultural aid. Since 2002, some recovery has been possible due to normal rainfall levels and the improved availability of seeds and fertilizers. Total cereal production (primarily wheat) has been increasing, whereas there is still a shortfall in the country's requirements for staple cereal.
6. Livestock activities are an integral part of most farming systems in Afghanistan. Previously, the livestock subsector accounted for 40 per cent of total export earnings; nowadays it is estimated that livestock numbers have decreased to about half the level of a decade ago due to the prolonged drought, declining availability of feed, overgrazing of rangelands and poor animal health. The smallest and poorest farmers, who formerly kept at least one cow to provide for their subsistence, own no animals. Disease problems are being only partially contained. Rangeland is overgrazed, and nomadic and semi-sedentary shepherds are experiencing high livestock mortality rates. Improvements in the small ruminant sector, even in non-drought times, have been hampered by traditional user rights and grazing practices. The small poultry flocks – almost exclusively owned and managed by women – have diminished in many households. Fears about avian influenza have contributed to a

further reduction of poultry. Many herding communities, such as the Kuchi, are in danger of losing their transhumant lifestyle because the prolonged drought has led to a virtual depletion of their livestock.

7. Afghanistan is the largest opium producer in the world. The I-ANDS states that opium is central to household and national income and that 40 to 50 per cent of the GDP derives from it. The UNODC⁴ reports that the total area under opium poppy cultivation in 2006 increased by 56 per cent compared with 2005 and is expected to increase further in 2007.⁵ About 200,000 households are involved in poppy cultivation and an additional 15,000 people participate in drug processing and trafficking. Many more tend to benefit from indirect effects such as employment in construction and trade financed by drug profits. Opium cultivation has become a major strategy for coping with the growing burden of rural debt and landlessness, as well as with food shortages. Given the lack of water and water management, opium is also economically attractive because it is more drought-resistant than other crops.
8. The I-ANDS indicates that over 21 per cent of the rural population lives in extreme poverty and faces food insecurity. A total of 38 per cent of rural households (about six million Afghans) face chronic or transient shortages of food.⁶ Poverty in rural Afghanistan is a multifaceted phenomenon, involving low assets (physical, financial and human), insecurity caused by long periods of conflict and drought, and poor infrastructure and public services. Notwithstanding extensive damage to the production system caused by the war and fluctuations in the annual rainfall, Afghans have been resourceful at maintaining a minimum level of calorie intake, relying on social networks, migration, and cultivation of drought-resistant cash crops (including opium poppy) as a livelihood option. The I-ANDS reports that the poor are highly concentrated in Herat and Ghor regions (west), Khost (east), Jawzayan, Faryab, Samangan, Sari Pul and Balkh (north) and Bamyan (central highlands). Poverty rates are higher in the rainfed areas or areas depending on grazing lands. The poorest households tend to be headed by a single parent (often a woman) and they are composed of members with disabilities: 67 per cent of woman-headed households and 58 per cent of households having members with disabilities are poor. Poverty is intertwined with gender and ethnic discrimination in Afghanistan. Gender discrimination is pervasive. Unequal access and distribution of resources constrain the livelihoods for Afghan women and girls. Gender gaps are widespread with regard to access to and control over resources, access to social services, economic opportunities, power and political voice.⁷ Under the new constitution, women and men are entitled to the same rights: women can vote, be elected to government office and work. The traditionally prescribed role of women and societal pressures in Afghanistan still place a major constraint on women's equitable participation in political, economic and social activities. The state no longer forces them to wear the all-covering burka, but the pervasive insecurity makes it the most commonly used dress.

⁴ UNODC (2007), Afghanistan – Opium Winter Rapid Assessment Survey, February 2007

⁵ UNODC, Afghanistan Annual Opium Survey Report (2006 and 2007).

⁶ No age, regional or gender disaggregated data are currently available, although there are a number of ongoing research and analytical studies such as the National Risk and Vulnerability Assessment 2005/2006 and the finalization of the full PRSP.

⁷ The Gender-related Development Index has an estimated value (0.300 as of 2004), which places Afghanistan among the countries with the highest discrepancies between men and women. The gender empowerment measure was not calculated given the lack of data on indicators of women's participation in political and economical life. Afghanistan has the third-highest maternal mortality rate in the world. Overall maternal mortality has been estimated at 1,600 to 2,200 deaths per 100,000 live births. Afghanistan has the lowest female literacy rate in the world (9-18 per cent).

9. Lack of investments and devastated infrastructure constrain rural development.⁸ Major investments in irrigation, processing, marketing infrastructure and services will form the basis for the restoration of agriculture and alternative livelihood options, provided the preconditions of security and rule of law are established so that private-sector businesses can emerge and grow. Establishing access to rural credit can play a pivotal role in agriculture and non-farm rural enterprise development. Key file 1 identifies some crucial rural poverty and agriculture sector issues, priorities and needed actions.

B. Policy, strategy and institutional context

National institutional context

10. In 2003, the Government elaborated a strategy for the country's reconstruction through its National Development Framework comprising 12 national programmes. Within this framework, a Government-led consultative group produced the report "Securing Afghanistan's Future: Accomplishments and the Strategic Path Forwards", with which it is engaging the donor community and making progress in aligning reconstruction programmes with the country's development priorities, which include: (i) building an effective and accountable Afghan state; (ii) encouraging and supporting private-sector development; (iii) strengthening agricultural development; (iv) responding to the drug economy; (v) delivering basic social services with gender equity; and (vi) assisting the poor and vulnerable. These documents set out outcome targets to be achieved by 2015 to align with the MDG framework, and detail the investment and recurrent costs required. Over a seven-year time frame, Afghanistan will require a total of external assistance of about US\$27.6 billion, with a minimum of US\$6.3 billion of external financing required in the form of direct support to the national budget. These sizable transfers are expected to sustain average medium- and long-term real GDP growth rates above 10 per cent; consequently, GDP per capita would reach some US\$500 by 2015, meaning that Afghanistan will still be a poor country. Security, strengthened institutions and sustained strategic public investments will be required to ensure visible economic and social progress able to compete with – and eventually eliminate – the drug economy. A focused social welfare policy is also required to address the needs of the poor and vulnerable – especially woman-headed households, people with disabilities and victims of war who risk being excluded from the formal sector.
11. Lack of security (particularly in some provinces) and low implementing capacity of some line ministries and implementing agencies remain the major constraints limiting Government capacity to manage the aid flow effectively. There are ongoing consultations between the Government and donors concerning progressively increased Government responsibility for development expenditure, particularly by some restructured ministries, which include the Ministry of Rural Rehabilitation and Development (MRRD), the Ministry of Education, the Ministry of Health, the Ministry of Housing, and the Ministry of Women's Affairs (MWA). The Ministry of Agriculture, Irrigation and Livestock (MAIL) has not yet been restructured to carry a policy leadership role, whereas MRRD has progressively acquired a major role in local development and as a channel for donor funds, having successfully managed an average of US\$250 million a year. MWA has rapidly acquired monitoring and legislative roles, and constitutes another relevant potential partner for IFAD in their specific areas of concern. Non-government institutions, such as the National Solidarity Programme (NSP) and the Microfinance Investment Support Facility for Afghanistan (MISFA), play critical roles in the areas of IFAD interest. Civil society organizations, such as the Bangladesh Rural Advancement Committee (BRAC) and

⁸ Afghanistan has among the fewest kilometres of road per square kilometre in the world, and only 16 per cent of the roads are paved. About half of the rural population lives in areas inaccessible for part of the year. There is a lack of adequate levels of health and education services. At the moment, the authority of the Government and its capacity of governance are very limited outside the Kabul region. Although the central government appoints local governors, its influence and law enforcement are very restricted. Many areas of the country are still under the control of Taliban militant groups and warlords, thus out of reach of assistance.

the Aga Khan Foundation, and a host of other international NGOs are playing a key role in the country's development. Research institutions such as the International Center for Agricultural Research in the Dry Areas (ICARDA) and the International Centre for Integrated Mountain Development (ICIMOD) are active in the country. Key file 2 presents a strengths, weaknesses, opportunities and threats analysis for key institutions.

National rural poverty reduction strategy

12. The I-ANDS was formulated in January 2006 by the Government, donors and NGOs within the framework of the Afghanistan Development Forum. The objectives of the I-ANDS are fully aligned with the MDGs, in particular MDG1 and MDG7.⁹ The strategy provides a vision of development based on private sector-led growth supported by a lean state, which uses the budget as its key policy instrument and aid coordination tool. The Government has formally submitted the I-ANDS to the World Bank and the International Monetary Fund (IMF) as its interim poverty reduction strategy paper (I-PRSP) and aims to produce a PRSP in the first half of 2008, in the preparation of which IFAD is actively involved. The I-PRSP sets policies and investments to refine throughout the 2006-2008 period in order to formulate the full ANDS. The I-ANDS builds on three pillars: security; governance, rule of law and human rights; and economic and social development. The last pillar has six identified priority sectors, including social protection, and agriculture and rural development. The agriculture and rural development sector envisages investments for the following supporting programmes: (i) agriculture; (ii) rural infrastructure including irrigation system management; (iii) community development; (iv) rural financial services; and (v) rural enterprise development.
13. While addressing climate change was not a top national priority, in September 2007, the Government and relevant donors issued a "Concept Note from Afghanistan for the MDG Environment and Climate Change Thematic Window", whose aim is to promote a strengthened approach for the integration of sustainable environmental management into the forthcoming ANDS in order to foster a holistic and balanced growth that recognizes the strong nexus among social, economic and environment issues.¹⁰

Harmonization and alignment

14. In line with the commitments of the Paris Declaration on Aid Effectiveness, IFAD's assistance will be provided within the framework of the I-ANDS, and IFAD-funded programmes and projects will be coordinated, implemented and monitored by the Government and other relevant national institutions. Within the I-ANDS, IFAD has already identified several government initiatives in the framework of which its assistance may be usefully provided. The first of these is the National Solidarity Programme: IFAD will direct its community infrastructure support through this programme in up to four of the poorest regions of the north and central highlands identified in the agricultural and rural poverty section of the document. IFAD will also adopt the gender-focused microcredit approach for the rural sector promoted by the Microfinance Investment Facility of Afghanistan. Since other donors are also channelling their assistance through these programmes, this will prevent duplication of efforts and ensure complementarity between IFAD's interventions and those of other development partners. In the same spirit, IFAD will coordinate its food security interventions with FAO and the World Food Programme (WFP). FAO has a well-established field presence and programme with MAIL, which also deals with value chain development issues, market access and transboundary diseases. WFP has a

⁹ MDG1 envisages that by the end of 2010, the proportion of people living on less than US\$1 a day will have decreased by 3 per cent per year and the proportion of people who suffer from hunger will have decreased by 5 per cent per year. MDG7 aims to establish environmental regulatory frameworks and management services for the protection of air and water quality, waste management and pollution control. Natural resource policies will be developed and implemented, encompassing government and community levels, by end-2007.

¹⁰ The envisaged outcomes are: (i) mainstreaming environmental issues in national and subnational policy, planning and investment frameworks; and (ii) improving local management of environmental resources and services delivery.

vast "Green Afghanistan" programme, which apart from climate change concerns, also focuses on drug substitution, child malnutrition and women's education. Key file 3 outlines the relevant complementary donor initiatives and partnership potentials.

