Australia Afghanistan Community Resilience Scheme

Design Document

2013

Contents

Maps

Diagrams

Boxes

Figures

Tables

Annexes

Acronyms and Abbreviations

AACES	Australia Africa Community Engagement Scheme
AACRS	Australia Afghanistan Community Resilience Scheme
ACBAR	Agency Coordinating Body for Afghan Relief
ACFID	Australian Council for International Development
AMENCA 2	Australia Middle East NGO Cooperation Agreement 2
ANCP	AusAID NGO Cooperation Program
ANGO	Australian Non-Government Organisation
ANSO	Afghanistan NGO Safety Office
AusAID	Australian Agency for International Development
AWG	Afghanistan Working Group (of ACFID)
AWN	Afghan Women's Network
CDC	Community Development Council
CSO	Civil Society Organisation
DAFA	Development Assistance Facility for Afghanistan
DFID	Department for International Development
DPO	Disabled People's Organisation
GIRoA	Government of the Islamic Republic of Afghanistan
HPA	Humanitarian Partnership Agreement
I-PACS	Initiative to Promote Afghan Civil Society
M&E	Monitoring and Evaluation
MAIL	Ministry of Agriculture, Irrigation and Livestock
MDG	Millennium Development Goal
MoE	Ministry of Economy
MRRD	Ministry of Rural Rehabilitation and Development
MTR	Mid-Term Review
NGO	Non-Government Organisation
NSP	National Solidarity Program
ODA	Official Development Assistance
ODE	Office of Development Effectiveness
PDD	Program Design Document
SM	Scheme Manager
TAP	Technical Assessment Panel
TMAF	Tokyo Mutual Accountability Framework
TRG	Technical Reference Group
USAID	United States Agency for International Development

Glossary

Accreditation	In this PDD, accreditation refers to AusAID's NGO accreditation process. Accreditation enables NGOs to participate in the AusAID–NGO Cooperation Program (ANCP). Accreditation acts as a front-end risk management process and ensures the accountable use of funding with minimal activity overview by AusAID. The *AusAID NGO Accreditation Manual* (Feb 2012) provides full details www.ausaid.gov.au/ngos/documents/ngo-accreditation-manual.doc
Capacity Development	Capacity development in the context of the AACRS is broadly defined as a process of contributing to individual, organisational and community capacity to achieve self-determined and shared development objectives in the longer term. Capacity development should involve an emphasis on mutual learning and reflection, joint planning and monitoring and a range of contributions to systems, processes and skills, in response to each partner/context's priorities.
Code of Conduct	ACFID members must abide by the ACFID Code of Conduct. This is also a prerequisite for NGOs seeking AusAID accreditation. The Code is a voluntary, self-regulatory sector code of good practice that aims to improve international development outcomes and increase stakeholder trust by enhancing transparency and accountability. www.acfid.asn.au/code-of-conduct/acfid-code-of-conduct/
"Do no harm"	Approach to development that aims to ensure that interventions do not have inadvertent negative effects by leading to conflict or by undermining state building processes www.ausaid.gov.au/Publications/Documents/aid-fragile-conflict-affected-states-staff-guidance.pdf
Fragile states	Fragile states have weak capacity to carry out the basic functions of governing a population and its territory, and lack the ability to develop mutually constructive and reinforcing relations with society. As a consequence, trust and mutual obligations between the state and its citizen become weak (OECD DAC).
Livelihoods	The means of making a living, or the various activities and resources that allow people to live. It comprises the capabilities, assets (including material and social) and activities required for a means of living. A livelihood is sustainable when it can cope with and recover from stress and shocks (e.g. drought, flood, war, etc.), maintain or enhance its capabilities and assets, while not undermining the natural resource base.
Millennium Development Goals	Eight international development goals that all UN member states have agreed to achieve by 2015. They include eradicating extreme poverty, reducing child mortality rates, and fighting disease epidemics. Afghanistan signed the Millennium Declaration in 2004 and adapted the timelines and targets to make them meaningful to an Afghan context. This included extending the timelines to 2020 and adding a ninth MDG on enhancing security.
Resilience	The ability of a system, community or society to resist, accommodate or recover from the effects of a hazard in a timely and efficient manner, including through the preservation and restoration of its essential basic structures and functions.

Executive Summary

This Program Design Document for the *Australia Afghanistan Community Resilience Scheme* (AACRS) sets out the design intent and implementation arrangements for a new AusAID program of support to Afghanistan's agricultural and rural development. The AACRS objective is:

Improved resilience and livelihoods for Afghan rural communities.

AusAID will select up to five non-government organisations (NGOs) to work with Afghan civil society organisations (CSOs) to deliver projects under the AACRS. The AACRS is open to Australian and international (including Afghan) NGOs, and is not limited to organisations that have AusAID accreditation.

Implementation of the AACRS will be over four years, with up to AUD30 million allocated to projects. The AACRS will fund up to five NGOs, however it is not assumed the budget will be divided evenly between each NGO, or that five NGOs will necessarily be funded. There is no minimum or maximum grant amount that NGOs can apply for.

The AACRS aligns with commitments made in Australia's aid policy, *An Effective Aid Program for Australia: Making a real difference – Delivering real results*[1] ('An Effective Aid Program for Australia') for the aid program to make greater use of NGOs that are effective in achieving results and efficient in delivering value for money. It will report against the aid program's strategic goal of investing in food security, sustainable economic growth and private sector development, and reflects the principles of *AusAID's Civil Society Engagement Framework*.[2]

The AACRS aligns with the *Memorandum of Understanding: Development Framework Agreement between the Government of the Islamic Republic of Afghanistan and the Government of Australia 2012-17* (the MoU),[3] which identifies agriculture as a sector where Australia has particular expertise, comparative advantage and can have the most impact.

Applicant NGOs will be expected to demonstrate how their proposed activities align with the Afghan Government's National Priority Programs (NPPs), particularly those within the Agriculture and Rural Development Cluster (NPPs 1, 2, 3 and 4).

The design builds on the parameters contained in the *AACRS Concept Paper* (Annex 1), which was developed by AusAID in consultation with the Australian Council for International Development's (ACFID's) Afghanistan Working Group and agreed at Peer Review in February 2012. The design also benefits from ideas put forward at a Design Workshop attended by nine Australian NGOs in July 2012. The AACRS Design was agreed at Peer Review in late October 2012.

---

[1] Available at: www.ausaid.gov.au/publications/Pages/5621_9774_1073_3040_2380.aspx
[2] Available at: www.ausaid.gov.au/Publications/Pages/civil–society–engagement–framework.aspx
[3] Available at: www.ausaid.gov.au/Publications/Pages/aus-afghanistan-development-framework-agreement-2012-2017.aspx

Community Resilience and Livelihoods

The AACRS objective, improved resilience and livelihoods for Afghan rural communities, is based on the understanding that people living in poverty are particularly vulnerable to crises, challenges and shocks. Negative shocks can have effects along gender lines, and women and girls in poor households often bear the largest burden.[4] Resilience is the ability to resist, accommodate or recover from the effects of a shock.[5] Improving community resilience is therefore about building stronger social and economic foundations in local communities so that they can respond more effectively to shocks. In line with AusAID's approach to agriculture and rural development in Afghanistan, **food security and economic livelihoods are central to the notion of community resilience envisaged under the AACRS**.

Improving rural livelihoods is about supporting and improving the various activities and resources that allow people to make a living. It is likely to include direct cooperation with the private sector, including semi-subsistence farmers, the self-employed in the non-farm informal economy, as well as micro, small and medium-sized enterprises.[6] A livelihood is sustainable when it can cope with and recover from stress and shocks, and maintain or enhance its capabilities and assets, while not undermining the natural resource base.

The AACRS will therefore prioritise activities that support:

- agricultural productivity and food security, including nutritional outcomes
- economic activity, including access to micro-finance schemes and markets for poor men and women
- diversified livelihoods
- increased cash incomes
- local level disaster risk reduction and disaster preparedness activities
- natural resource management
- vocational and enterprise skills development
- mitigation of the impact of natural hazards on food security and livelihoods
- women to graduate from poverty to sustainable livelihoods.

The most likely avenues for NGOs and their civil society partners to achieve results will be by working in areas that they have already worked. This can include using the AACRS to extend the life of successful activities, or could be expanded (note that the AACRS will not fund retrospective activities).

The decision to partner with NGOs to work with Afghan CSOs has a number of advantages. Local civil society is a valuable partner in post and on-going conflict situations. It can complement, extend and supplement the often nascent service delivery capabilities of government agencies, especially to vulnerable communities. This model is appropriate in Afghanistan where the Afghan Government has limited absorptive capacity[7] and is unable to undertake service delivery in all parts of the country, particularly in rural and remote locations.

---

[4] World Bank (2007). *World Development Report 2008* p 90.

[5] AusAID (2009). *Investing in a Safer Future: A Disaster Risk Reduction policy for the Australian Aid Program* p 8.

[6] AusAID (2011). *Sustainable Economic Development: Improving Food Security* p 9.

[7] The World Bank (2012). *Afghanistan in Transition: Looking Beyond 2014: Volume 2: Main Report* p 59.

The AACRS will also include capacity building of Afghan CSOs.[8] This is not the objective of the AACRS (which is focused on improving reliance and livelihoods), but projects must include a capacity building component. It is hoped that good partnerships between the NGOs and their Afghan CSO partners will result in shared learning, and possibly longer term improvements in capabilities and competencies. This will have the advantage of enhancing the sustainably of AACRS activities, as CSOs develop skills in organising and implementing effective community resilience and/or rural livelihood programs, as well as enhancing the social development of their local communities.[9]

Program Implementation and Management

Participating NGOs will be selected through a Request for Submissions process. The AACRS will be open to both AusAID accredited and non-accredited organisations. Eligibility provisions are articulated in the *AACRS Grant Guidelines* and in Part 7 of this PDD.