III. Lessons from IFAD's experience in the country

A. Past results, impact and performance

15. Afghanistan was one of the earliest members of IFAD. A project was approved in 1979, but it could not be implemented during the Soviet invasion. No other loan-funded projects have been approved since then.
16. In 2006, after the fall of the Taliban regime, two grant-funded development initiatives were initiated with ICIMOD and ICARDA: the US\$200,000 Enhancing Innovative and Pro-poor Upland Policies in Afghanistan project (ICIMOD) and the US\$1 million regional grant Rehabilitation of Agricultural Livelihoods of Women in Marginal and Post-Conflict Areas of Afghanistan and Pakistan: Participatory Research, Dissemination and Adoption of Improved Dairy Goat Production System (ICARDA). Both projects target women – especially woman-headed households and farmers in the uplands of Afghanistan. While the 18-month ICIMOD project is progressing slowly, it is too early for the three-year ICARDA project to show any tangible results as yet.

B. Lessons learned

17. Given the above, IFAD has yet to acquire experience in Afghanistan. The development of projects and programmes in the country will, however, benefit from IFAD's experience in other post-conflict countries in the Asia and Pacific region and elsewhere. For example, the Fund has learned that grass-roots institutional development for growth with equity is a powerful factor for post-crisis reconstruction. Investments aimed at enhancing the local economy at the community level have also proven useful in addressing a post-crisis situation. In other countries in the Asia and Pacific region, inclusive household targeting has proved a key determinant in the successful, undisrupted implementation of IFAD-funded interventions even at the height of conflict: this type of approach calls for one set of interventions to reach the entire community and another to target the poorest or most vulnerable segments of the population. Lastly, for development efforts to be effective in post-conflict countries, IFAD has learned that more intensive supervision is required than in other countries, and that the local and national socio-political environment and its evolution need to be monitored on a continuous basis.

IV. IFAD country strategic framework

A. IFAD's comparative advantage at the country level

18. Based on IFAD's long experience in the Asia and Pacific region in supporting the most vulnerable groups or community members in the most remote rural areas, on the one hand, and on the fact that other donors in Afghanistan may neglect this specific segment of the population in these specific geographic areas, on the other, IFAD's comparative advantage in Afghanistan lies in its experience in working with small farmer communities, and vulnerable and marginalized socio-economic groups – particularly women and ethnic minorities – in rural and mountain environments. Given the relatively small size of its investments in the country, IFAD will also seek to develop pilot programmes that can be scaled up by other development partners.
19. In recognition of this comparative advantage, the Government has asked IFAD to act as an incremental innovator and catalyst with other international financial institutions and United Nations agencies in the formulation and implementation of rural-focused and gender-sensitive poverty reduction strategies and programmes in pacified regions where no relevant donor activity has yet started, and to contribute

know-how to the investments made by other development partners.¹¹ With this in mind, IFAD has established an initial dialogue with key Government ministries, civil society organizations and other development partners in order to identify investment opportunities for community-centred approaches, with the objective of assisting communities in rebuilding their livelihoods through investments in productive infrastructure, access to financial services and value chain addition in the regions where the most vulnerable marginalized groups live.

B. Strategic objectives

20. The overarching objective and the three strategic objectives identified in this COSOP for the period 2008-2012 derive from the I-ANDS and are consistent with the IFAD Strategic Framework 2007-2010. The overarching objective is to reduce gender disparities and increase the social and economic status of vulnerable and marginalized communities. The three strategic objectives are to (i) strengthen capacity for local-level planning, enterprise development and economic growth; (ii) increase access to rural-focused financial services; and (iii) enhance the assets, skills and productivity of rural households. A phased approach will be applied whereby the focus will be on re-establishing community cohesion, initially, and reactivating production through financial and asset provision, subsequently. The link between each of these strategic objectives and a positive contribution to reducing rural poverty has been clearly demonstrated in IFAD investments in similar countries and is evident from other donor investments in Afghanistan. Within this framework, IFAD will focus its investments in areas that have been neglected by other donors and address the needs of some of the most vulnerable and marginalized socio-economic groups that may be at risk of exclusion from current government programmes in two to four northern and central provinces. Replication of these pilot programmes is envisaged for a second stage.¹²
21. **Overarching objective: Reduce gender disparities and increase the social and economic status of vulnerable and marginalized communities.** This overall goal is in line with government priorities, which have highlighted a clear need to reduce gender and ethnic disparities. In all the interventions that IFAD will support in the country, investments will be primarily focused on women, and strategic opportunities to enhance their productivity and socio-economic status will be identified. Women have been left far behind in Afghanistan as a result of years of seclusion, discrimination and violence. In recognition of this difficult context, IFAD-funded projects will initially support specific activities in which women have traditionally played a key role such as carpet-weaving, dairy processing and fruit processing. In addition, an integrated package of services for women will be developed in collaboration with key partners. IFAD-funded projects will also target neglected and vulnerable communities, such as the nomadic Kuchi, who have suffered as a result of the closure of many traditional routes and the prolonged drought that has destroyed most of their livestock. This transhumant community is in real danger of losing its traditional way of life and is in urgent need of assistance.

¹¹ Given the massive task of re-establishing a state in a conflict situation in which many regions are disconnected geographically and politically from central authorities, the Afghan Government has only recently been able to address the issue of marginalized groups. The establishment of the Ministry of Woman Affairs and of the Ministry of Frontiers and Tribal Affairs represents important steps in this new policy of enhancing the Government's role and pacifying the most remote provinces of the country. Similarly, most donors have so far concentrated the immediate needs of rebuilding the state and reactivating economic activities. Their core activities lie far from working with rural communities, and vulnerable and marginalized groups: no other donor (with the exception of FAO and WFP) has directly addressed their concerns or become substantially involved in rural development; none (with the exception of the United Nations Development Fund for Women) is working with rural women or with ethnic minorities. No donor is active in this connection in Bamyan and neighbouring provinces. Key file 3 outlines the relevant complementary donor initiatives and partnership potentials.

¹² Appendix III presents the results-based management framework for IFAD investments in Afghanistan; identifies the link between the specific objectives derived from the Afghanistan National Development Strategy; outlines the key milestones and outcome indicators relevant for each of IFAD's strategic objectives; and shows targets for the COSOP at mid-term and at the end of the current planning period.

22. **Strategic objective 1: Strengthen capacity for local-level planning, enterprise development and economic growth.** There is an urgent need to build the capacities of local development institutions, private entrepreneurs and local government agencies in Afghanistan. While many donors are investing in capacity-building at the central level and focusing their attention on the key ministries in Kabul, capacity-building needs at the provincial, district and village level are often ignored. The private sector is just beginning to re-emerge after years of conflict and uncertainty. There is also a need to build the capacity of the various institutional players at the local level. IFAD will focus its capacity-building efforts on these local-level people and institutions as a strategic investment in the country's long-term sustainability. In partnership with the NSP and its many donors, IFAD will help communities adapt to and mitigate the effect of climate change, making them more resilient to the effects of drought, rehabilitating their infrastructure where it was destroyed and investing in new schemes where none existed.
23. **Strategic objective 2: Increase access to rural-focused financial services.** In recent years, the microfinance sector has made important progress in Afghanistan; yet the rural poor lack access to much-needed financial products. IFAD can help provide the rural poor with access to financial services and technology that can contribute to enhancing produce value and value chain addition. In partnership with MISFA, the Aga Khan Foundation and BRAC, IFAD will assist in developing a diversified range of financial products that are tailored to rural-sector needs, gender-sensitive and in line with Islamic modes of finance, and that will help expand the outreach of financial services to rural communities through linkages with the commercial sector.
24. **Strategic objective 3: Enhance the assets, skills and productivity of rural households.** The key constraints to increases in the productivity of rural households, especially those in remote and mountain areas are lack of infrastructure and lack of processing and marketing facilities. While some infrastructure critical for rural development and economic growth was never present in the remote areas of Afghanistan, even where it existed most has been devastated by the combined effects of conflict and neglect due to outmigration. This is true particularly of irrigation infrastructure, which has been reduced to half its capacity due to the long years of conflict and devastation in the country. IFAD investments in village-level small-scale economic infrastructure will therefore focus on helping these rural communities enhance their productivity and generate a marketable surplus. IFAD – in partnership with the MAIL, FAO and WFP – will also focus on establishing seed potato and horticulture production, dairy processing, and carpet-weaving centres, among others.

C. Opportunities for innovation

25. There are several opportunities for innovation that IFAD can capitalize upon so that its investments have a catalytic impact on rural development and poverty reduction. The Government has established community development councils (CDCs) under the NSP. While the CDCs have been effective in implementing infrastructure projects, they are relatively untested in other areas of economic growth and enterprise development. Similarly, while CDC by-laws stipulate that CDCs should involve women, in practice, the extent to which women are actually participating in these councils is unclear. Therefore, at the institutional level, IFAD will test innovative ways to help CDCs empower women and participate in enterprise development.
26. Several donor agencies have been supporting the microfinance sector, which has grown rapidly and extended its outreach. However, the sector lacks depth, and the financial products available are of a fairly standard nature, are not gender-sensitive and are not always appropriate for the agriculture and livestock sector. Furthermore, progress in the development of financial products based on Islamic modes of financing has been slow. As a result, many potential clients are apprehensive about

borrowing, and the high drop-out rate among clients is high. There is consequently an opportunity for IFAD to help foster innovative financial products for the microfinance sector and at the same enhance impact and allay the apprehensions of the potential client base. IFAD will also help link the commercial sector with the microfinance sector and assist in establishing a long-term sustainable supply of funds for the sector.

27. Another key opportunity is in the area of value addition in the crop and livestock sector. The potential range of activities could include dairy production and use of new technology for wool processing, potato seed production and other high-value crops. There are also opportunities to use innovative partnerships and incentive mechanisms to develop markets that benefit the poor, and to test new ways to connect farmers to markets and services. The aim is to reduce malnutrition and sustain food security, intensifying the profitability of agriculture in a country with limited land and water resources and an ever-increasing population. In all three areas of intervention, IFAD's innovation will involve a process of incremental improvements, combined with flexibility and provision for an exit strategy.

D. Targeting strategy

28. IFAD investments in the country will be targeted to benefit three specific priority target groups. The first are small farming and livestock herding communities in remote and mountain areas of rural Afghanistan. The second are women, woman-headed households and marginalized communities. The third are local grass-roots institutions, private entrepreneurs, local NGOs and local government staff in rural Afghanistan whose capacities need to be strengthened. Local governments and their staff have had no exposure to other views, work methods and ideas other than the traditional ones. To become agents of change, these government officials will have to be trained, sent on exposure visits and informed about best practices. This will allow them to appreciate a rapidly changing world and a range of new technologies.
29. In terms of geographic coverage, IFAD will focus on the central and northern Afghan highlands where some of the provinces have received little donor assistance, are remote and have among the poorest indicators of socio-economic development in the country. These provinces are relatively stable and secure, which will allow IFAD-funded projects to be implemented without disruption. The provinces most likely to be included are Bamiyan, Balkh, Samangan and Sari Pul, which are primarily inhabited by vulnerable and marginalized Azar communities, Kuchi herders and other ethnic minorities.
30. Within these provinces, IFAD's targeting approach will be to select districts and villages with high concentrations of priority target groups. This will be done in consultation with NSP and MISFA, and with support programmes initiated by FAO and WFP. Beyond the selection of geographic target areas, IFAD will promote an inclusive household targeting approach, with priority given to the three specific target groups identified. Priority target group members will participate in project activities following a process of participatory selection, within the framework of a set of specific criteria agreed upon by project implementers and the community as a whole. During project design and implementation, IFAD will also ensure that community infrastructure, financial services and all other interventions are meaningful for the selected priority target groups. The main selection criterion for implementing agencies other than those specified above will be their capacity to reach the desired target group. Key file 4 outlines target group identification, priority issues and potential responses.

E. Policy linkages

31. There are several specific opportunities that IFAD may grasp for influencing policies in the agricultural and rural sectors. The first will be with respect to rural organizations such as the CDCs. At the grass-roots level, IFAD-funded projects will investigate the potential for women to participate in CDCs and for these councils to

be transformed into more enterprise-focused entities. Should a specific policy change in their composition, constitution or by-laws be required to make them more effective entities for rural development, IFAD will work with MRRD to bring about that change, in coordination with MWA. IFAD will also position itself to become an important partner in helping to shape microfinance policies that allow outreach, financial inclusion for the rural poor and women, sustainability and impact on poverty reduction. In coordination with its partners, IFAD will also explore opportunities for promoting (i) the development of policies to support private-sector involvement in developing agro-based enterprises in rural mountain areas; (ii) the formulation and, more importantly, the effective implementation of policies that promote gender equality in Afghanistan; and (iii) the adoption of specific policies for marginalized communities, such as the Kuchi, to ensure that they are taken into account in national plans and priorities.

V. Programme management

A. COSOP management

32. The Country Programme Management Team (CPMT) was formed to provide feedback and guidance during COSOP formulation and, eventually, implementation.¹³ Web-facilitated bilateral and in-country group meetings of the CPMT will take place regularly. A formal COSOP review and implementation meeting will take place annually to: (i) review the rapidly evolving process of state-building, peace-keeping, reconciliation and post-conflict reconstruction; (ii) align the country programme results management framework's outcome and output indicators with the forthcoming ANDS performance indicators; and (iii) review and update the country programme performance and implementation status.¹⁴ The outcomes of these annual reviews will be captured in a progress report, to be submitted to the Executive Board for review. A mid-term review of the COSOP will be held in 2010. At the end of 2012, a final report on COSOP performance and impact will be prepared. The report will be a "self evaluation" and will feed into any country programme evaluation or the new COSOP design process that follows.
33. While IFAD is reviewing the options for a country presence in Afghanistan, the Ministry of Finance will be the main coordinator and counterpart for IFAD, and NSP, MRRD, MISFA and MAIL (in partnership with FAO and WFP), with their regional offices and agencies, are expected to be the main implementation partners. MWA and the Afghan Research and Evaluation Unit may provide useful support and oversight for monitoring and evaluation (M&E) activities.

B. Country programme management

34. IFAD-funded projects in Afghanistan will be under the direct supervision modality, in line with the new IFAD Policy on Supervision and Implementation Support. To facilitate this task, IFAD will ensure that project managers and relevant project staff are provided with a proper introduction to IFAD financial management, audit and procurement procedures, and that effective implementation support is provided throughout the course of project implementation, in particular in the area of monitoring and evaluation. The capacities of all implementation partners to perform efficient M&E and oversight functions will be analysed and possibly strengthened. As far as investments in the crop and livestock sectors are concerned, innovative arrangements to monitor projects and partnerships with other organizations (e.g. FAO and WFP), the Government (MAIL) and stakeholders may be necessary; these

¹³ IFAD is also currently reviewing the options for a country presence in Afghanistan; the present situation does not allow for direct IFAD country presence but for proxy presence through our development partners. Should a direct presence be established in the future, it will enable a more active engagement in the development of the ANDS and monitoring of COSOP implementation.

¹⁴ As part of the annual review process, IFAD will also undertake client feedback reviews and facilitate the completion of these surveys by members of the CPMT, key stakeholders in the Government, civil society, partner donors and beneficiaries.

arrangements will be further analysed and elaborated during programme formulation.

C. Partnerships

35. As a new donor in Afghanistan, IFAD needs to establish its profile through a series of dialogues and alliances with key government agencies, donors, research institutions, NGOs and client organizations.
36. IFAD will collaborate with the NSP, MRRD, MISFA, MAIL, FAO and WFP in helping to achieve the strategic objectives of the I-ANDS identified in this COSOP. The Fund will coordinate project pipeline development with key donors in the country and, where possible, collaborate with all interested partners in specific project activities that fit with the COSOP's strategic objectives. In this context, IFAD will capitalize on: (i) its institutional partnerships with the World Bank, FAO and WFP to undertake closer country-level collaboration; (ii) its agreement with the Asian Development Bank to review opportunities for cofinancing and parallel financing collaboration arrangements; (iii) its arrangements with some bilateral donors to build on their experience in the country; and (iv) the renewed interest in IFAD's pipeline recently shown by some bilateral donors and international private donors. Key file 3 outlines the most immediate complementary donor initiatives and partnership potentials. Establishing strong working relations with NGOs is a crucial aim in IFAD strategy. IFAD has already established an initial dialogue with the Aga Khan Foundation, the Agency Coordinating Body for Afghan Relief (the NGO coordinating body), BRAC, Catholic Relief Services, MISFA and a host of other agencies operating in Afghanistan.

D. Knowledge management and communication

37. The IFAD country programme in Afghanistan will include investments and activities to promote effective knowledge management in line with IFAD's knowledge management strategy. Lessons will be shared, and where successful, replicated and scaled up for wider impact. Several mechanisms are envisaged to ensure that these lessons are shared and disseminated: (i) the annual COSOP review; (ii) knowledge management processes built into project design; (iii) the active engagement of IFAD in donor forums established to review progress and share lessons; and (iv) the sharing of lessons from the supervision and M&E of IFAD-funded projects. IFAD members of the CPMT will feed knowledge from the Afghan country programme back to IFAD and its other partners through participation in the programme for Knowledge Networking for Rural Development in Asia/Pacific Region (ENRAP) and through contributions to the Rural Poverty Portal. Some of this knowledge will have implications for policy dialogue, programme development and implementation, and will be shared with the Government and other development partners at appropriate levels.

E. PBAS financing framework

38. In the context of IFAD's performance-based allocation system, Afghanistan was accorded a total score of 2.92¹⁵ and an indicative funding allocation of some US\$18.4 million over the period 2007-2009. In the framework of the Debt Sustainability Framework, Afghanistan is currently designated as a "red" country, which means that IFAD assistance will be through grant funding.

¹⁵ 2007 value

Table 1
PBAS Rural Sector Scores (2007)

<i>Indicators</i>	<i>COSOP year 1</i>
Rural sector scores	
A. Strengthening the capacity of the rural poor and their organizations	
(i) Policy and legal framework for rural organizations	3.33
(ii) Dialogue between government and rural organizations	N.A.
B. Improving equitable access to productive natural resources and technology	
(i) Improving access to land	2.20
(ii) Access to water for agriculture	2.60
(iii) Access to agricultural research and extension services	2.67
C. Increasing access to financial services and markets	
(i) Enabling conditions for rural financial services development	3.33
(ii) Investment climate for rural business	3.33
(iii) Access to agricultural input and produce markets	3.25
D. Gender issues	
(i) Access to education in rural areas	3.00
(ii) Representation	3.25
E. Public resources management and accountability	
(i) Allocation and management of public resources for rural development	2.5
(ii) Accountability, transparency and corruption in rural areas	2.6
Total score	2.92

39. Table 2 provides indicative financing scenarios. If the rural sector performance scores fall, the overall allocation for Afghanistan would decline by 20 per cent. By the same token, if the rural sector performance scores improve, the overall allocation for Afghanistan would rise by 22 per cent.

Table 2
Relationship between performance indicators and country score

<i>Financing scenario</i>	<i>PAR^a rating (+/- 1)</i>	<i>Rural sector performance score (+/- 0.3)</i>	<i>Percentage change in PBAS allocation from base scenario</i>
Hypothetical low	N.A.	2.62	-20%
Base case	N.A.	2.92	0%
Hypothetical high	N.A.	3.22	+22%

^a Project-at-risk

F. Risks and risk management

40. There are several risks inherent in the situation in Afghanistan that could potentially affect project implementation in the country. These stem from the tenuous security situation, the ongoing conflict and the Government's inability to control the anti-government groups linked to the former Taliban regime, groups linked to Al-Qaida, remnants of militias allied to commanders, and criminal groups often associated with the narcotics trade. Another source of instability comes from the significant number of displaced persons as a result of the war and drought, and returning refugees (some 5-15 per cent of the total Afghan population) who are putting a strain on the already impoverished local communities, creating localized conflicts over land, property and access to resources. Afghanistan also has a high number of landmines and other unexploded ordnance scattered over its territory, posing a severe risk to the rural population in particular. IFAD will minimize these risks by focusing in relatively stable areas where the risk of conflict is low. It will also link into the United Nations early warning security system and work only with partners that adhere to the minimal operational security standards for United Nations field operations.
41. Weak Government capacity is a key risk in Afghanistan. Expatriate advisers play a prominent role in many of the ministries, posing a danger of a lack of ownership among Afghans who at times are only nominally at the helm of affairs. IFAD will

minimize this risk by working through mainstream government agencies and by entrusting project implementation responsibilities to institutions that demonstrate strong local ownership. The Fund will focus on building the capacities of institutions at the local level and, if required, will monitor their compliance with good governance and anticorruption best practices.¹⁶

42. All interventions supported by IFAD in the country will include a gender-mainstreaming component, which will promote the active participation of women in project activities. Reducing gender inequalities in Afghanistan is a daunting task, which, if discussed openly, is often met with resentment and even animosity. IFAD will develop a gradual and prudent approach to promote gender equity. Special attention will be paid to ensuring that community leaders and members are properly briefed on women's activities, and that their support is elicited. IFAD will begin with economic activities that traditionally are in women's domain and will encourage women's participation in other economic activities hitherto more reserved for men through a gender-sensitive approach, for instance through gender-segregated training and extension, and the employment of women staff. Special measures will be taken for the protection of women staff and stakeholders.

¹⁶ Dysfunctional land markets could potentially affect the implementation of IFAD-funded projects in some areas. The World Bank is providing direct analytical assistance in this area, in close cooperation with donor partners. The Afghanistan Compact endorsed by the United Nations Security Council in February 2006 contains benchmarks on land management. IFAD operations will minimize projects with implications on land ownership given the lack of clarity on land ownership in Afghanistan.

COSOP consultation process

RB-COSOP Mission

1. At the request of the Government of Afghanistan a Programme Development Mission from the International Fund for Agriculture Development (IFAD) visited Afghanistan from 8 May to 22 May 2007.
2. A principal objective of the mission was to develop a Result Based Country Strategic Opportunities Programme (RB-COSOP) supporting national priorities and plans established by the Government of Afghanistan in the Interim Afghan National Development Strategy (I-ANDS). The mission also reviewed the priorities outlined in the National Solidarity Program, the Agriculture Sector Master Plan, Afghanistan's Millennium Development Goals and the National Plan of Action for Women.