The AACRS design has benefitted from lessons learned by other NGO programs funded by AusAID. AusAID experience suggests that a partnership approach to working with NGOs improves the efficiency and effectiveness of development outcomes.[10] In line with this understanding, the AACRS will adopt a strong partnership model.

After the selection of the AACRS NGOs, the Scheme will have two phases:

i) a **Detailed Design Phase** during which the selected NGOs will be supported to produce high quality designs (at up to AUD50,000 per design);
ii) a 4-year **Implementation Phase** during which projects will be implemented.

A Scheme Governance Committee (SGC), made up of representatives of AusAID, the Government of Afghanistan (through the Ministries of Economy; Agriculture, Irrigation and Livestock; and, Rural Rehabilitation and Development) and the AACRS NGOs, will provide leadership and oversight of the AACRS. The SGC will meet a minimum of once a year in Kabul.[11]

The design proposes a Scheme Manager be appointed to provide day to day management and coordination between the NGOs relating to overall program level activity, events and M&E requirements. The Scheme Manager, in collaboration with the Technical Reference Group, will establish Scheme wide processes and systems, preparing templates for standardised reporting by projects, a database and manage financial flows and acquittals for meetings and other management expenses. Project financial flows will be direct between AusAID and each NGO.

The Scheme Manager position will be contracted through AusAID's Development Assistance Facility for Afghanistan (DAFA). The Scheme Manager will operate from an office in

---

[8] For the AACRS, Afghan CSOs may include Community Development Councils, traditional Shuras, farmers' organisations, local NGOs (including women's organisations) or other local entities which are non-profit distributing and/or community based.

[9] Through its *Civil Society Engagement Framework*, AusAID has recognised the emergence of an informed and engaged civil society as an important outcome in its own right, enabling poor people to claim their rights, and helping to shape development policies and partnerships and oversee their implementation (AusAID 2012: 1).

[10] AusAID (2011). *Pacific Leadership Program. Operating Guidelines*, Version 4, March.

[11] AusAID will determine an alternative location if meetings cannot be undertaken in Kabul.

Australia. This will provide the Scheme Manager with access to AusAID Canberra which, given the lack of full devolution to Kabul, leads on overall management of AACRS.

A Technical Reference Group (TRG) with design, M&E, gender, and rural development expertise will also be appointed by AusAID through DAFA. The TRG will support AACRS NGOs to develop detailed designs, and to provide expert advice over the life of the Scheme. The TRG will be available to AACRS NGOs as required, and at AusAID's discretion.

A comprehensive Monitoring and Evaluation (M&E) Framework makes provision for M&E at both project and Scheme levels. The aim is to produce high quality M&E findings for the purposes of shared learning, accountability and to build an evidence base. There will be an annual timetable of events and reporting to ensure dialogue and documentation. A Mid-Term Review is recommended.

The AACRS involves a range of relatively high risks in the operating environment and a range of moderate risks associated with the program approach. Risk management for the AACRS will require the flexibility to adapt to changing circumstances, an effective partnership approach and close collaboration at many levels, both in Australia and in Afghanistan.

1.   Introduction

This Program Design Document for the *Australia Afghanistan Community Resilience Scheme* (AACRS) sets out the design intent and implementation arrangements for a new AusAID program of support to Afghanistan's agricultural and rural development. The AACRS objective is:

Improved resilience and livelihoods for Afghan rural communities.

AusAID will select up to five non-government organisations (NGOs) to work with Afghan civil society organisations (CSOs) to deliver agreed projects under the AACRS. The AACRS is open to Australian and international (including Afghan) NGOs, and is not limited to organisations that have AusAID accreditation.

Implementation of the AACRS will be over four years, with up to AUD30 million allocated to projects. The AACRS will fund up to five NGOs, however it is not assumed the budget will be divided evenly between each NGO, or that five NGOs will necessarily be funded. There is no minimum or maximum grant amount that NGOs can apply for.

The AACRS aligns with commitments made in Australia's aid policy, *An Effective Aid Program for Australia: Making a real difference – Delivering real results* ('An Effective Aid Program for Australia') for the aid program to make greater use of NGOs that are effective in achieving results and efficient in delivering value for money. It will report against the aid program's strategic goal of investing in food security, sustainable economic growth and private sector development. It reflects the principles of *AusAID's Civil Society Engagement Framework*, including open communication and consultation, appreciation of diversity and support to organisations that are embedded locally.

The AACRS aligns with the *Memorandum of Understanding: Development Framework Agreement between the Government of the Islamic Republic of Afghanistan and the Government of Australia 2012-17* (the MoU), which identifies agriculture as a sector where Australia has particular expertise, comparative advantage and can have the most impact.

Applicant NGOs will be expected to demonstrate how their proposed activities align with the Afghan Government's National Priority Programs (NPPs), particularly those within the Agriculture and Rural Development Cluster (NPPs 1, 2, 3 and 4).

2.   Design Preparation

This PDD builds on the AACRS Concept Paper developed by AusAID in consultation with Australian NGOs (ANGOs) and international NGOs in Kabul. The rationale and scope of the AACRS was developed by AusAID in partnership with the Australian Council for International Development's (ACFID's) Afghanistan Working Group (AWG). AusAID received feedback on the initial draft of the Concept Paper from NGOs in Kabul on 15 January 2012 and from ACFID members on 24 January 2012. A Concept Peer Review was conducted on 2 February 2012, and a revised version of the Concept Paper issued thereafter (refer Annex 1). The AACRS design was agreed at Peer Review in late October 2012.

An AACRS Design Workshop was held in Melbourne on 9 July 2012 for AWG members. Annex 2 provides a copy of the program. The participatory workshop was an opportunity for sharing ideas and networking between the AWG and AusAID. Sections of this PDD on the theory of change, implementation, the management model and the risk analysis all benefit from these discussions.

The PDD also draws on consultations with other relevant parties and a literature review. Key references are listed in Annex 2. This reading (and consultation with some authors) has contributed to an understanding of lessons learned through other AusAID NGO programs, particularly programs in the Mekong countries, Africa, the Solomon Islands and the Middle East. These programs, along with the joint AusAID-NGO Humanitarian Partnership Agreement (HPA), presented a range of management models considered in preparing this design.

3. Policy and Program Context

3.1 Afghanistan Country Context

Afghanistan faces immense development challenges. It ranks 172nd out of 187 countries on the United Nations (UN) 2011 Human Development Index.[12] Life expectancy is 48 years for men and 44 years for women.[13] The majority of the population live without sustainable access to clean water and sanitation. Gender inequality is profoundly entrenched. Afghanistan ranks near the bottom of the United Nations Gender Equality Index and gender-based violence is widespread. Girls attend school for less than half the number of years of Afghan boys and, despite improvements in recent years, the maternal mortality rate is amongst the highest in the world.

These statistics reflect the impact of decades of war. The World Bank's *2011 World Development Report* found that internal conflicts, on average, strip 30 years from a country's previous level of development. Always a poor country, Afghanistan's conflict has itself lasted over 30 years. Conflict has severely impeded the development of credible national institutions, human capital and physical infrastructure. It has also seriously constrained the development of private enterprise, investment and economic growth.

Emerging from the rule of the Taliban in 2001, Afghanistan was a shattered country. Half of the country's population – Afghanistan's women – had been systematically excluded from public life, and prevented from receiving an education or accessing even basic forms of health care. Social services were virtually non-existent. Economic activity had basically ceased in all legitimate sectors.

In this context, the development gains made in Afghanistan over the past ten years have been noteworthy. GDP growth has averaged over 10 per cent. School enrolments have increased from less than one million in 2001 to almost eight million today, including over 2.7 million girls. Basic health services are now available to 85 per cent of the population, up from 10 per

---

[12] United Nations (2011). *Human Development Index* (available at: http://hdr.undp.org/en/).
[13] UNDP (2009). *Human Development Report 2009 Afghanistan Country Fact Sheet* (available at: http://hdrstats.undp.org/en/countries/country_fact_sheets/cty_fs_AFG.html).

cent under the Taliban. Over 10,000 kilometres of rural roads have been rehabilitated, providing employment, transport links and access to markets for ordinary Afghans.

These achievements have helped to make a real difference to the lives of millions of Afghans. But they must be measured against the critically low base from which Afghanistan began in 2001. Afghanistan's recent achievements must also be measured against the substantial challenges that the country faces as it enters the 'Transformation Decade' (2014–2024) following the transition to Afghan security authority by the end of 2014. These include, but are not limited to, ongoing conflict, slowing economic growth, a major fiscal deficit (covered to an extent by donor pledges but likely to re-emerge without donor support) and rising unemployment.

The *2011 World Development Report* indicates that, over the course of the 20th century, even the fastest performing countries took, on average, between 15 and 30 years to move from situations of fragility (such as the current situation in Haiti) to the development of an institutions-based state (such as Ghana). Afghanistan will require sustained international assistance over the coming decade and beyond in order to maintain recent development gains and to manage a transition to the point where it can generate sufficient domestic revenue to meet its major financing needs. But while international assistance has an important role to play, a sustainable future for Afghanistan will depend on the development of domestic sources of revenue and economic growth.

3.2   Australia's Aid Program in Afghanistan

Australia's goal in Afghanistan has been clearly stated by the Australian Government – to make sure that Afghanistan does not again become a safe haven for terrorists. It has also made clear that Australia's commitment to Afghanistan's human and economic development is vital and that strengthening the capacity of the Afghan Government, economy and institutions is essential to ensuring that gains made to date are not reversed. The aid program is one element of an integrated whole-of-government effort in Afghanistan. This effort is in turn part of a UN-mandated International Security Assistance Force mission that includes 50 countries and involves inter-linked security, diplomatic and development objectives.

AusAID delivers the bulk of Australia's Official Development Assistance (ODA) to Afghanistan. In 2012-13 AusAID will deliver approximately AUD144.9 million (or approximately 80 per cent) of an ODA commitment estimated at AUD181.2 million. This makes Afghanistan the fourth largest country recipient of Australian aid.