Consultation Process

3. The mission met with key government officials - in the Ministry of Finance, Ministry of Agriculture, Irrigation and Livestock, the Ministry of Rural Reconstruction and Development, Ministry of Women's Affairs - financial institutions agents -in the Micro-Finance Investment Support Facility for Afghanistan, the First Micro-Finance Bank of Afghanistan,- research agencies experts -in FAO, ICARDA, ICIMOD,- NGOs volunteers - in Bangladesh Rural Advancement Committee (BRAC), ARMP, the Aga Khan Foundation- farmers' associations, women's networks and other stakeholders. The mission members also held extensive meetings with representatives of the international donor community - at the World Bank, the Asian Development Bank, FAO, UNDP, WFP, DFID, UNIFEM, UNDOC-, of bilateral agencies -at the Italian and the Netherlands Embassies- to discuss opportunities for establishing future partnerships.

RB-COSOP Design Workshop

4. As part of its consultation process in the country, IFAD organized a workshop to discuss and develop its strategic opportunities in Afghanistan. The consultation workshop was held on May 17, 2007 at ASSA 3 in Kabul and attended by more than 50 participants from the different government ministries, donor agencies, a broad spectrum of NGOs and farmer associations. About one-fourth of the participants were women. The new FAO representative to Afghanistan Mr Tekeste Ghebray Tekie delivered the opening statement. Mr Wais Ahmad Barmak, Executive Director of the National Solidarity Program (Ministry of Rural Reconstruction and Development), M. Ghani-Ghuryani Director General for Policy (Ministry of Agriculture, Irrigation and Livestock) and Ms Nooria Banwal, Director of Economic Empowerment (Ministry of Woman Affairs) discussed key constraints, opportunities and challenges. The workshop participants discussed broad strategic directions and specific project ideas.

Performance Based Allocation System

5. The mission also discussed the Performance Based Allocation System with key stakeholders such as the Ministry of Finance, MRRD, MAIL and MWA. The CPM explained the objectives and purpose of the PBAS system and its importance for determining the country allocation. A preliminary draft of the narrative section of the PBAS was circulated to key agencies and they were allowed time to respond to the narrative. Suggestions for modification received from the Government agencies were incorporated in the narrative and the revised PBAS was issued with scores to all concerned prior to the departure of the mission from Afghanistan.

Wrap-up Meeting

6. An Aide-Mémoire was submitted to the Government of Afghanistan on 19 May 2007 and discussed at a wrap up meeting hosted by the Ministry of Finance on 20 May 2007. At the wrap-up meeting it was agreed that the draft RB-COSOP would be

subjected to internal review in IFAD before being forwarded to the Government for review and comment. The Aide Mémoire was also shared with key government agencies, donors, NGOs in order to brief them about initial findings, strategic directions that IFAD was contemplating and the next steps. Additional wrap-up sessions were also held with some key stakeholders such as the MRRD and MWA to brief them on the mission progress and outcome, and to engage them in the ongoing RB-COSOP drafting. After several rounds of reviews, a final round of consultations and RB-COSOP review was conducted in the month of January 2008 with all relevant government counterparts and provincial authorities.

Country economic background

AFGHANISTAN

Land area (km² thousand) 2005 1/	652
Total population (million) 2005 1/	29,863,004
Population density (people per km²) 2003 1/	n/a
Local currency	Afghani (AFA)

Social Indicators

Population (average annual population growth rate) 1997-2005 1/	n/a
Crude birth rate (per thousand people) 2005 1/	n/a
Crude death rate (per thousand people) 2005 1/	n/a
Infant mortality rate (per thousand live births) 2005 1/	165
Under-five mortality rate	257
Life expectancy at birth (years) 2005 1/	47
Fertility rate	7.2

Number of rural poor (million) (approximate) 2005 1/	23,024,376
Poor as % of total rural population 2005 1/	77
Total labor force (million) 2000-2005 1/	n/a
Female labor force as % of total 2000-2005 1/	n/a

Education

School enrolment, primary (% gross) 2005 1/	87
School enrolment, primary, female (% gross) 2005 1/	55
School enrolment, primary, male (% gross) 2004 1/	45
Adult illiteracy rate (% age 15 and above) 2004 1/	72

Nutrition

Daily calorie supply per capita	n/a
Malnutrition prevalence, height for age (% of children under 5) 2004 1/	n/a
Malnutrition prevalence, weight for age (% of children under 5) 2004 1/	39

Health

Health expenditure, total (as % of GDP) 2003 2/	6.5
Physicians (per thousand people) 1990-2004 2/	19
Population using improved water sources (%) 2004 2/	39
Population with access to essential drugs (%) 2004 2/	n/a
Population using adequate sanitation facilities (%) 2004 2/	49

Agriculture and Food

Food imports (% of merchandise imports) 2005 1/	n/a
Fertilizer consumption (hundreds of grams per ha of arable land) 2005 1/	26 a/
Food production index (1999-01=100) 2005 1/	n/a
Cereal yield (kg per ha) 2005 1/	n/a

Land Use

Arable land as % of land area 2003 1/	12 a/
Forest area as % of total land area 2003 1/	9
Irrigated land as % of cropland 2003 1/	34 a/

GNI per capita (USD) 2005 1/	230
GDP per capita growth (annual %) 2003 1/	n/a
Inflation, consumer prices (annual %) 2003 1/	n/a
Exchange rate: USD 1 = AFA 49	

Economic Indicators

GDP (USD million) 2005 1/	7,200
Average annual rate of growth of GDP 2005 1/ 1983-1993	13.8
1993-2003	n/a
1993-2003	n/a

Sectoral distribution of GDP 2005 1/

% agriculture	36
% industry	24
% manufacturing	18 a/
% services	39

Consumption 2005 1/

General government final consumption expenditure (as % of GDP)	9.6
Household final consumption expenditure, etc. (as % of GDP)	95.1
Gross domestic savings (as % of GDP)	-4.6

Balance of Payments (% of GDP)

Merchandise exports 2005 1/	12
Merchandise imports 2005 1/	56
Balance of merchandise trade	44

Current account balances (USD million) 3/

before official transfers 2005 1/	n/a
after official transfers 2005 1/	2 800
Foreign direct investment, net 2005 1/	n/a

Government Finance

Cash surplus/deficit (as % of GDP) 2004 1/	0.9
Total expenditure (% of GDP) 2005 1/	44.4
Operating expenditure (% of GDP) 2005 1/	9.4
Total revenue (% of GDP) 2005 1/	6.2
Total external debt (USD million) 2005 1/	n/a
Present value of debt (as % of GNI) 2005 1/	n/a
Total debt service (% of exports of goods and services) 2005 1/	n/a

Lending interest rate (%) 2005 1/	n/a
Deposit interest rate (%) 2005 1/	n/a

a/ Data are for years or periods other than those specified.

1/ World Bank, *World Development Indicators* database 2007

2/ UNDP, *Human Development Report*, 2006

3/ IMF, World Economic Outlook Database, 2007

COSOP results management framework

<p style="text-align: center;"><i>Afghanistan National Development Strategy</i> Overall Goal in:</p>	<p style="text-align: center;"><i>IFAD RB-COSOP for Afghanistan</i> Overarching Strategic Objective:</p>
<p><u><i>Agriculture and Rural Development:</i></u> Government's goal is to achieve pro-poor growth in the rural areas by enhancing licit agriculture productivity, creating incentives for non-farm investment, developing rural infrastructure, and supporting access to skills development and financial services that will allow individual, households and communities to participate licitly and productively in the economy (<i>Pillar III Economic and Social Development – Sector 6</i>).</p>	<p>Reduce gender disparities and increase the social and economic status of vulnerable and marginalized rural poor and their communities.</p>
<p><u><i>Social Protection:</i></u> The Government's goal is to increase the capacities, opportunities and security of extremely poor vulnerable Afghans through a process of economic empowerment in order to reduce poverty and increase self- reliance (<i>Pillar III Economic and Social Development –Sector 7</i>).</p>	

While IFAD RB-COSOP for Afghanistan is fully aligned to the Government of Afghanistan's I-ANDS, there is a substantive difference of approach in dealing with rural development and social protection. While the I-ANDS deal with the two issues as two different sectors with different goals, the RB-COSOP deals with them *pari passu* as a single sector and a single overarching goal.

<i>Country Strategy Alignment Afghanistan National Development Strategy¹⁷</i>	<i>Key Results Framework for RB-COSOP</i>			<i>Institutional/Policy Objectives</i>
	<i>Strategic Objectives</i>	<i>Outcome Indicators</i>	<i>Milestone Indicators¹⁸</i>	<i>Policy Dialogue Agenda</i>
<ul style="list-style-type: none"> ▪ The necessary institutional, regulatory and incentive framework to increase production and productivity will be established to create an enabling environment for legal agriculture and agriculture-based rural institutions, and public investment in agriculture will increase by 30%; and particular consideration will be given to perennial horticulture, animal health and food security by instituting specialized support agencies and financial service delivery mechanisms, supporting farmers' associations, branding national products, disseminating timely price and weather-related information and statistics, providing strategic research and technical assistance, and securing access to irrigation and water management systems (I-ANDS Pillar III –Sector 6 – Program 1). ▪ I-ANDS Pillar III –Sector 6 – Program 5. 	<p><u><i>Strategic Objective 1:</i></u> Strengthen the capacity of local development institutions, private entrepreneurs and government agencies at the local level for local level planning, enterprise development and economic growth.</p>	<ul style="list-style-type: none"> ▪ 60 % of targeted farmers report increased volume and value of agricultural and livestock production. ▪ 60 % of targeted farming households and private sector actors operating in the project area report increased annual trade flows to and from the target area. ▪ 80 % of targeted female and male farmers in the project area report increased incomes from selected high value commodities. 	<ul style="list-style-type: none"> ▪ Province and village-level institutions supported and strengthened to facilitate new entrepreneurial initiatives by rural communities. ▪ Innovative institutional arrangements and enterprises established to enhance the value of key commodities through value chain analysis and a systematic removal of constraints for at least 2,000 households by RB-COSOP mid-term. ▪ At least two innovative institutional arrangements linking small farmers or communities with local, national or international markets created by the end of the RB-COSOP cycle. ▪ Number of storage, processing and marketing facilities constructed. ▪ Number of demonstrations held on farmers' fields (m/f). ▪ Number of men, women, youth and disabled trained in productive skills, by sub-sector. ▪ Private sector extension and animal health workers (m/f) trained and operating in all target villages. ▪ 50% of trainees are women. ▪ A center of excellence for seed potato production established. ▪ Percentage increase in milk production. ▪ Number of tons of dairy products commercialized at market prices below those of imported products. 	<ul style="list-style-type: none"> ▪ Restructuring of the MAIL. ▪ Strengthening MAIL policy function. ▪ Maintain MAIL provincial agencies reliability. ▪ Developing certification and quality standards for identified agriculture products. ▪ Adopting a policy and regulatory framework to support the establishment of small and medium rural enterprises. ▪ Establishing enforceable arid and desert environment sustainable protection mechanisms.

¹⁷ The I-ANDS provides a national development strategy without province-level targets.

¹⁸ The I-ANDS does not provide M&E indicators, therefore those presented in the RB-COSOP are indicative. RB-COSOP milestone indicators will be revised when the new ANDS will be made available or at the individual programme formulation stage or at the yearly RB-COSOP review, whichever comes first.

Country Strategy Alignment Afghanistan National Development Strategy ¹⁷	Key Results Framework for RB-COSOP			Institutional/Policy Objectives
	Strategic Objectives	Outcome Indicators	Milestone Indicators ¹⁸	Policy Dialogue Agenda
			<ul style="list-style-type: none"> Number of economically viable high quality carpet centers established or developed. 	
<p>A total of 800,000 household (22% of all Afghanistan's households) will benefit from improved access to financial services (I-ANDS Pillar III – Sector 6 – Program 4).</p>	<p><u>Strategic Objective 2:</u> Increase access to rural-focused financial services by poor rural households</p>	<ul style="list-style-type: none"> At least 8,000¹⁹ rural households in targeted areas report improved access to financial services annually by the RB-COSOP mid-term review. (Of these, 5,600 should be women clients and 2,400 male clients). 	<ul style="list-style-type: none"> Development, pilot testing and eventual rollover of gender sensitive and Islamic sensitive rural focused microfinance services. Number of extension-banking groups (EBG) formed (at least 50% female groups). Number of EBG (m/f) with functioning revolving funds (at least 50% female groups). 33% of mixed gender EBG groups with women leaders. Number of smallholders (m/f) receiving project assistance. 	<ul style="list-style-type: none"> Developing a national strategy to enhance microfinance institutional capacity. Developing a strategy to maximize outreach and access to service at the provincial and rural community level. Developing a deposit mobilization strategy. Enhancing supervision regulations of the microfinance industry. <p>Providing incentives to limit the outreach of the informal financial arrangement surrounding poppy cultivation.</p>
<ul style="list-style-type: none"> Rural development will be enhanced comprehensively for the benefit of 19 million people in over 38,000 villages; this will be achieved through the election of at least a further 14,000 CDCs in all remaining villages, promoting local governance, and community empowerment and rural enterprises (I-ANDS Pillar III – Sector 6 -Program 3). The efficiency of irrigation water management, participatory decision making and institutional 	<p><u>Strategic Objective 3:</u> Increase the assets and skills of poor rural households and their productivity.</p>	<ul style="list-style-type: none"> Proportion of people living on less than USD 1 a day decreased by 3% per year in the communities in which IFAD operates. Proportion of people who suffer from hunger decreased by 5% a year in the communities in which IFAD operates. Increase by at least 50% of targeted farmers' incomes. Proportion of female-headed households that are chronically poor reduced by 20% 	<ul style="list-style-type: none"> Number of village-level participatory planning exercises duly conducted and number of Village Development Plans formulated. Number of villages in which the infrastructure stock has increased. Number of village-level infrastructure constructed, improved or rehabilitated (such as irrigation channels, drinking water supply, farm to market roads, grading, sorting and packaging sheds, cold stores, micro-hydro projects²⁰) benefiting about 10,000 households²⁰ by RB-COSOP mid-term and 20,000 by RB-COSOP end. 	<ul style="list-style-type: none"> Improving governance and security at the provincial level. Improving gender sensitiveness and female officer security. Introduction of policies and procedures for decentralized planning, financing and implementation. Issuance of sub-decrees in favour of allocation of resources to gender and ethnic groups (inter alia, women account for 50% of wage earning employment in public works).

¹⁹ The expected investment in the micro-finance sector is expected to be about 1/3rd of the total IFAD portfolio in Afghanistan. Of this US\$4 million is expected to be used to finance new innovative loan products. Based on the current average loan size of US\$200 the number of households reached is expected to be 8,000 at mid-term and about 22,000 households by end of RB-COSOP period.

²⁰ The expected investment in community based infrastructure is expected to be about US\$6 million. Of this US\$4.8 million is expected to be invested directly in infrastructure schemes. The NSP is currently spending US\$200 per household as block grant. Thus total benefiting households are 24,000 by RB-COSOP end.

<i>Country Strategy Alignment Afghanistan National Development Strategy¹⁷</i>	<i>Key Results Framework for RB-COSOP</i>			<i>Institutional/Policy Objectives</i>
	<i>Strategic Objectives</i>	<i>Outcome Indicators</i>	<i>Milestone Indicators¹⁸</i>	<i>Policy Dialogue Agenda</i>
<p>reforms, and environmental management will be increased and more equitable distribution of benefits across irrigation systems and across different agro-environments will be ensured (I-ANDS Pillar III –Sector 6 – Program 2 (1)).</p> <ul style="list-style-type: none"> ▪ I-ANDS Pillar III –Sector 6 – Program 2 (2). ▪ I-ANDS Pillar III – Sector 7 – Program 1 (1). 		<ul style="list-style-type: none"> ▪ Local employment rates increased by 20%. 	<ul style="list-style-type: none"> ▪ Number of hectares of land newly irrigated. ▪ A baseline exercise on food insecurity, poverty and vulnerability at the provincial and community level conducted. ▪ An effective system of disaster preparedness and response established at the provincial and community level ▪ Performance rating, with a target satisfaction rating of 80%, of the (i) service providers and (ii) the CDC infrastructure investment. 	<ul style="list-style-type: none"> ▪ Functioning of the MWA provincial agents to support legislative capacity and act as monitoring agents. ▪ Restructuring of the MFTA. ▪ Developing a social accepted targeting approach (inter alia, communities with at least 33% female representatives elected in the CDC; and ethnic balance representation in the CDC proportional to population balance). ▪ Adopting of effective governance and anti-corruption regulations. ▪ Balancing between human and physical capital, between social and economic investment. ▪ Establishing adequate collaboration and coordination with other donors at the provincial level.

Key file 1: Rural poverty and agricultural/rural sector issues

Priority Areas	Affected Groups	Major Issues	Actions Needed
Food Insecurity	An estimated 38% of rural households (about 6 million Afghans) face chronic or transient food shortages. Women, children and household located in mountainous areas are particularly vulnerable.	Food security is hindered by (i) lack of security (ii) weak governance system (iii) destruction or damage to the agricultural production systems during more than 23 years of war and conflict (iv) prolonged periods of drought which deplete livestock and destroy orchards (v) lack of assets and resources for licit agricultural production; (vi) destruction of the irrigation infrastructure; (vii) lack of physical and marketing infrastructure; (viii) lack of financial services; and (ix) gender discrimination, even within the household.	(i) Improved governance and security (ii) investments in infrastructure (iii) access to financial services (iv) investments in technologies and skills that help to enhance the productivity of the existing resource base in rural areas (v) improved gender sensitivity.
Poor Agricultural Productivity	Small farmers in general and all upland farmers in particular female headed households.	Recurring droughts, dilapidated irrigation, lack of access roads, limited input supplies and suppliers, lack of extension support, aging traditional germ plasma, loss of trees and orchards, lack of affordable credit, limited knowledge of modern agronomic techniques, limited value addition activities.	Rehabilitation of rural infrastructure, inclusion of more drought resistant crops in crop rotation. Improved agronomic techniques with better post harvest management and introduction of value addition activities in the areas of potato seed.
Poor Livestock Productivity	Small farmers, female headed households, Kuchi population	The traditional role of livestock farming in Afghan rural livelihoods has been disrupted by the impact of the war and drought, having led to severely reduced livestock numbers. Especially the Kuchi's livelihood has been hit hard due to reduced access to pastures and the low animal numbers. The privatization of field veterinary services is ongoing and the coverage is still far from complete. Farmers have problems to accept that the government veterinary services should now be paid for. .	Develop and strengthen financial instruments to provide farmers livestock credits to rebuild their herd and or flock, shift to a production system more depending upon grown fodder than the scarce and scanty natural vegetation, support to the development of private veterinary practice through Veterinary Field Units (FVUs). Introduction of value addition activities such as dairy processing, wool processing, etc.
Increasing Poppy/Opium Production	Small farmers	The drought-resistant cash crop is an attractive option for farmers who can also obtain cash in advance for their crops. The drug production and trade are estimated to contribute 40%-50% of the GDP being the main source of export earnings. Drug industry is penetrating all Afghan socio-economic domains driving to a criminalisation of the economy.	Offer people real high value options that can help them improve their food security and livelihood options.
Gender Discrimination	All female socio-economic groups and female headed households;	The traditional role of women and perceptions about what is and is not women's domain restrict their equitable participation in economic and political activities. Women generally do not have access to productive resources and lack control and ownership of assets. Years of inequitable access has led to a very low socio-economic profile of women and women in Afghanistan display among the worst indicators of socio-economic development.	Awareness rising about the rights of women and the importance of giving women equal rights and opportunities. Providing women with opportunities to participate in economic activities by providing them access to services, skills and productive assets;

Key file 2: Organizations matrix (strengths, weaknesses, opportunities and threats [SWOT] analysis

ORGANIZATION	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
<p>Enablers</p> <p>Government Agencies</p>	<p>Afghanistan's political transformation, implemented according to the 2001 Bonn Agreement was successfully concluded in late 2005. As a result of that historic process, Afghanistan has developed a Constitution produced by a constitutional Loya Jirga, conducted nationwide elections for a President and most recently has elected a Parliament and Provincial Councils.</p> <p>The government has developed an Interim Afghan National Development Strategy and has established for itself a broad framework of objectives and targets to help achieve the Millennium Development Goals.</p> <p>The government has received donor assistance to strengthen its resource base, management and fiscal system and introduce other reforms to improve the performance of the civil service.</p> <p>The government has embarked upon major initiatives for rural development such as the National Solidarity Program for rural areas and other programmes for rural and agricultural development.</p>	<p>Despite the progress with regard to political transformation, the country has a long way to go before normalization.</p> <p>There has not been an improvement in the security situation in the country which is still in a state of conflict.</p> <p>The government has limited resources and much of donor assistance is being provided outside the budget as a result of which the government finds it difficult to coordinate or plan effectively.</p> <p>Some key challenges identified in the Afghanistan Development forum 2007:</p> <ul style="list-style-type: none"> • Five years after the cessation of a 20-year conflict and several years of drought, Afghanistan remains one of the world's poorest countries with an estimated per capita GDP of only USD 315; • An intensifying insurgency obstructs development and promotes illicit activity; • The country's most valuable export—opium—reinforces corruption and fuels the insurgency. Poppy cultivation rose by 59 per cent in 2006; • The weakness of the country's institutions has meant donor and popular frustration with the pace of delivery, leading some to move outside government channels, thereby further weakening the country's nascent authorities; 	<p>The Government of Afghanistan has developed a broad framework for development and appears to be pursuing some of its objectives very seriously.</p> <p>The Government has been able to attract many qualified Afghans and international expatriates to work in the country to help strengthen the system of governance and institutions charged with development.</p> <p>The Government has received strong donor support and increasingly the donors are providing assistance directly to the government's core budget.</p>	<p>Sources of insecurity are complex ranging from antigovernment groups linked to the former Taliban regime, groups linked to Al-Qaeda, remnants of militias allied to commanders and criminal groups often associated with the narcotics trade.</p> <p>The heavy reliance on the opium economy which appears to be growing.</p>