AusAID's program to Afghanistan, as articulated in *Australia's Strategic Approach to Aid in Afghanistan 2010-2012,* is focused on four pillars:

- − enhancing basic service delivery in health and education
- − supporting rural development and livelihoods
- − improving governance and the effectiveness of the Afghan Government
- − supporting vulnerable populations.

A particular focus of Australian aid to Afghanistan has been placed on Uruzgan Province, where Australian troops are based and where AusAID works alongside Australian Defence Force personnel and other Australian civilian officials as part of a multi-national Provincial Reconstruction Team.

Transition to Afghan security authority will take place by the end of 2014. AusAID will move to a Kabul-based presence, managing a nationally-focused aid program with residual programming in Uruzgan Province. Afghanistan is likely to face a substantial economic re-adjustment as transition occurs and international military forces draw down, including slowing economic growth, a major fiscal deficit and rising unemployment.

The bulk of Australian assistance to Afghanistan (around 80 per cent) is delivered at the national level and is focused on supporting the Afghan Government to deliver improvements in basic services and livelihood opportunities across the country. At both the national level and in Uruzgan, AusAID works in partnership with the Afghan Government to build its capacity and effectiveness.

Approximately half of Australia's aid program is channeled through the multi-donor Afghanistan Reconstruction Trust Fund (ARTF). The ARTF represents a reliable and relatively low-risk vehicle for donors to meet the Kabul Conference commitment to deliver 50 per cent of assistance through Afghan Government systems. To date, AusAID has provided a total of AUD210 million to the ARTF. The July 2012 Tokyo Declaration also reaffirmed donors' commitments to channel 50 per cent of donor assistance through Afghan Government systems and align 80 per cent of funding with Afghanistan's NPPs.

Australia also provides support through the Development Assistance Facility for Afghanistan (DAFA) managed by International Relief and Development. The DAFA provides practical, focused assistance to six Afghan Ministries: the Ministry of Rural Rehabilitation and Development (MRRD), the Ministry of Education, the Ministry of Public Health, the Ministry of Agriculture, Irrigation and Livestock (MAIL), the Ministry of Finance and the Ministry of Mines, while also supporting Australian reconstruction efforts in Uruzgan. The DAFA provides flexible funding, using a broad range of modes of assistance covering advisers deployed in counterpart Ministries; the provision of technical assistance through small projects; and support for trilateral training through the Malaysia-Australia Education Project for Afghanistan.

The focus of Australia's aid program is agreed with the Afghan Government through an MoU, and through various commitments made at international conferences on Afghanistan since 2001. Ongoing Australian and international support will take into account Afghan Government progress on its commitments on economic reform and improved governance. These commitments, include addressing corruption, human rights and credible elections, and are set out in the Tokyo Mutual Accountability Framework (TMAF).[14]

Australia's aid program will rise to AUD250 million per year by 2015-16. A new strategy is being developed to guide the aid program through this period, building on the direction set in *Australia's Strategic Approach to Aid in Afghanistan 2010-2012*. The new strategy will be guided by the Government's aid policy, *An Effective Aid Program for Australia*, reflect support for the development priorities identified by the Government of Afghanistan and take into account the anticipated fiscal and development implications of transition. The AACRS will sit under this new strategy, which will include 'improving food and livelihoods security

---

[14] Available at:
www.mofa.go.jp/region/middle_e/afghanistan/tokyo_conference_2012/tokyo_declaration_en2.html

through agricultural and rural development' as a focus area for Australia's future support to Afghanistan.

3.3 Civil Society in Afghanistan

Despite decades of conflict, Afghanistan has an organised, if still developing, civil society. The UK's Department for International Development (DFID) assesses that 'Afghan civil society has a low capacity' but the potential to 'play a stronger role in advocacy for rights and enhanced governance.'[15] A 2010 London School of Economics report described Afghan civil society as 'alive and well and stronger than has been supposed.' This same study found a strong desire amongst those working within Afghan CSOs for the international community to support the development of Afghan civil society,[16] a request also made at the 2011 Bonn Conference.[17]

Afghan civil society includes formal NGO coordinating bodies, such as: the Agency Coordinating Body for Afghan Relief (ACBAR); the Afghan Civil Society Forum; the Afghan NGO Coordinating Bureau (ANCB); and the Afghan Women's Network. It contains Afghan NGOs that relocated from Pakistan to Kabul after the fall of the Taliban, and new Afghan NGOs that have developed in response to aid flows to the sector. At more local levels, it includes Community Development Councils[18] (CDCs), traditional Shuras, local NGOs and other entities which are non-profit distributing and/or community based.

Afghan civil society representatives have increasingly taken part in international fora on Afghanistan, including the recent Tokyo and Bonn conferences. Sector representatives have called for both the international community and the Afghan Government to support the advocacy efforts of Afghan CSOs and to support them to deliver social services.[19]

Donor NGO Programming in Afghanistan
In line with these requests, and in recognition of the important development role of civil society, donors have increasingly committed to support and work with Afghan civil society. For example, DFID has committed to 'support more inclusive politics by strengthening support for civil society'[20] and are doing so through support to the Tawanmandi – Strengthening Civil Society in Afghanistan program, a five-year (August 2011 to July 2016) £20 million small grants program which aims to strengthen Afghan civil society and its engagement with the Afghan Government.

USAID have similarly committed to support the sector. Since January 2005, through their Initiative to Promote Afghan Civil Society II (I-PACS II), USAID has aimed to strengthen the role and viability of Afghan civil society by providing technical assistance, capacity-

---

[15] DFID (2010). *Strengthening Civil Society in Afghanistan / "Tawanmandi"* (available at: http://projects.dfid.gov.uk/project.aspx?Project=201000).

[16] Winter, Elizabeth (2010). *Civil Society Development in Afghanistan*, London School of Economics and Political Science, Centre for Civil Society and ESRC Non-Governmental Public Action Programme, p 10, 26.

[17] Afghanistan Forum (2011). *Message of the Civil Society to the International Conference on Afghanistan in Bonn*, Germany 5 December 2011 (available at: http://www.afghanistan-forum.org/?p=524).

[18] Note that CDCs receive funding through the National Solidarity Programme, which has received funding through AusAID's ARTF contributions.

[19] Afghanistan Forum (2011). *Message of the Civil Society to the International Conference on Afghanistan in Bonn*, Germany 5 December 2011 (available at: http://www.afghanistan-forum.org/?p=524).

[20] DFID (2012). *Operational Plan 2011-2015* (available at: http://www.dfid.gov.uk/where-we-work/asia-south/afghanistan/).

building training, and grant support to CSOs nationwide, working to enable Afghan citizens to effectively participate in the political process, solve community problems, and advocate for good governance from their leaders. USAID awarded a new US$45 million three-year phase of activity under I-PACS II in October 2010.

AusAID has also provided support to projects involving Afghan civil society. For example, funding through the *AusAID-NGO Cooperation Program* (ANCP) has supported TEAR Australia to operate health, rural livelihoods, and education projects in partnership with Afghan community organisations.

More broadly, donors also contribute to the NGO component of civil society in Afghanistan via national programs such as the National Solidarity Program (NSP), led by MRRD, and is funded through the ARTF. The NSP helps build trust and connect rural communities to the central government with the bottom-up delivery of services and the promotion of grassroots democracy through:

  − developing local governance at the village level through the creation of CDCs
  − improving access to basic infrastructure and socio-economic development opportunities in rural communities across Afghanistan through grants programs.

Due to its size and duration (almost a decade), NSP has had significant outreach in rural Afghanistan. As of late December 2011, the NSP had covered over 75 per cent of the rural population, establishing more than 28,243 CDCs in 357 of Afghanistan's almost 400 districts and provincial centres. Since its inception, the program has disbursed more than AUDUS914 million in grants to rural communities, which have financed approximately 60,386 community prioritised sub-projects. In many remote parts of the country, the NSP is the only functioning government development program.

3.4   Community Resilience and Livelihoods

AusAID bases its agriculture and rural development support to Afghanistan on three pillars:

  1. **Subsistence Livelihood Security**: Improving the basic food security and agricultural livelihoods of vulnerable rural communities through government, multilateral and civil society channels.
  2. **Agricultural Livelihood Productivity**: Sustaining and improving the productivity of targeted Afghan farming systems in water scarce environments through adaptive research.
  3. **Agricultural Livelihood Services**: Building the capacity of government agencies to plan for and service the agricultural livelihoods of rural communities.

Through the AACRS, there is scope for NGOs and their local partners to achieve outputs against all three pillars. However, the majority of the work, and the ultimate outcomes of the AACRS, will be through supporting Pillar One, **Subsistence Livelihood Security: improving the basic food security and agricultural livelihoods of vulnerable rural communities.**

The AACRS objective, improved resilience and livelihoods for Afghan rural communities, is based on the understanding that people living in poverty are particularly vulnerable to crises, challenges and shocks. Negative shocks can have effects along gender lines, and women and

girls in poor households often bear the largest burden.[21] Resilience is the ability to resist, accommodate or recover from the effects of a shock.[22] Improving community resilience is therefore about building stronger social and economic foundations in local communities so that they can respond more effectively to shocks.

Community resilience can be addressed in such a wide range of ways as to risk making the concept incoherent. However, in line with AusAID's approach to agriculture and rural development in Afghanistan, **food security and economic livelihoods are central to the notion of community resilience envisaged under the AACRS**. It enables the poor to engage in livelihood activities, allowing them to earn money and become more resilient.[23] Of course, food security itself is often premised on adequate income. The World Bank's 2008 *World Development Report* found that agriculture's most important contribution to food security is not subsistence production but the ability of the poor, particularly women, to earn money.[24]

Improving rural livelihoods is about supporting and improving the various activities and resources that allow people to make a living. It is likely to include direct cooperation with the private sector, including semi-subsistence farmers, the self-employed in the non-farm informal economy, as well as micro, small and medium-sized enterprises.[25] A livelihood is sustainable when it can cope with and recover from stress and shocks, and maintain or enhance its capabilities and assets, while not undermining the natural resource base.