ORGANIZATION	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
Ministry of Rural Rehabilitation and Development (MRRD)	<p>A pro-active ministry which has initiated many key programmes for rural development such as the National Solidarity Program (implementing projects for some USD250 million a year), the National Rural Access Program, the WATSAN programme of water and sanitation issues, MISFA, the National Area Based Development Program and the National Enterprise Development Program.</p> <p>It has an increasing strength in policy and strategy making and implementing with effective use of embedded international TA.</p>	<p>MRRD is inclined to encroach on the traditional turf of other ministries that have so far not been able to develop their capacity and modernize their ideas. This could lead to a "state within the state" situation, envy among other ministries and lack of collaboration</p>	<p>MRRD has found a good strategy to engage with rural poor at the grass roots level and can potentially use its approach to strengthen the system of governance at the local level and improve rural infrastructure and enhance opportunities for rural development, economic growth and social development.</p> <p>MRRD is important as the innovator of policies, strategies and approaches, but should increasingly see how to partner with line ministries to take over at least the more technical part of the job and emulate some of the approaches and methodologies</p>	<p>The Community Development Councils established by the MRRD are hijacked by local elites and the participation of women is kept to a minimum.</p>
Ministry of Agriculture, Irrigation and Livestock (MAIL)	<p>The Ministry has developed a Master Plan for the agriculture sector and a Strategic plan for its implementation.</p> <p>The Ministry of Agriculture has also been given the responsibility for irrigation.</p> <p>It has a wide network of representations and centers all around the country and has large land assets.</p> <p>The ministry has received significant donor assistance to reform.</p>	<p>MAIL has so far not been able to shed the old centrally initiated, guided and implemented agricultural development approaches.</p> <p>It is overstaffed for the current workload.</p> <p>Its resources are currently either not being used or are under utilized.</p> <p>While it has been given the responsibility for irrigation it has limited capacity to deal with these issues.</p>	<p>Reforms can help to rationalize the Ministries staff strength and contracting out of key service tasks (e.g. field veterinary service, extension, research) as this national private institutions develop.</p> <p>The Ministry can build strategic alliances to help address some of the key issues facing the country. With MRRD it can develop a common rural development approach, creating synergy between the various programmes and approaches.</p> <p>Long-term lease or sale of the underutilized ministerial land would facilitate investors to develop new, larger scale farming enterprises, which could function as an engine for development in the smaller sectors.</p>	<p>Despite the financing available for its strengthening the Ministry may not be able to capitalize upon this opportunity.</p>
Ministry of Finance (MoF)	<p>The Ministry has been able to build a system of financial allocation, financial discipline and management with donor assistance.</p> <p>The Ministry is also building its capacity through recruitment of a competent team of young professionally qualified</p>	<p>The revenue base of the country is small and it can meet less than 30% of its financial needs through its internally generated revenue resources.</p>	<p>Donor agencies have an opportunity to go through the government budget thereby strengthening government capacity to plan and manage its resources.</p>	<p>Corruption in the country and the siphoning off of large amounts of government revenues at all levels poses a strong threat to the ministry and its capacity to generate revenues for the country's development.</p>

ORGANIZATION	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
	<p>Afghans.</p> <p>Mechanisms such as the Afghanistan Reconstruction Trust Fund (ARTF) have been established to help direct as much of the resources as possible through the core budget of the government.</p> <p>The Ministry has developed an efficient system to channel donor funds and is quick in processing and directing donor funds to required projects and programmes.</p>			
Ministry of Women Affairs (MWA)	<p>The Ministry is staffed by a capable team of women and men and has been able to establish a clear agenda for itself and a strategy for its operations.</p> <p>The Ministry has developed a National Plan of Action for women with assistance from UNIFEM.</p> <p>The Ministry has been able to establish gender focal points in key ministries and a structure at the provincial and district level in Afghanistan.</p>	<p>The Ministry has a role in policy making and monitoring but has a limited role and capacity in implementation.</p> <p>The Ministry has a limited resource base and while it has built up its human resource base, its staff does not have expertise in a broad range of areas.</p>	<p>The donor agencies are particularly interested in working with the Ministry of Women's Affairs and could provide assistance in key areas.</p> <p>The Ministry could play an important role in policy making, improving the regulatory framework for women in the country and in monitoring and evaluation of programmes aimed at women.</p>	<p>The cultural perceptions and taboos regarding women's role, purdah and their low socio-economic situation in society is likely to be a major obstacle in the work of the Ministry.</p>
Ministry of Frontiers and Tribal Affairs (MoFTA)	<p>The Ministry has a mandate to focus on specific issues faced by tribal and other communities such as the nomadic Kuchis.</p>	<p>The ministry is traditional in its outlook on Afghanistan and its future. It has not been able to mainstream tribal people in the national programmes through e.g. modified approaches</p>	<p>Although politically very sensitive, the special Ministry on tribal affairs could potentially help to focus on the specific problems and issues faced by tribal communities.</p>	<p>Its Kuchi mandate has, under pressure of the Kuchi MPs, been transferred to the President's office, thus further undermining the role of this ministry. With the strengthening of Afghanistan's borders into formal ones it is questionable whether the country needs a ministry of frontiers, where this task falls usually under the Ministry of Interior</p>
Provincial Government Structures	<p>All line ministries are represented in all provinces and these could play a role in promoting their ministries' policies and strategies in the elaboration of district and province development plans; the</p>	<p>The material basis of most provincial government structures is too weak to be able to effectively support villagers with the implementation of their rural development activities and this work is</p>	<p>Improve the collaboration between the PDCs and the ministerial representatives and redefine clearly their roles after the arrival of the PDCs</p>	

ORGANIZATION	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
	creation of Provincial Development Councils (PDCs) has created direct representation of the stakeholders into the decision making system	usually done by NGOs, collaboration between the PDCs and ministerial representations still requires time to develop and mature		
District Government Structures	They are close to the grassroots and have now the chance to collaborate with the District Development Assemblies (DDAs)	Usually lacking a clear vision on and the means to contribute to development, heavily influenced by external forces in their decision making	District government structures and DDAs have to develop modalities of cordial collaboration	
Donor Agencies	<p>International financial and technical assistance from donors and international agencies have has made it possible to start the rebuilding of Afghanistan and the reconstruction of its economy. With assistance from the international community, Afghanistan has been able to make substantial progress in education and health, and economic growth.</p> <p>The Afghanistan Development Forum (ADF) has been hosted by the Government in Kabul annually since the Tokyo donor conference to enhance co-ordination between the Government and donors.</p> <p>The Afghanistan Compact (AC) 2006 and the Paris Declaration on Aid Effectiveness (PD) 2005 commit both the donor community and the Government of Afghanistan (GoA) to improve the effectiveness of external development assistance in Afghanistan. The GoA and its development partners have already taken several important steps to deliver on their commitments. An Aid Coordination Unit (ACU) has been established within the Ministry of Finance (MoF) to coordinate, manage and monitor development assistance, as well as implement the aid effectiveness benchmarks of the PD and Annex II of the Compact.</p> <p>A key feature of donor coordination was the establishment of a Consultative Group (CG) structure, which organized</p>	<p>A large percentage of aid is executed directly by the donors, outside the core government budget.</p> <p>The proportion of aid for reconstruction and development has been limited and will have to increase to improve Afghanistan's prospects of meeting its benchmark targets and the MDGs.</p> <p>Despite the establishment of the Afghan Compact and the Paris Declaration, genuine progress towards more effective coordination and disciplined aid delivery has been limited. To this end, a GoA Aid Policy paper will be developed as a part of the full ANDS by March 2008.</p> <p>The amount of donor assistance of all types recorded in the core budget has increased from approximately USD 1.11 billion to approximately USD 1.42 billion in the 2006-07. However, these figures do not accurately reflect actual spending (execution), nor do they provide definitive evidence that the proportion of total assistance on the core budget is increasing since the reporting of both commitments and expenditures outside the core budget remains inadequate.</p> <p>Bilateral consultation and negotiation between the Government and its development partners needs to be strengthened to determine principles for increasing core budget support.</p>	<p>The need for an on-going long-term engagement has been recognized by the international community and was endorsed at a high-level conference held in London in January 2006 which provided a forum to launch the "post-Bonn" agenda for Afghanistan. A significant feature of this agenda is the Compact which provides twenty seven benchmarks to be achieved within the next five years. The benchmarks for the Compact were drawn from the Government's Interim Afghan National Development Strategy (IANDS). More core budget commitments, better execution, and improved consultation and reporting on the external budget are all requisites for accurately meeting and assessing this benchmark.</p>	<p>Donor agencies desire to high profile their programmes and projects is likely to work to the detriment of donor coordination.</p> <p>Donor agencies work to different timelines and donor collaboration is not always possible.</p>

ORGANIZATION	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
	<p>donors around specific areas of support under the leadership of a ministry. The experience of the CGs has been varied with some coordinating well, while others have lacked focus and credibility. Difficulties can be attributed to weaknesses and lack of capacity both within the ministries concerned and within the donor partners, as well as the absence of sectoral strategies with which to align support.</p> <p>About 26 donor agencies are coordinating their assistance through the Afghanistan Reconstruction Trust Fund (ARTF). This approach helps to build government capacity and undertake a more comprehensive approach to planning for the country.</p> <p>Donor funds are increasingly channelled through the various national assistance channels which then contract implementing NGOs instead of directly from donor to implementing NGOs</p>	<p>The 2006 Survey on Monitoring the Paris Declaration (PD) shows that only 11% of total technical cooperation provided in the 2005-06 was coordinated among donors or with government.</p>		
Service Providers	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
NGOs	<p>Non governmental organizations (NGOs) have played an important humanitarian role in Afghanistan and in support of Afghan refugees since 1979. By November 2003 more than 1600 NGOs were registered with the Ministry of Planning.</p> <p>The majority of the NGOs are Afghan, but the largest programmes are implemented by international or multinational ones. Most NGOs are involved in provision of emergency relief and in running of health, education and agricultural programmes. There are, moreover, a few NGOs that have involved themselves in peace building, human rights and advocacy</p>	<p>Limited funds are now being disbursed directly to NGOs. With an increase in national programming and contracting in recent years (and decrease in direct grants), over 80% of NGO activities are currently tied to government programmes.</p> <p>There is limited capacity within ministries to turn resources into activities on the ground, and donor financing delays and policy fluctuations are creating serious bottlenecks. The implications of these problems for all stakeholders are extensive and considerable: NGOs are suffering backlashes in communities as expectations are not met / there are gaps in service delivery. They are also</p>	<p>Some programmes are providing NGOs the opportunity to manage their programmes on a sustainable basis. The micro-finance sector is one such sector. Currently, 3 NGOs are managing their operations on a sustainable basis. However, it is projected that this number will grow to 13 in the next three years in Afghanistan. These organizations can provide effective models for other NGOs as well.</p> <p>NGOs can continue to play a critical role in Afghanistan's role provided they remain cost-effective, performance oriented and can demonstrate their impact on rural and social development, economic growth and poverty</p>	<p>Planning and consultations with NGOs remain minimal both at a sectoral and national 'home country' level. This is a missed opportunity for Afghanistan to benefit from both technical and in-country expertise. A lack of cohesion between donor programmes at the provincial and district level is limiting joint planning and coordination.</p> <p>NGOs have faced a barrage of criticism in Afghanistan (and beyond) regarding transparency towards cost effectiveness. Recently, in Afghanistan however, they</p>