The AACRS will therefore prioritise activities that support:

- agricultural productivity and food security, including nutritional outcomes
- economic activity, including access to micro-finance schemes and markets for poor men and women
- diversified livelihoods
- increased cash incomes
- local level disaster risk reduction and disaster preparedness activities
- natural resource management
- vocational and enterprise skills development
- mitigation of the impact of natural hazards on food security and livelihoods
- women to graduate from poverty to sustainable livelihoods.

AACRS activities are therefore likely to have different constituencies. For example, an activity to reduce individual vulnerability should focus on the poorest and most marginalised people, while work identified to improve broader agricultural productivity should instead support the best, most capable farmers as technical leaders who can in turn influence other farmers.

It is also important to recognise that people can be both vulnerable and resilient at the same time. For example, an individual may be vulnerable due to poverty, old age or disability, but

---

[21] World Bank (2007). *World Development Report 2008* p 90.

[22] AusAID (2009). *Investing in a Safer Future: A Disaster Risk Reduction policy for the Australian Aid Program* p 8.

[23] AusAID (2011). *Sustainable Economic Development: Improving Food Security* p 4.

[24] AusAID (2011). *Sustainable Economic Development: Improving Food Security* p 9.

[25] AusAID (2011). *Sustainable Economic Development: Improving Food Security* p 9.

may also be resilient due to a range of livelihood options, such as safe housing, insurance and access to health systems.[26]

The most likely avenues for NGOs and their civil society partners to achieve results under the AACRS will be by working in areas that they have already worked. This can include using the AACRS to extend the life of successful activities that are underway, or could be expanded . This is valuable in the Afghan environment where the barriers to entry of new aid investments are high, and where AusAID would prefer to build upon the existing proven work of trusted and capable partners, than to try to develop untested activities that will take time to gain traction. AusAID notes that it will also be useful for AACRS partners that work in the areas of agricultural livelihoods to identify and capitalise upon links with technical agricultural research work being funded in Afghanistan by AusAID (in partnership with the Australian Centre for International Agricultural Research) in the area of agricultural productivity improvement.

4. Rationale

Ongoing and scaled-up support to the agricultural and rural development sector is an agreed commitment within the MoU between Australia and Afghanistan. This recognises the sector's centrality to the food security and economic prospects of the Afghan people, and Australia's strengths in delivering development assistance in the sector. AusAID's approach to agriculture and rural development identifies improving the basic food security and agricultural livelihoods of vulnerable rural communities as a pillar of focus. This pillar will predominantly be delivered through on-budget support, and within this, through AusAID's ARTF contributions.

The decision to partner with NGOs to work with Afghan CSOs to deliver on Pillar One has a number of advantages. Local civil society is a valuable partner in post and on-going conflict situations. It can complement, extend and supplement the often nascent service delivery capabilities of government agencies, especially to vulnerable communities. This model is appropriate in Afghanistan where the Afghan Government has limited absorptive capacity[27] and is unable to undertake service delivery in all parts of the country, particularly in rural and remote locations. This model is also in line with AusAID's *Framework for Working in Fragile and Conflict-Affected States*, which recommends working at two levels when state capacity is weak – both the state, and with civil society.[28]

The AACRS model also complements AusAID's ARTF contributions. AACRS activities are expected to be small scale, flexible, focused on specific needs and community based. They may focus attention towards very vulnerable groups, including children, people with a disability, the landless, female-headed households, the aged, and the isolated. These groups often find it difficult to gain equitable access to, and benefits from, national programs, and hence require additional assistance to ensure that their special needs are addressed.

The AACRS will also include capacity building of Afghan CSOs. This is not the objective of the AACRS (which is focused on improving reliance and livelihoods), but projects must

---

[26] AusAID (2009). *Investing in a Safer Future: A Disaster Risk Reduction Policy for the Australian Aid Program* p 8.
[27] The World Bank (2012). *Afghanistan in Transition: Looking Beyond 2014: Volume 2: Main Report* p 59.
[28] AusAID (2011). *Framework for Working in Fragile and Conflict-Affected States* p 85.

include a capacity building component. It is hoped that good partnerships between the NGOs and their Afghan CSO partners will result in shared learning, and possibly longer term improvements in capabilities and competencies. This will have the advantage of enhancing the sustainably of AACRS activities, as CSOs develop skills in organising and implementing effective community resilience and/or rural livelihood programs, as well as enhancing the social development of their local communities.[29] In line with this, each NGO will develop a *Capacity Building Framework* as part of their designs.

While strengthening the capacity of the Afghan Government is central to Australia's engagement in Afghanistan, this does not only mean working with government bodies. Building stronger states also requires working with the community more broadly, including CSOs, the local private sector and the informal economy. CSOs can help hold their governments to account, broaden the political settlement and be an important partner in the delivery of state services.[30] This is in line with AusAID's *Effective Governance Thematic Strategy*, which commits Australia to support civil society programs as they 'play a key role in ensuring transparency and accountability of government service delivery and can catalyse change in government policy'.[31]

The AACRS will partner with NGOs that have strong in-country connections, including a range of partnership arrangements with local CSOs. As CSOs are closely connected with local communities, they are often able to operate in contexts that are difficult for donor and governments to access.[32] Nonetheless, security risks remain for NGOs in working in Afghanistan, and AACRS activities and processes will need to be designed with care.

Working with up to five NGOs will also expand the number of partners AusAID has in Afghanistan. Australia's capacity to deliver programs in Afghanistan has been constrained by ongoing conflict, endemic corruption, improving but still weak governance systems, and the limited scale and capacity of all sectors of Afghan society – government, civil society and the private sector. There are few credible partners with a strong in-country presence, long term experience and demonstrated effectiveness in Afghanistan. By working with up to five NGOs, AACRS will give AusAID the opportunity to increase its engagement with effective and experienced partners in Afghanistan.

It is also expected that a Request for Submissions will generate significant interest and a variety of potential activities, grounded in in-country experience. For example, Annex 4A is a summary of Australian NGO activity in Afghanistan, based on information supplied to the design consultants during the design process.[33] While it may not be an exhaustive list, it is evidence of a considerable level of activity. The total reported value of these Australian NGO (and international NGO) activities is over AUD190 million. Some of these activities are funded by AusAID through the ANCP, while others receive direct AusAID funding.

---

[29] Through its *Civil Society Engagement Framework*, AusAID has recognised the emergence of an informed and engaged civil society as an important outcome in its own right, enabling poor people to claim their rights, and helping to shape development policies and partnerships and oversee their implementation (AusAID 2012: 1).
[30] AusAID (2011). *Framework for Working in Fragile and Conflict-Affected States* p 77.
[31] AusAID (2011). *Effective Governance: Thematic Strategy* p10.
[32] AusAID (2012). *Civil Society Engagement Framework* p 3
[33] Note that some NGOs included activities implemented by their international affiliates, and that most ANGOs operate in Afghanistan through their international affiliates, as Afghanistan had not been a country of focus for Australian NGOs prior to 2001. For example, CARE is led by CARE USA, Oxfam by Oxfam Great Britain and Oxfam NOVIB.

Geographically they have a broad footprint with activities in 30 of Afghanistan's 34 provinces.[34]

Finally, the AACRS aligns with *An Effective Aid Program for Australia's* commitment for the aid program to strengthen and work more closely with civil society so that the aid program can benefit from NGOs' and CSOs' grass-roots networks, niche areas of specialisation and presence on the ground. This includes engaging with civil society through policy dialogue.

For the AACRS to achieve sound development outcomes, it will be important to understand and build on what has been achieved to date, establish processes which ensure strong partnership, transparency and accountability and lead to a continually improving program though realistic M&E processes. The remaining sections of this document address these issues and describe a management model and analysis of risks.

5. A Partnership Approach

In June 2012, in line with commitments made in *An Effective Aid Program*, AusAID released its *Civil Society Engagement Framework.* [35] The Framework is informed by findings of the *Independent Review of Aid Effectiveness*, the Office of Development Effectiveness (ODE) report, *Working Beyond Government: Evaluation of AusAID's Engagement with Civil Society in Developing Countries*,[36] and consultations with ACFID and Australian NGOs.

The Framework sets out how Australia will work more effectively with CSOs in Australia and overseas to increase the impact of aid for the world's poorest. It provides the policy framework for all AusAID NGO and civil society programs, and its principles are therefore reflected in the AACRS. The Framework states that effective engagement between AusAID and CSOs on international development issues will be guided by the following principles:

- reducing poverty
- mutual accountability for results
- open communication and consultation
- respect for independence
- appreciation of diversity
- do no harm
- equity
- shared learning
- collaboration
- strengthen local systems and ensure sustainability

An Effective Aid Program for Australia also states:

> …partnerships enhance the reach of Australian aid, and enable the Australian Government and Australian NGOs to share lessons and experiences, jointly

---

[34] The provinces without any current activities by Australian NGOs or their international affiliates are Farah, Nimruz, Paktika and Sar-e-pol.
[35] Available at www.ausaid.gov.au/ngos/Documents/civil-society-engagement-framework.pdf
[36] *Working Beyond Government: Evaluation of AusAID's Engagement with Civil Society in Developing Countries* (available at: http://www.ode.ausaid.gov.au/current_work/documents/cse-ode-civilsociety.pdf).

identifying the most effective ways to help people overcome poverty and make progress towards the MDGs. [37]

AusAID experience suggests that a partnership approach with NGOs improves the efficiency and effectiveness of development outcomes.[38] In line with this understanding, the AACRS will adopt a strong partnership model. The development of a strong partnership model for AACRS will include:

- developing a common understanding of what the term 'partnership' means in the context of the scheme
- clearly identifying the different goals, drivers and risks for all participating parties
- drafting a Partnership Agreement which will spell out expectations for relationship management and behavior between the partners
- developing business processes for AACRS which support a partnership approach, including a communications plan.

Partnerships between AACRS NGO partners and CSOs in Afghanistan will be undertaken in ways which suit the particular context (e.g. topic of focus; availability of CSOs, level of previous engagement and interest in future collaboration). Afghan CSOs may include Community Development Councils, traditional Shuras, local NGOs including women's organisations or another local entity which will support implementation.

Lessons Learned
Participants in the AACRS Design Workshop[39] reflected on their experience with donor funding of activities in Afghanistan and developed a list of lessons learned. Many of these are consistent with lessons AusAID understands about aid delivery more generally, and has adopted in Afghanistan. These are presented in Box 1 below.

Box 1: Lessons Learned by NGOs Active in Afghanistan

−   Funding needs to be long-term as effective change takes time.
−   Funding needs to be flexible both to allow crises to be accommodated, and to allow scope for change so that lessons learned through monitoring can be applied.
−   Working within the complex social and political environment of Afghanistan requires the establishment of very good relationships with locals, including national and local government counterparts, so early and ongoing engagement is essential.
−   Australian NGOs, by working through partners in Afghanistan, can ensure value for money, M&E feasibility and effective outcomes.
−   Partnership models are diverse, and depend on each NGO's ways of working
−   Good governance can be achieved through working through CDCs.
−   It is important to establish trust and open communications between the NGO and donor.

---

[37] AusAID (2011). *An Effective Aid Program for Australia: Making a real difference – Delivering real results,* p 25 (available at http://www.ausaid.gov.au/publications/Pages/5621_9774_1073_3040_2380.aspx).
[38] AusAID (2011). *Pacific Leadership Program. Operating Guidelines*, Version 4, March.
[39] NGOs represented were Afghan Australian Development Organisation (AADO), ActionAid Australia, Caritas Australia, CARE Australia, Islamic Relief, Mahboba's Promise, Oxfam Australia, Save the Children Australia, and World Vision Australia. Representatives from AusAID and ACFID also attended.

> – Having an entity in-country assists with representation of NGOs as a group eg British/ Irish NGOs are members of the British and Irish Agencies Afghanistan Group.
> – Broad guidelines and parameters for funding allow NGOs some flexibility when designing projects so they are able to meet priorities on the ground.
> – Having realistic expectations given that it takes time to make a difference is important in both the design and the M&E framework.
> – Adequate funds are required for security.
> – NGOs focus on development objectives, which can be separate to political / military contact.
> – Effective projects involve women and / or girls.
> – Cultural sensitivity and respect underpin effective aid.
> – Sustainability of project benefits can only be achieved by through working through the community.

Source: Brainstorming at AACRS Consultative Design Workshop, 9 July 2012.

The AACRS has not been conceived as an NGO facility in the same vein as NGO facilities in other countries or regions. It is an agriculture and rural development program where delivery will be through NGO engagement. While it does not fully align with other AusAID NGO facilities, there are valuable lessons learned which inform this design.

The lessons learned draw from design documentation prepared for: the Solomon Islands NGO Partnerships Agreements (SINPA); the Australia Africa Community Engagement Scheme (AACES); the Australia Middle East NGO Cooperation Agreement 2 (AMENCA 2); the AusAID Civil Society Water, Sanitation and Hygiene (WASH) Fund; and a review of Mekong programs.[40] Some lessons also derive from consultation with the Director of the HPA which is a partnership between AusAID and six Australian NGOs.

During the AACRS Design Workshop, NGO participants raised examples of good practice from current NGO facilities. In particular, the AACES and AMENCA 2 programs are highly regarded by NGOs and considered as relevant to AACRS. Lessons drawn from various sources include:

Partnership: investment of time and effort in developing partnerships between AusAID and the NGOs and among the NGOs has resulted in collaborative work practices, strong designs and more effective information sharing during both design and implementation in more recent programs. However, there has been concern that partnership is difficult to put into practice and requires sustained effort by all parties.

Separating selection from detailed design: a two-step process where detailed project design work comes after NGO selection has been found to be both effective and efficient. Effectiveness is linked to greater collaboration between NGOs once the threat of competition is removed. The process is more efficient as NGOs do not have to invest significant resources in designing activities which fail to be selected and therefore are not funded.

Technical and financial support for design: once NGOs have been selected, project design can proceed cooperatively. For AACES, joint design workshops allowed the program parameters to be fully understood, projects to be designed collaboratively and partnership to commence. Provision of design and M&E expertise at design stage was seen as a good

---

[40] AusAID (2011). *Mekong Programs: Future Engagement with NGOs: Discussion Paper.*

investment in achieving a high standard project design. This in turn led to an efficient AusAID appraisal / approval process and to maximising the benefits of Australian aid.

Capacity development is important: project budgets should ensure adequate provision of resources to contribute towards the strengthened capacity of implementing teams and local NGO partners in order to maximise ownership and sustainability. Effective capacity development includes diverse forms of support, not just training workshops. It also requires project personnel to have a good understanding of drivers of change and organisational development concepts as well as high level cross-cultural competencies, facilitation skills and an openness to learn. A strengths-based approach to capacity development is recommended, as this will contribute to higher levels of confidence and motivation. AACRS does not expect specific pre-determined capacity outcomes among Afghan CSOs, but expects AACRS NGO partners to use a capacity development orientation in their collaboration with them.

'Program- level' outcomes: these do not spontaneously manifest from a portfolio of discrete NGO projects. The program approach should be understood and owned by the NGOs and their collaboration fostered. Resources are required for program level leadership, coordination and reporting. Activities at program level should include mechanisms for sharing good practice, developing joint lessons learned and engaging as a group with government partners. In AACES, NGOs and AusAID signed a multi-party cooperative agreement to govern the program, as well as individual NGO project agreements.

Flexible funding: a program normally has ability to develop and change as greater information comes to hand and lessons are learned during implementation. Flexible funding allows lessons learned to be acted upon. Most NGO facilities have fully committed funds in individual projects at the outset and have not had flexibility to make substantial changes or add new activities along the way. To address this finding, the most recent program, AACES, has included an Innovations Fund from Year 3 for allocation to emergent uses and innovative approaches not apparent during the Detailed Design Phase.

Monitoring and evaluation: in the past, some AusAID-funded programs for NGOs have lacked adequate M&E at program level. This reduced AusAID's ability to appreciate and promote program achievement. Project level M&E has also, at times, been designed to provide performance information (accountability) while giving insufficient attention to learning and reflective practice. NGO partners have found M&E challenging, particularly assessing program impact. M&E for an NGO program needs to be well resourced to cover the breadth of activities required (AACES has allocated 10 per cent of program costs to M&E). Technical support throughout the program would lift the quality of M&E and develop capacity of those who design and implement M&E activities.

Management models: these need to be designed so that AusAID staff members do not face too great an administrative burden. AusAID's engagement should be focused on program effectiveness and policy dialogue, not administration.

Timing: ACFID has expressed concern to AusAID regarding timeframes applying both to project duration (the longer the better in terms of having time to make a difference) and NGO application timeframes and clarity about processes. Time invested in thorough designs up-front is considered a good investment in high quality projects.

Financial clarity: project and program reporting needs to include financial statements and narrative. In recent years, the volatility of the Australian dollar has been important in financial management of overseas activities. NGO programs have lacked consistent approaches to treatment of foreign exchange gains and losses which, in part, reflects a lack of AusAID guidelines on foreign exchange reporting. Sensitivity on AusAID's part to the challenges of managing this issue will be needed.

6. Program Description

6.1 AACRS Theories of Change

The AACRS Concept Peer Review agreed a single objective (or "outcome") for the AACRS:

Improved resilience and livelihoods for Afghan rural communities.

During the Design Workshop, participants brainstormed the AACRS Theory of Change. Diagram 1 below reflects these discussions as well as the content of the Concept Paper and consultations during the design period.

The diagram combines a traditional Theory of Change for the program and project logic on the left, with a Partnership Theory of Change on the right. This combination has been designed to capture the clear intent to foster partnership and dialogue during implementation of AACRS.

Diagram 1 is incomplete because the individual projects of NGOs have yet to be designed. During the Detailed Design Phase, the missing part of the program logic will be completed. Following the selection of up to five NGOs through a competitive Request for Submissions process, each NGO will develop a Theory of Change for its project, which will expand on the project outline submitted as part of the Request for Submissions.

The AACRS has been designed as a program not a facility. In other words, all investment will be channeled to achieving the single outcome, with individual NGO activities expected to contribute towards at least one of the four intermediate sectoral outcomes in Diagram 1. This contrasts with a facility where multiple projects are funded but may not be integrated as tightly in the Theory of Change and M&E processes.

Each selected NGO will build on its own experience and partnerships in Afghanistan when designing their project. Project design will occur during the Detailed Design Phase of AACRS, and be a funded non-competitive process with design and M&E support. The Theory of Change will then be finalised, as all projects will be known, and have identifiable objectives. It may be that the NGO projects are clustered around only one or two of the intermediate sectoral outcomes identified in the current Theory of Change. If that is the case, then other sectoral outcomes can be removed from the draft Theory of Change. At present, the draft Theory of Change offers options at intermediate sectoral outcome level – if not taken up, these options can be modified.