ORGANIZATION	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
	<p>work.</p> <p>Afghanistan's core development funds are increasingly channelled through the Government of Afghanistan's National Priority Programmes with NGOs as key implementing partners. Of the USD 450 million disbursed in total to NGOs in 2005-2006, some of the largest government programmes included the Ministry of Rural Rehabilitation and Development's National Solidarity Program (with over USD 205 million disbursed through NGOs), and the Ministry of Public Health's Basic Package of Health Services (with approximately USD 100 million disbursed through NGOs). These contracts are often short however, with inadequate / insecure funding. They are also rigid, allowing little space for flexibility and innovation.</p> <p>Many bilateral donors channel the bulk of their funding through the Government of Afghanistan (e.g. DFID), while some bilateral donors have still reserved a portion of funding for NGOs (usually their own national NGOs) to do programmes that complement efforts of the Government. These NGO funding strands permit more flexible responses to needs as they arise. Such donors support the partnership role that their national NGOs play in achieving a balanced development programme, and place importance on sustaining this role.</p>	<p>forced to pre-finance operations diminishing NGO enthusiasm for the programme. Further national programmes are being jeopardized, communities are left frustrated and security is threatened.</p>	<p>alleviation in the country.</p>	<p>have made concerted efforts to be more transparent and open with their financial statements and reports (particularly as many businesses had registered as NGOs under the Taliban).</p>
Client Organizations				
<p>Community Development Councils (CDCs), Shuras, Self – Help Groups, Women's Local Associations, etc.</p>	<p>There are several types of local client organizations present in Afghanistan. These include the traditional Shuras and the more recently formed Community Development Councils, Self help Groups and Women's Local Associations.</p>	<p>In general, lack of CDC linkages with other CDCs in the areas where projects might overlap, although the formation of District Development Assemblies (DDAs) might alleviate this problem to some extent. There were questions of genuine community participation and</p>	<p>With the increased security risks currently developing, CDCs are the safest way to deliver development to rural communities.</p> <p>The effective functioning of CDCs is the first step in the building of a civil society</p>	<p>CDCs may not last beyond the implementation of the block grants.</p> <p>The participation of women in the CDCs may be limited and they may not be accepted as</p>

ORGANIZATION	STRENGTHS	WEAKNESSES	OPPORTUNITIES	THREATS
	<p>The National Solidarity Program (NSP) was created by the Government of Afghanistan to develop the ability of Afghan communities to identify, plan, manage and monitor their own development projects. NSP promotes a new development paradigm whereby communities are empowered to make decisions and manage resources during all stages of the project cycle. The programme expects to lay the foundation for a sustainable form of <i>inclusive local governance, rural reconstruction, and poverty alleviation</i>. In this respect, Community Development Councils (CDCs) at the village level have been established in order to identify priority subprojects, prepare Community Development Plans, and implement approved subprojects. In addition, the NSP will link CDCs to government agencies, NGOs, and donors to improve access to services and resources.</p> <p>CDCs have recognized legitimacy on the land and the ability to build consensus around projects, resolving conflicts at inception. Similarly, traditional Shuras are effective mechanisms for conflict resolution and adjudicating on local disputes and issues.</p> <p>The Self-Help Groups and the Women's Associations at the local level created as a result of many donor programmes and projects demonstrate how women can also be effectively engaged in local development initiatives and introduce innovative ways of organizing communities to manage local resources effectively.</p>	<p>empowerment, in particular, the lack of women's meaningful participation.</p> <p>Capacity building at the village remains weak. Most of the villages did not receive training or resources needed to assist them for future village development when the NSP ends. There was almost no evidence of planning ahead for village financial resources beyond the NSP block grant.</p> <p>There are concerns about those who were elected into CDC leadership positions. It was revealed that those elected as CDC leaders include some traditional leaders, the members of the Shura or Jirga.</p> <p>There is some concern that the NSP projects could negatively impact social capital as well as the customs of hashar where community members voluntarily contribute labour and resources. Village NSP construction projects pay villagers to do labour they would normally have given for free as a community obligation. Community contributions to projects, required by the NSP, were often only tokens. This problem did not start with the NSP, but it is important to be aware of the long term negative impacts of any programme that undermines customs of self-help and pooling community resources.</p>	<p>with shared interests and common goals.</p> <p>The traditional Shuras could be energized to participate in the economic growth and poverty alleviation in Afghanistan.</p> <p>The newer modes of organization such as Self-Help Groups and Women's Associations could be an important precursor to new forms of social organization for enterprise development and cooperative action.</p>	<p>full partners.</p> <p>The local elites in the Shuras may continue to dominate local decision-making and may not be willing to change to accommodate a more democratic norm.</p> <p>The Self-Help Groups and Women's Associations being formed in response to specific initiatives may have very limited life which may not last beyond the project life.</p>

Key file 3: Complementary donor initiative/partnership potential

Key file 3

Agency	Priority sectors and focus areas	Period of current country strategy	Complementarities/Synergy Potential
World Bank	<p>The Interim Strategy Note for Islamic Republic of Afghanistan has three main pillars:</p> <ul style="list-style-type: none"> ▪ Building the capacity of the state and its accountability to its citizens to ensure the provision of services that are affordable, accessible and of adequate quality. ▪ Promoting growth of the rural economy and improving rural livelihoods. ▪ Supporting growth of a formal, modern and competitive private sector. 	FY 2007-2008	<p>Focus on Rural Areas: The World Bank is interested in focusing on rural areas and IFAD also sees a potential of targeting its investment for the improvement of rural livelihoods. The Bank's activities in the rural areas will be: stimulating marketable output of horticulture and livestock by improving incentives for investments and strengthening institutional capacity in agriculture (particularly attention will be given to women by strengthening their roles as producers in the rural economy); increasing the demand for output from the rural non-farm sector in order to foster an alternative to poppy cultivation and stimulating rural income through support to small-scale farmers; developing further basic rural infrastructures; establishing inclusive community institutions and identifying local development needs and priorities; expanding the coverage of the basic package of health services (BPHS) into rural areas not currently being served; and building the capacity of communities to formulate policies and adopt practices that address land-related conflict and vulnerability.</p> <p>Focus on Poverty: The Government has formally submitted the IANDS to the World Bank and IMF as its Interim Poverty Reduction Strategy (IPRSP) and aims at producing a PRSP by mid-2007.</p>
Asian Development Bank	<p>The Country Strategy Programme Update is focused on supporting the following areas:</p> <ul style="list-style-type: none"> ▪ Transport (roads and civil aviation); ▪ Energy (power and gas, small and medium-scale hydroelectric power, and other forms of renewable energy); ▪ Natural resources management (agriculture, irrigation and environment); ▪ Governance; ▪ Financial sectors (including rural finance). 	FY 2006-2008	<p>Focus on Rural Areas: The ADB's strategy focuses on agriculture, natural resources management, and rural finance. Concerning agriculture and natural resources, ADB's key strategies in this sector will be to: (i) support the Government in developing sector policies, strategies, and planning processes and institutional reforms (ii) support capacity building and institutional strengthening of government and community-based institutions; (ii) improve irrigation water supply by helping rehabilitate sector infrastructure, especially irrigation systems, and develop new infrastructure to improve the supply and reliability of irrigation water; (iv) as a part of this process provide support in input and service provision. In addition to this, ADB will provide greater access to affordable rural financial services for rural farm, and non farm enterprises and commercial agriculture.</p> <p>Focus on Poverty: To reduce poverty, ADB aims at helping the Government by providing access to road transport for the central mountain region and facilitating direct and shorter connections between various regions as well as facilitating North-south transit traffic. In this regard, the improvement of the North-South corridor passing through the country's central mountain region will provide access to remote communities in the region and to sources of agricultural products, mines, and gas fields as well opening up alternative links to the ring road.</p> <p>The CSPU 2006-2008 does not refer to the Poverty Reduction Strategy as the Government did not finalize it when the CSP was designed. However, ADB's overall strategy is in congruence with the Government's National Development Strategy. The updating of the NDS will be designed to fully meet the requirements of the I-PRSP.</p>

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Agency	Priority sectors and focus areas	Period of current country strategy	Complementarities/Synergy Potential
European Union	<p>The response strategy proposed in the Country Strategy Paper for Afghanistan (CSP) aims to strike a balance between the continuation of existing, successful programmes and new priorities in response to the changes in the country since the publication of the last CSP. There are three focal and three non-focal areas. The activities in the non focal areas directly or indirectly reinforce specific activities being pursued in the priority focal sectors.</p> <p>Focal areas</p> <ul style="list-style-type: none"> • Rural development • Governance; • Health; <p>Non-focal areas</p> <ul style="list-style-type: none"> • Social protection; • Mine action; • Regional cooperation. 	FY 2007-2013	<p>Focus on Rural Areas: The Commission should continue to be at the forefront of the rural livelihoods agenda. Hence, a significant level of resources will be channelled into <i>sub-national programmes</i> in rural development in specific provinces. The East and North-Eastern provinces are to be targeted, not least because of their importance in the overall counter-narcotics effort. Complementing the sub-national rural development programmes, the Commission will also continue to invest in specific <i>national programmes</i> aimed at shaping policy in sectors that are key to the country's future development, for example irrigation, livestock and horticulture. As well as developing the rural economic base, the aim through the sub-national and national programmes will be to attain a wider provision of economic alternatives for farmers in the context of integrated rural development. This approach should address a whole range of social and employment factors and not simply focus on the issue of crop alternatives to poppy. In addition, the CSP includes efforts to strengthen the rule of law and good governance, particularly at the local government level; and it foresees continued support for the basic package of health services (BPHA) in selected provinces and new support for a package of essential hospital services. Gender as cross-cutting theme will be dealt by the EU as gender will be integral to the rural development programme: the alternative livelihoods is integrated as one of the key objectives, and this will need to take account of the fact that a share of the labour harvesting the opium poppy is off-farm female labour, often seasonally migrating from other regions.</p> <p>Focus on Poverty: This CSP and the accompanying indicative programmes primarily aim to create the conditions for sustainable development and poverty reduction. The immediate pressing priorities are to stabilize the country and deal with the narcotics trade; to ensure government is able to deliver services at all levels; and to establish a functioning rule of law, safeguarding basic human rights. Only from this base will the Government be in a position to address the most basic social and economic needs and pursue the <i>Millennium Development Goals (MDGs)</i> in the decade ahead.</p>
Japan (JICA / JBIC)	<p>The Afghanistan Assistance from Reconstruction to Development will comprise three areas:</p> <ul style="list-style-type: none"> ▪ Peace Process; ▪ Expansion of assistance for reconstruction and development; ▪ Domestic Security. 	<ul style="list-style-type: none"> • N/A 	<p>Focus on Rural Areas: JICA has developed targeted interventions in the rural sector by providing local development assistance. In this domain the organisation has focused on natural resources by disseminating agricultural technology, expanding food production and by restoring irrigation facilities.</p>
DFID (UK)	<p>The Interim Strategy Note for Afghanistan has three focal areas:</p> <ul style="list-style-type: none"> ▪ Livelihoods; ▪ Economic management and aid effectiveness; ▪ State building. 	FY2005-2006	<p>Focus on Rural Areas: Under the first programme, livelihood, DFID developed its rural operations in Afghanistan. As a matter of fact, this has the objective to address the development of alternative crops and access to agricultural inputs and services. It will also tackle the issue of rural credits, community and skill development, market access, small rural enterprises, and so forth. A key component will be the support of short term alternatives for poor farmers who have stopped growing opium poppy, and labourers who would otherwise work on the poppy crop.</p> <p>Focus on Poverty: Overall, the DFID's programme in Afghanistan contributes to the UK's goal to eradicate poverty in the country. Indeed the UK's long term goal is to provide "a stable and secured Afghanistan restored to its rightful place in the</p>