6.2 Program Scope

The scope of the AACRS will be defined once the selected projects are known. At the Scheme design stage, there is no need to specify locations of activities or specific aspects of rural development, livelihoods or community resilience that each project will deliver, as individual NGOs will need to determine for themselves what is feasible.
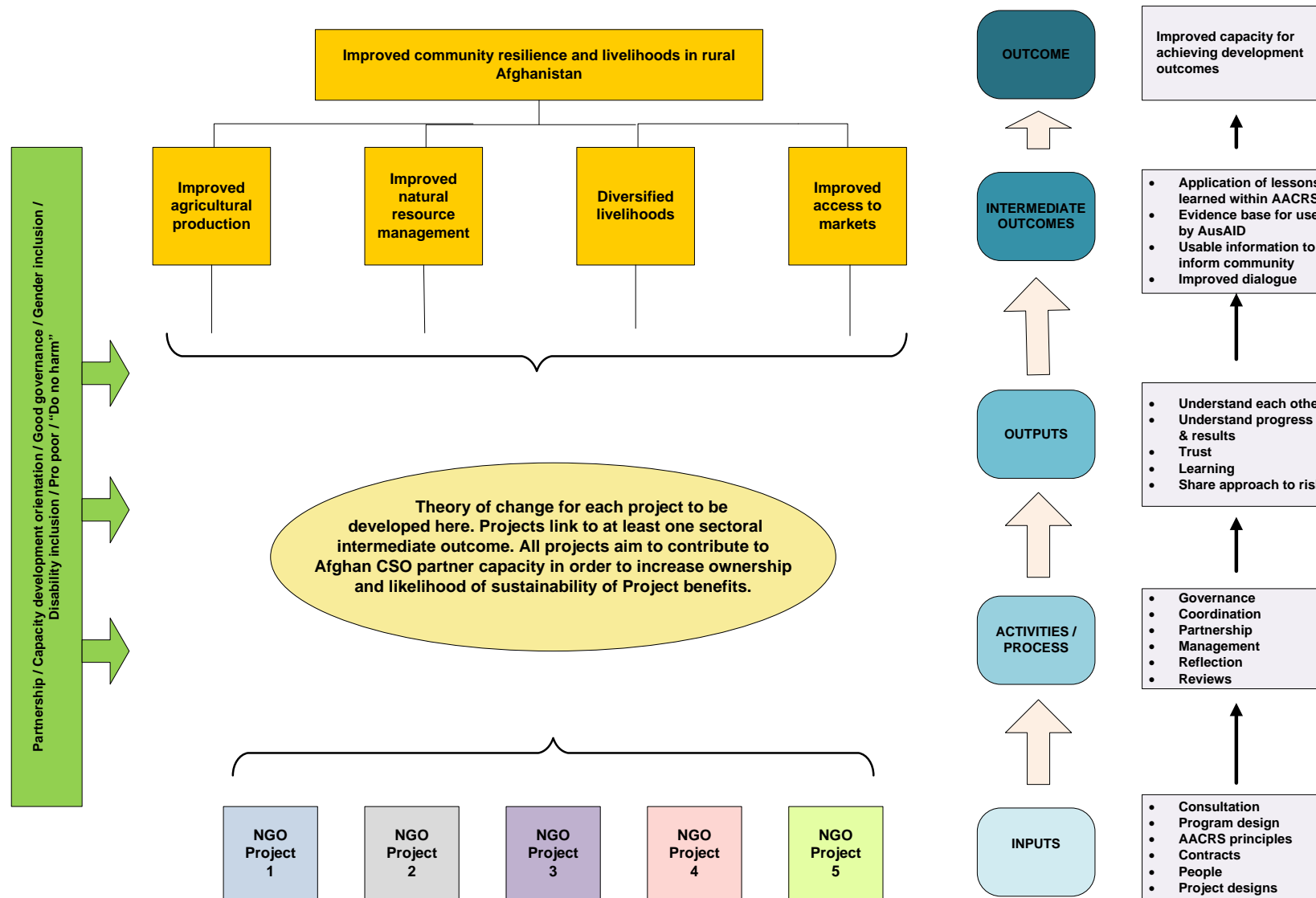
While the AACRS will be a new flagship program in rural Afghanistan, delivered by NGOs, it will not replace existing AusAID funding for other NGO activities through, for example, the ARTF or ANCP. Sharing lessons with these other NGO programs is recommended if

useful opportunities present themselves e.g. through site visits to each other's project if operating in similar locations or sectors. Occasional meetings in Kabul may also be beneficial.

6.3 Indicative Budget

The Budget assumes up to AUD30 million will be allocated to projects, of which AUD500,000 will be set aside in an Innovations Fund for draw down in Years 3 and 4 (as per suggestions in 4.1 above). The AACRS will fund up to five NGOs, however it is not assumed the budget will be divided evenly between each NGO, or that five NGOs will necessarily be funded. There is also no minimum or maximum grant amount that NGOs can apply for. Management and design costs will be provided in addition to the project funding.

AACRS THEORIES OF CHANGE AND PARTNERSHIP

Partnership / Capacity development orientation / Good governance / Gender inclusion / Disability inclusion / Pro poor / "Do no harm"

Improved community resilience and livelihoods in rural Afghanistan

- Improved agricultural production
- Improved natural resource management
- Diversified livelihoods
- Improved access to markets

Theory of change for each project to be developed here. Projects link to at least one sectoral intermediate outcome. All projects aim to contribute to Afghan CSO partner capacity in order to increase ownership and likelihood of sustainability of Project benefits.

NGO Project 1

NGO Project 2

NGO Project 3

NGO Project 4

NGO Project 5

OUTCOME

Improved capacity for achieving development outcomes

INTERMEDIATE OUTCOMES

- Application of lessons learned within AACRS
- Evidence base for use by AusAID
- Usable information to inform community
- Improved dialogue

OUTPUTS

- Understand each other
- Understand progress & results
- Trust
- Learning
- Share approach to risk

ACTIVITIES / PROCESS

- Governance
- Coordination
- Partnership
- Management
- Reflection
- Reviews

INPUTS

- Consultation
- Program design
- AACRS principles
- Contracts
- People
- Project designs

7. Program Implementation

7.1 Partnership Principles

As described above, partnership is critical to the effectiveness of AusAID funded NGO programs. It will be central to the principles governing the AACRS. Partnership occurs at several levels. It includes links between:

- AusAID and the AACRS NGOs
- Afghan Government and the AACRS NGOs
- AusAID and the Afghan Government
- among the AACRS NGOs
- between the AACRS NGOs and their local partners (Afghan NGOs or CSOs)
- between the projects and their direct beneficiaries – the Afghan rural poor.

Each of the key stakeholders also has outreach to other parties.

Brainstorming during the Design Workshop considered the elements of effective partnerships. These are summarised in Box 2 below.

Box 2: Features of Effective Partnerships

- clear understanding of expectations
- trust and mutual respect
- transparency
- sharing – shared vision, values, goals and objectives and results
- competence – building on a good track record
- accountability
- formal arrangements such as an agreement or Memorandum of Understanding
- common learning objectives and an ability to build capacity in partners
- understanding constraints
- consultative and cooperative communications and actions (not competitive)
- shared risks
- levels of communication appropriate to the levels of the relationships
- it takes time to build true partnerships
- expectations need to be clear to all parties
- patience
- sensitivity towards specific aspects e.g. security in Afghanistan

Source: Brainstorming at AACRS Consultative Design Workshop, 9 July 2012.

The following encapsulates the essence of good partnership:

- EQUITY because it leads to RESPECT
- TRANSPARENCY because it leads to TRUST
- MUTUAL BENEFIT because it leads to SUSTAINABILITY

Good partnerships do not just happen through good will – there needs to be commitment and effort to achieving the gains that partnership can deliver. All partners will need to dedicate some time at the start of the program to developing a deep understanding of each other's organisations, varying expectations for AACRS, and expected ways of working, to minimise confusion and disagreement at later points. The partners will also need to spend some time agreeing on business processes, such as planning, reporting, M&E and communications, which help rather than hinder a partnership approach. The development of a Partnership Agreement will be an important part of this process. It will also be important to track success or otherwise of establishing and maintaining effective partnerships through the Scheme's M&E processes.

7.2   NGO Eligibility and Project Selection

Learning from the experience of other AusAID programs, contestability has been separated from the full project design process. Competitive selection of NGOs will be made on the basis of the NGO's organisational capacity, experience in Afghanistan, a project concept intended to contribute to *improved resilience and livelihoods for Afghan rural communities* and a value for money assessment. The full design of each project will be undertaken during the following Detailed Design Phase once selected NGOs have been engaged by AusAID.

AusAID will manage the Request for Submissions process. This will commence with advertisement of the AACRS on its website, calling for Requests for Submissions from eligible NGOs to be prepared and submitted within a 6-week period.

During the design consultations, a diversity of views has been put forward regarding eligibility, and whether only Australian NGOs accredited through AusAID's ANCP accreditation process would be eligible. On the basis that AusAID's aid program is untied and to position AACRS to attract the best project concepts from reputable NGOs which are effective in Afghanistan, the eligibility has been defined broadly so that non-accredited NGOs will be eligible to apply.

The AACRS is open to Australian and international (including Afghan) NGOs, and is <u>not</u> limited to organisations that have AusAID accreditation through the AusAID–NGO Cooperation Program (ANCP).

To be eligible to apply for AACRS design and project funding, NGOs must:

a) be registered to work in Afghanistan;

b) have effectively implemented development activities in Afghanistan in the past five years, and for more than five years in total; and,

c) be signatory to the ACFID Code of Conduct, or an international equivalent.

If an organisation is not accredited by AusAID, the organisation must provide documents to help AusAID assess the organisation's management capacity, systems and operations (required documents are set out in the *AACRS Grant Guidelines*);

AusAID will appoint and brief a Technical Assessment Panel to appraise and score the Submissions, and make recommendations to the AusAID delegate who will approve the selection of up to five NGOs/NGO consortia for detailed design funding.

The selection criteria have been prepared to probe information regarding the NGO's capacity and experience (weighted at 50 per cent) and the project concept (weighted at 50 per cent).

After the scoring against the Capacity and Technical Assessment criteria, the Technical Assessment Panel will assess the value for money of each Submission. The Panel will ensure the funds requested and detailed in the project budget as part of the Submission are in accordance with the requirements of the *AACRS Grant Guidelines*, and are reasonable and proportionate to the intended work to be undertaken, and administrative costs are kept to a minimum.

AusAID will undertake a due diligence assessment of organisations selected through the Request for Submissions (unless an organisations already has AusAID accreditation).

7.3   Project Design

The trigger for progressing to design will be the signing of the AusAID NGO detailed design agreement, following selection through the Request for Submissions process. During the Detailed Design Phase, each NGO will develop a full project design, building on their Concept Paper and integrating the project logic with the AACRS Theory of Change, with funding support from AusAID to a maximum of AUD50,000. The partners will also work together to flesh out the partnership model for the AACRS.

Learning from the experience of other AusAID programs, the design process will be collaborative and informative with the aim of producing high quality designs. Early in the Detailed Design Phase, the NGOs and their local partners will attend a Partnership and Design Workshop. Cost of participation by one representative from the head office and one local partner will be met by the AACRS. Workshop facilitators will have design and M&E expertise, and are likely to be drawn from the AACRS TRG described in Section 7.4 below.

Before the design workshop, the partners a partnership workshop will be held to jointly design the partnership approach which will support the delivery of AACRS. This part of the workshop will be facilitated by an accredited partnership broker, provided by AusAID. During these sessions, the partners will:

- share information about their organisations
- outline their different expectations for the partnership
- outline the drivers for their organisation to participate in AACRS, and the risks associated with that participation for their organisation
- clarify the different objectives that each partner has for AACRS so that mutual benefit can be clearly understood
- discuss how equity and transparency can be built in to the program through use of appropriate business processes
- come to agreement on what those business processes should be
- think carefully about communications on AACRS and design a communications protocol

- design mutual accountability measures
- draft one or more Partnership Agreements within the group which will capture all the information discussed in the dot points above, and codify expectations for behavior and relationship management within AACRS.

AACRS relies on cooperation between a number of different partners, located on different continents, for effective delivery of the program. In such a situation, it is vital that as much work as possible is done at the front end of the program to build mutual understanding and clarify expectations and risks. This will forestall confusion and misunderstanding in later years, and will encourage a trust-based relationship.

Immediately following the Partnership Workshop, partners will move to the Design Workshop. This intended to be an information sharing opportunity which sets the scene for the detailed design work. The facilitators will run sessions on the essential ingredients for good design to ensure that all groups are working to the same parameters and values. Workshop topics are likely to include:

- a briefing on the design intent of AACRS
- roles and expectations of the various AACRS stakeholders
- effective project design
- development of a capacity development framework
- strengths based approach
- disability inclusion
- steps towards gender equality and women's empowerment
- working in fragile states – "do no harm"
- financial transparency and countering corruption
- the AACRS program logic and theory of change
- M&E at project and program levels
- risk management.

This is not an exhaustive list but intended to explain why it will be important to bring all NGO partners together. During these sessions, the NGO representatives will be encouraged to share examples of good practice and lessons learned from their experience in Afghanistan to date to create a pattern of mutual learning. The Workshop will also be an opportunity to establish a timetable for the design process so that the "next steps" are agreed and deadlines are clear.

Each NGO group would then develop its own detailed design, based on a consistent format agreed in the Design Workshop. The TRG members would be available to the NGOs for specialist advice during the design period, with access via email or phone, at AusAID's discretion. In addition, they will review draft designs, with a particular focus on the project theory of change. This review is designed to be supportive, not judgmental. This is part of the AACRS' partnership approach where all parties are working together to deliver the best outcomes to project beneficiaries. Having this input should assist project designs to be high quality, enabling the approval process to be straightforward and timely.

AusAID will apply appraisal and approval processes appropriate for projects over AUD3 million to each of the NGO designs.

7.4   Innovations Fund

The Program includes an allocation of AUD500,000 for an Innovations Fund, which is budgeted to be available from the beginning of Year 3. This reflects good practice and experience from similar AusAID programs (such as ACCES), where the opportunity to access additional funds, once implementation is well-underway and partners and locations are better understood, has been highly valued.

The TORs for the Mid-Term Review (MTR) of AACRS will include a reference to the Innovations Fund, seeking suggestions from the Review Team about how best to use the Fund, based on experience in Years 1 and 2. At this early stage, the intention is that proposals would be sought from each of the participating NGOs if they wished to respond to emerging priorities, to undertake new/complementary activities that were not foreseen in Project Designs, to extend successful activities to new locations or to include new target groups.

However, the Scheme Governance Committee may propose the Innovations Fund be used for a project delivered by an individual or organisation other than those within the AACRS – for example, to contract research on an area relevant to the AACRS. It is envisaged that the MTR Team will suggest specific criteria and processes relating to the allocation of funds and AusAID will decide funding allocations, with advice from the Scheme Governance Committee (discussed in Section 9). It should not be assumed the Innovations Fund will be divided evenly between each NGO – it is not guaranteed funding, rather, it is intended to support new and complementary activities.

8. Cross-Cutting Issues

8.1   Gender Equality

Afghanistan ranks 141 out of 146 countries on the gender inequality index.[41] During Taliban rule, policies and practices marginalised women and girls and violated human rights. Women were unable to work outside the home and girls were unable to attend school. The legacy of systematic gender inequalities and entrenched discrimination against women and girls remains. Today Afghan women continue to experience low literacy (11 per cent for women, 36 per cent for men), high unemployment, high rates of violence, human rights abuse and limited access to health care (resulting in the second highest maternal mortality rate in the world, at 1,400 per 100,000 live births).

Official Afghan Government policy enshrines women's rights. In 2003, the Afghan Government ratified the United Nations Convention on the Elimination of All Forms of Discrimination Against Women. Box 3 below contains GIRoA's *Declaration of the Essential Rights of Afghan Women*. Women have quotas in the national parliament so representation is higher than in neighbouring countries. Yet despite this policy framework, reality on the ground is quite different.

---

[41] United Nations Development Programme (2011). *Human Development Statistics Afghanistan* (available at http://hdrstats.undp.org/images/explanations/AFG.pdf).

DECLARATION OF THE ESSENTIAL RIGHTS OF AFGHAN WOMEN:
Signed by President Hamid Karzai in January 2002

The fundamental right of Afghan women, as for all human beings, is life with dignity, which includes the following rights:
1. The right to equality between men and women and the right to the elimination of all forms of discrimination and segregation, based on gender, race or religion.
2. The right to personal safety and to freedom from torture or inhumane or degrading treatment.
3. The right to physical and mental health for women and their children.
4. The right to equal protection under the law.
5. The right to institutional education in all the intellectual and physical disciplines.
6. The right to just and favourable conditions of work.
7. The right to move about freely and independently.
8. The right to freedom of thought, speech, assembly and political participation.
9. The right to wear or not to wear the chadari (burqa) or the scarf.
10. The right to participate in cultural activities including theatre, music and sports.

Female participation in the labour market is the lowest in South Asia with only 33 per cent of women working outside the home compared with 85 per cent of men. Strong segregation of males and females in Afghan society has meant that women work mainly in the health and education sectors. Men earn almost three times as much as women. Women lack ownership, control, and access to productive assets such as land, equipment and materials. Men usually own land and women often lose inheritance rights to male relatives following the death of their husbands. The lack of rights to land has dire consequences for women's economic empowerment, especially for women who are heads of households. Further, low literacy and education levels for women pose a serious obstacle for their participation in the formal economy. However, an increase in the number of female-headed households due to war has seen an increase in the number of women engaged in the economy. Most of these women have found work making handicrafts, sewing, embroidering or washing clothes.

AusAID's *Promoting Opportunities for All - Gender Equality and Women's Empowerment* thematic strategy outlines Australia's strategic approach to gender equality and women's empowerment. The Australian Government has identified gender equality as a critical cross-cutting theme of the aid program and committed to remaining a firm and persistent advocate and practical supporter of gender equality.

For AACRS projects, the context on the ground in the specific rural project location will need to be understood and appropriate strategies for gender inclusion developed through consultation. Consultation with women is not always easy to achieve when females are kept in the background. Identification of local champions will help this process, as will the sharing of the NGOs' prior experience in working with and engaging women in development activities.

It is assumed that NGOs' starting points will be their existing contacts. These are likely to include members of the Afghan Women's Network (AWN), a network of NGOs in Afghanistan working to empower Afghan women and achieve their equal participation in

society. It is the largest national women's rights organisation in Afghanistan, representing 88 member organisations and over 5,000 individual members. It has offices in Kabul, Herat and Jalalabad.

In project design, gender awareness will need to be included for both male and female project participants, as there are significant attitudinal barriers to female participation. Innovation and creativity are called for which take women and girls' inclusion as the starting point and work around the inhibiting factors. Another major barrier is insecurity. In rural areas, reprisals against girls attending school have included acid attacks and burning of classrooms, so the "do no harm" principle is highly relevant when designing activities for girls and women.

Project budgets will include the cost of *muharam* (chaperones) accompanying women to project activities. Venues and time of day need to be selected which are suitable for women. It is also important to recognise that women can contribute significantly to shaping and sustaining resilient communities. As managers of natural and environmental resources, economic providers, caregivers and implementers of community development, women are well positioned to reduce disaster risks, and should be recognised as key actors in this field.[42]

When designing M&E, it will be important not to set sights too high as progress towards increasing gender participation and women's empowerment in the four-year timeframe may be slow. Gender disaggregated baseline data will enable measurement of progress in selected indicators.

8.2 Child Protection

The *AusAID Child Protection Policy*[43] outlines practical steps to manage and reduce the risks of child abuse associated with delivering aid activities. The policy focuses on protection of children's rights and their safety and security. The NGOs will be briefed on the policy during the Design and Partnership Workshop, and designs will be reviewed to ensure compliance. This will be particularly important for projects which include children as beneficiaries. The AWN regards the empowerment and protection of children as fundamental to its work and its members would be good contacts for NGOs when they are designing their projects.

8.3 Disability Inclusiveness

The principal cause of disability in Afghanistan is armed conflict. Many years of war following the Soviet invasion meant that 10-30 million landmines were scattered across the country (UN estimate). While there are no figures available, some estimate there are 1.1 million people in Afghanistan who live with a physical disability, acquired primarily through war. Many of these people are considered war heroes or Mudjahedin and are treated relatively well. Generally however, negative attitudes towards people with disability remain a significant barrier. A more significant barrier is poverty which results in an almost complete lack of any appropriate services

---

[42] AusAID (2009). *Investing in a Safer Future: A Disaster Risk Reduction Policy for the Australian Aid Program* p 25.
[43] AusAID (2009). *Child Protection Policy* (available at: www.ausaid.gov.au/Publications/Documents/child_protection.pdf.