Agency	Priority sectors and focus areas	Period of current country strategy	Complementarities/Synergy Potential
			community of nations; with a self-sustaining economy; strong institutions; multi-ethnic regime committed to eradicating terrorism and eliminating opium production; reducing poverty and respecting human rights'. The DFID contributes to expertise in economic, institutional and social analysis to wider UK policy and operations where these are relevant to poverty reduction.
USAID	<p>USAID/Afghanistan Strategic Plan has three strategic objectives:</p> <ul style="list-style-type: none"> ▪ A thriving economy led by the private sector; ▪ A democratic government with broad citizen participation; ▪ A better educated and healthier population. 	FY 2005-2010	<p>Focus on Rural Areas: USAID's interventions in the rural areas are distributed under the first and third objective. Set of programmes to support economic growth led by the private sector, will include rehabilitation of the rural economy which focuses on integrating farmers with sources of technology, financial services, market intermediaries, and agro-processors. USAID will focus a large portion of its funding in provinces in which poppy production is highest: initially Nangarhar, Kandahar, Helmand and Badakhshan. In these provinces, USAID intensifies those components of its overall strategy that have a direct bearing on providing employment and economic growth. These include improving agriculture, building infrastructure (power, transportation, and water), increasing productive capacity, and stimulating enterprise development. In addition, USAID will help provide an economic safety net that keeps people in these provinces from falling into food insecurity as a result of lost income from poppy production. Access to safe drinking water in rural areas will be another focused goal. USAID will assist government and the private sector in increasing the supply of water, expanding sanitation services, and building a strong technical and institutional foundation for sustaining the water and sanitation programmes. USAID funds will also be used to carry out work expanding and improving irrigation networks. Further, rural people are going to be provided of a basic package of health services (BPHS) services in order to improve the capacity of individuals, families and communities to protect their health.</p> <p>Focus on Poverty: USAID/Afghanistan's new Strategic Objectives address the extreme fragility, insecurity, and poverty of Afghanistan. Hence, the USAID's strategy in the country adheres to the principles of development and reconstruction and asserts their increasing importance as the country recovers and moves forward.</p>
DANIDA	<p>The Afghanistan-Denmark Partnership, Strategy for Development Cooperation points out the interventions' focused areas:</p> <ul style="list-style-type: none"> ▪ Human rights and democratization; ▪ Reconstruction of the public sector; ▪ Education; ▪ Improvement of living conditions for the rural population; ▪ Region of origin efforts for refugees and the internally displaced ▪ Humanitarian efforts <p>Objectives up to 2009 to support the improvement of living conditions for the rural population:</p>	FY 2005-2009	<p>Focus on Rural Areas: As a focused area to support the improvement of living conditions for the rural population, the Danish effort will consist in continued support to the National Solidarity Program (NSP) which will build up to enhance democracy and the initiation of assistance to micro credits through the "Microfinance Investment Support Facility" (MISFA) to further the development of the private sector in the rural districts - primarily agriculture (it was seen that women are the major clients). The first phase of the NSP programme has reached out to 7000 villages, where the funds have often been used to re-establish infrastructure such as irrigation channels, roads, micro hydropower plants, and the establishment of alternative income-generating activities such as carpet weaving.</p> <p>Focus on Poverty: As the government of Afghanistan is currently in the process of drawing up a strategy for poverty reduction, during the strategy period the Danish effort will be aligned with adjustments in the national priorities. The objectives for the PRSP are expected to be carried over from "Securing Afghanistan's Future", and it is not anticipated that the national priorities will be significantly altered.</p>

Agency	Priority sectors and focus areas	Period of current country strategy	Complementarities/Synergy Potential
	<ul style="list-style-type: none"> • Together with other donors, Denmark has given block grants to more than 10,000 Villages for small village-based projects. • Together with other donors credit facilities have been established for as many as 150,000 persons. It is known from experience that the majority of the recipients are women. 		
CIDA (Canada)	<p>Under the Report, Plans and Priorities, to achieve stabilization and state building, three priorities, consistent with the ANDS, guide CIDA's efforts will focus on:</p> <ul style="list-style-type: none"> ▪ Democratic Development and Effective Government; ▪ Enhancing the Role of Women and Girls in Society; ▪ Sustainable Rural Livelihoods. 	FY 2007-2008	<p>Focus on Rural Areas: CIDA's sustainable rural livelihoods are clearly focused on tackling rural poverty in the country. An integrated approach is required to create and support sustainable and productive livelihoods, particularly for the rural poor, and to improve income, food security and self-sufficiency for the Afghan people. This includes programming that provides opportunities, support for, and access to, viable, income-generating alternatives, and that maximizes agricultural productivity and output in a sustainable manner. Therefore CIDA will support Afghan national programmes that ensure local ownership, accountability and community-based engagement. Through these programmes, such as the National Solidarity Program, grassroots community groups set priorities, plan and implement village projects. It helps rural Afghans to develop sustainable agriculture-based livelihoods to increase income levels, food self-sufficiency and reduce dependence on poppy cultivation. In this regards, alternative livelihoods projects are implemented by CIDA with the aim at achieving a sustainable reduction in the socio-economic vulnerability of rural communities in the country. In addition, CIDA programming emphasizes the role of women by providing them with a greater voice in society, access to services, financing, education and sustainable livelihoods.</p> <p>Focus on Poverty: So far CIDA has provided rural poverty reduction through reconstruction in over 16,300 villages. The selection of strategic focused countries are carefully selected on the basis of level of poverty, need or risk, the country's ability to use aid effectively, and Canada's capacity to make a difference.</p>
SDC (Switzerland)	<p>In the Medium Term Strategy for Afghanistan Transition from Humanitarian Aid to Development Cooperation, the SDC works towards the following two strategic objectives:</p> <ul style="list-style-type: none"> ▪ To promote good governance and human rights at government and civil society levels ▪ To improve livelihood of selected disadvantaged groups 	FY2004-2007	<p>Focus on Rural Areas: Concerning the humanitarian aid programme 2007, SDC is focusing on rural areas such as water and sanitation through a construction of wells combined with training in management, maintenance and hygiene in drought affected areas, and disaster management to support the Department of Disaster Preparedness and the community based disaster programmes. For instance, a project on drought response on Southern Afghanistan was planned to improve access to safe drinking water for people suffering from drought in the provinces of Uruzgan, Paktya and Khost. The Development cooperation programme 2007 has rural components such as the Livelihood Improvement and Community Development in which interventions are in education, agriculture, income generation, health on rural districts in remote hilly and mountainous areas, by applying a rights based approach (Improving Livelihood of rural communities' goal is to contribute to the reduction of poverty through strengthening sustainable livelihoods in five target districts with improvements in social services and income opportunities equally for men and women while increasing security of stakeholders and reinforcing the rule of law). In the area of local governance SDC supports new initiatives such as the Civil Service Leadership Development Program (CSLD), and possibly the Afghanistan Sub National Governance Program, which aim at building the capacities of provincial and district administrations. SDC is also a contributor to the National Solidarity Program NSP.</p>

Agency	Priority sectors and focus areas	Period of current country strategy	Complementarities/Synergy Potential
			<p>Focus on Poverty: The overall goal of SDC's programme in Afghanistan is to contribute to a sustainable reduction of poverty and discrimination of disadvantaged and marginalized Afghans and to support the rebuilding of their country.</p>
<p>SIDA (Sweden)</p>	<p>The document Country Strategy for Development Cooperation with Afghanistan highlights the following assistance objectives:</p> <ul style="list-style-type: none"> ▪ Promote stable development in the country and help build up the country's infrastructure and basic social institutions; ▪ Contribute to the development of a democratic society; ▪ Strengthen the position of women in the society ▪ Seek a gradual transition from humanitarian aid to development cooperation. 	<p>FY 2002-2004</p>	<p>Focus on Rural Areas: One of the biggest projects that SIDA supports in Afghanistan is managed by the Swedish Committee for Afghanistan (SCA). The SCA has been working with basic education (nine-year compulsory school) for some 170,000 schoolchildren in rural areas of Afghanistan since 1984. Concerning agriculture, SIDA will refrain from giving support to food distribution because it seems that a prolonged supply of food aid will undermine the country's own productive capacity.</p> <p>Focus on Poverty: The over-riding objective of Swedish development assistance is to reduce poverty. For SIDA, peace and political stability are the principal preconditions for real poverty reduction, genuine development cooperation and long-term sustainable development in Afghanistan.</p>

Key file 4: Target group identification, priority issues and potential response

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	RB-COSOP Response
Small Farmers and livestock herders in rural and remote mountain areas.	<ul style="list-style-type: none"> • Malnourishment • Limited access to arable land • Limited irrigation system (damaged or destroyed) • Lack of agricultural support services (oxen/traction power, seeds, fertilizers) • Drought shock • Limited rural infrastructure and communications (lack of power, water system management, roads) • Debt drug investment burden • Limited access to affordable credit 	<ul style="list-style-type: none"> • Wage labour • Self-employment • Opium production or related drug processing and smuggling • Accept credit on untenable terms 	<ul style="list-style-type: none"> • Nutrition support and health • Education and training • Resolution of land ownership disputes • Alternative livelihoods (livestock production, non-farm activities) • Access to microfinance schemes • Access to rural markets • Linkages to value chains. 	<ul style="list-style-type: none"> • World Bank's support of (2006)– <i>National Solidarity Program</i> • DFID's support of <i>NEEP FY 05- National Emergency Employment Program</i> • DFID's programme FY05-06 - <i>Eastern Hazarajat Alternative Livelihoods Program</i> • DFID's support (FY 05-06) of <i>Badakhshan- Aga Khan Development Network Alternative Livelihoods programme</i> • DFID's <i>Alternative Agricultural Livelihoods Programme (FY05-06)</i> • DFID's support of MISFA Micro-finance Investment Support Facility in Afghanistan (FY05-06) • GTZ's <i>Food Security, Regional Cooperation and Stability in Badakhshan</i> • Large number of incidental NGO executed projects in the rural areas 	<ul style="list-style-type: none"> • Support to the organisation and provision of common service facilities through grants and micro-credit for purchase of agricultural inputs and equipment • Improved marketing and/or value adding through processing
Widows and Female Headed Households	<ul style="list-style-type: none"> • Malnourishment - Under 2,070 Kcals/head/day • Victims of war and droughts • Landless • Gender segregation • Restricted employment opportunities and mobility • Non-monetized work • Lack of marketable skills and assets (livestock) • Lack of or few economically active household members • Large households with 	<ul style="list-style-type: none"> • Domestic service • Begging • Household activities • Self-employment in crop, dairy products processing • Handicraft or textile production • Opium production • Livestock production 	<ul style="list-style-type: none"> • Security • Nutrition and Health Support • Education and Training • Employment • Access to assets • Access to micro-finance schemes • Small business promotion 	<ul style="list-style-type: none"> • World Bank's lending assistance programme (2006) - <i>Horticulture & Livestock Project</i> • World Bank's lending assistance support programme (2006) – <i>National Solidarity Program</i> 	<ul style="list-style-type: none"> • Targeted micro-finance to increase production basis and level

Typology	Poverty Level and Causes	Coping Actions	Priority Needs	Support from Other Initiatives	RB-COSOP Response
	<p>highly vulnerable members (young children and disabled)</p> <ul style="list-style-type: none"> • No access to credit (even informal) 				
Kuchi (pastoral nomads) and other vulnerable and marginalized communities	<ul style="list-style-type: none"> • Malnourishment • Depletion of flocks • No land or disputed land ownership • Limited access to grazing lands • IDP because of internal strife 	<ul style="list-style-type: none"> • Abandonment of migratory life pattern • Alternative livelihoods in rural and urban areas • Living in IDP camps 	<ul style="list-style-type: none"> • Food assistance • Access to assets 	<ul style="list-style-type: none"> • ASAP and HLP: training of Kuchi para-veterinarians 	<ul style="list-style-type: none"> • Development of appropriate package of livestock support services for Kuchi