The AACRS will work in line with AusAID's *Development for All: Towards a Disability-Inclusive Australian Aid Program 2009–2014*. The Strategy aims to support people with disability to improve the quality of their lives by promoting and improving access to the same opportunities for participation, contribution, decision making, and social and economic well-being as others.[44]

AACRS projects will be expected to actively include people with disability. The relevant Government agency is the Ministry of Labour, Social Affairs, Martyrs and Disabled. Communications between AACRS and this Ministry may assist in generating information about existing capacity strengths and priorities that can be incorporated into AACRS activities.

Disabled People's Organisations (DPOs) operate in many provinces in Afghanistan and have been supported by agencies such as Save the Children and Handicap International. DPOs are the most important source of information about the local situation of people with disabilities at local levels and priorities for development. They should be consulted during project design processes as a key means for achieving participation in AACRS supported activities.

8.4   Disaster Risk Reduction

Afghanistan has diverse climatic zones with some parts subject to freezing snow-bound winters and others to extremely hot, dry and dust-prone summers. It means that floods and drought are common. The country is also located in a tectonic zone which experiences frequent earthquakes. The potential impact of natural disasters is heightened in fragile states like Afghanistan where there is a lack of resilience mechanisms such as effective government and civil society, as well as the financial and human resources to respond to disaster. This leaves the population, particularly rural communities, vulnerable to disaster.

The potential for man-made disaster in the insecure parts of Afghanistan is unpredictable but ever-present, affecting the everyday lives of all Afghans. Poor safety standards and corruption can also create potential for disaster in the aviation and construction industries.

AusAID's Disaster Risk Reduction (DRR) policy[45] aims to reduce vulnerability and enhance resilience of countries and communities to disasters. The Projects designed under AACRS could well support this policy. It is therefore important that it be fully understood by the design teams through discussion at the Design Workshop and links made to the DRR policy.

8.5   Anti-Corruption & Fraud Prevention

Anti-Corruption
Afghanistan is ranked last amongst countries included in Transparency International's 2012 Corruption Perceptions Index. Corruption in Afghanistan is both political (practiced by high ranking politicians and decision-makers) and administrative (practiced by public officials demanding bribes). Corruption is a clear impediment to economic growth and political stability. It is pervasive, and affects all levels of society.

---

[44] AusAID (2008). *Development for All Towards a disability-inclusive Australian aid program 2009–2014* p 1 (available at: http://www.ausaid.gov.au/Publications/Documents/dev-for-all.pdf)
[45] AusAID (2009). *Investing in a Safer Future. A Disaster Risk Reduction Policy for the Australian Aid Program*

For AACRS, the focus is on administrative corruption, also known as petty corruption, which for the average Afghan is not petty at all. All AACRS NGOs will be subject to clauses within the grant agreement warranting that they will not make or cause to be made, nor will they receive or seek to receive, any offer, gift or payment, consideration or benefit of any kind, which would or could be construed as an illegal or corrupt practice, either directly or indirectly to any party, as an inducement or reward in relation to the execution of the grant agreement.

Fraud

AusAID has a zero tolerance approach towards fraud and maintains the highest standards of prevention, detection and remediation. All AusAID personnel (including contracted personnel) are responsible for ensuring strong, robust and effective fraud control. This responsibility also extends to Australian Government partners, commercial contractors, NGOs, other implementing partners, and partner government personnel. AusAID's *Fraud Policy Statement*[46] is part of AusAID's fraud control framework, and details the obligations of all personnel, commercial contractors, NGOs and other implementing partners for fraud awareness, reporting and remediation.

"Fraudulent Activity", "Fraud" or "Fraudulent" means dishonestly obtaining a benefit, or causing a loss, by deception or other means. This definition includes alleged, attempted, suspected or detected fraud. For all instances of alleged, attempted, suspected or detected fraud, AusAID will:

- investigate the matter
- where possible, prosecute offenders or apply other appropriate penalties, and
- pursue the recovery of misappropriated funds or assets.

AusAID requires its partners to take swift action in all cases where fraud is alleged, attempted, suspected or detected.

AusAID will communicate AusAID's *Fraud Policy Statement* to all partners during the Design and Partnership Workshop. Fraud Awareness Training will be provided to NGO partners, and possibly local Afghan partners, within the first year of the AACRS.

8.6 Fragile States – "Do No Harm"

More than 1.5 billion people live in fragile and conflict-affected countries. Caught in cycles of poverty and violence, these countries struggle to achieve their Millennium Development Goal targets. At the Fourth High-Level Forum on Aid Effectiveness held in Busan in late 2011, a number of countries and international organisations endorsed an agreement on a new global direction for engagement with fragile states. The New Deal for Engagement in Fragile States sets out five goals – legitimate politics, justice, security, economic foundations and revenues and services – to give clarity on the priorities in fragile states. Afghanistan and Australia were two members of the group of 35 countries and six multilateral organisations ("the Dialogue") which endorsed the New Deal. The Dialogue group recognised that constructive engagement with civil society and empowerment of women, youth and marginalised groups as key actors for peace would be at the heart of successful peace

---

[46] Available at: www.ausaid.gov.au/Publications/Documents/fraud-policy-statement.pdf

building and state building. They acknowledged that governance transformations in fragile states may take 20-40 years.

In working with vulnerable groups to improve community resilience and livelihoods, the AACRS will be contributing in a small way to these ambitious goals of peaceful state building and MDG achievement. Expectations should be realistic and the focus practical. Of immediate practical concern in rural Afghanistan is security.

The Afghanistan NGO Safety Office's (ANSO's) traffic-light (plus black) based map below illustrates the complexities for NGOs in working in rural Afghanistan. The shading is based on number of incidents where NGOs or CSOs have been the target during January-March 2012, noting the number of incidents has reduced in 2012 relative to previous years. It should be noted that the twelve NGOs consulted in the design of AACRS are implementing projects in provinces in the dangerous categories. Applying ANSO's traffic light (plus black) colours to the provinces in Annex 4B shows that there is little correlation between security and the locations of Australian NGO activity. Map 2 below shows status of the four provinces where there is no current NGO activity as green (Nimruz, and Sar-e-pol) or orange (Farah and Paktika). In the five provinces shaded in red and black which had the highest levels of attacks in Quarter 1 of 2012, the NGOs had 15 activities. In the area in the north west shaded orange, but marked as an "area of special concern" there are a further eleven activities.

What does it mean when designing a project to be implemented in an insecure location in a fragile state? A key principle is that the project should "do no harm" to staff implementing the project or project beneficiaries now or in the future. "Do no harm" is an approach to development that aims to ensure that interventions do not have inadvertent negative effects by leading to (violent) conflict or by undermining state building processes. This is further outlined in AusAID's 2011 *Framework for Working in Fragile and Conflict-Affected States.*[47]

---

[47] Available at: www.ausaid.gov.au/Publications/Documents/aid-fragile-conflict-affected-states-staff-guidance.pdf

Map 1: ANSO Map Showing Attack Volumes, Q1 2012

ANSO: AOG attack volumes, per province at Q1 2012

(Please note this is an incident rate map that enables comparison of areas seeing similar attack rates. It is not a threat map and a lack of incidents can indicate AOG dominance (see Nuristan). Areas shaded green are not implied to be safe; particularly those provinces bordered by highly insecure areas.)

Source: ANSO, http://www.ngosafety.org/index.php?pageid=67

8.7 Environment

Projects which contribute to improved agricultural production and food security may have environmental impact. Project designs will need to address environmental aspects of AACRS activities and ensure treatments accord with best practice. AusAID's *Environmental Management Guide for Australia's Aid Program 2012* [48] outlines the steps to be followed in environmental assessment of activities, and the procedures for managing potential environmental impacts.

---

[48] AusAID (2012). *Environmental Management Guide for Australia's Aid Program 2012: AusAID's Environment Management System* (available at: www.ausaid.gov.au/aidissues/environment/Documents/environment-management-guide-2012.pdf).

9. Program Management

9.1 Scheme Governance

AACRS will sit under the MoU between the Afghan Government and the Australian Government, *Australia's Strategic Approach to Aid in Afghanistan 2010-12*, and the successor strategy.

AACRS will be led by a Scheme Governance Committee (SGC) responsible for direction setting and oversight of progress and results. The Committee will be Co-Chaired by AusAID and a representative from the Afghan MoE. [49] Membership will also include a senior representative from each of the implementing NGOs, MRRD and MAIL. Meetings will be held once per year (at a minimum) in Kabul.[50] For greater time and cost efficiency, the Work Plan has been designed so that SGC meetings are held back to back with other events. Secretariat services will be provided, as described in Section 8.2, through the DAFA.

By working together at this senior level, Committee members will be modeling the partnership principles fundamental to successful implementation of AACRS. The functions of the Committee are:

- to provide strategic advice, leadership and oversee Scheme activities and processes
- to monitor intermediate results and lessons learned, ensuring that lessons are applied as appropriate
- to contribute to discussions during Annual Reflections
- to model effective partnership
- to communicate to their respective agencies about lessons learned, changes sought and achievements to date
- to engage with external reviewers during review processes
- to advise on the process for drawing down the Innovation Fund following the Mid-Term Review.

Face-to-face meetings are preferred to enable true partnership to develop.

9.2 Scheme Management

The consequences of deciding to establish AACRS as an integrated program, rather than five separate stand-alone projects, are that there is a need for both coordination of all the parties and additional program level activities including reflection, sharing and learning, as well as program-wide M&E. These are expected to contribute to true partnership and enhanced results.

There has been no standard approach to program management functions among the various NGO programs funded by AusAID, with each being designed and implemented in accordance with specific needs. Annex 5 illustrates models used by four programs. For the

---

[49] The Afghan Ministry of Economy have responsibility for coordinating international NGO efforts in Afghanistan, including licensing NGOs, and monitoring and coordinating activities at district, provincial and community level.
[50] The SGC may also consider whether to invite representatives from Afghan umbrella NGO organisations, such as ACBAR, to the meetings as observers.

AACRS, it is proposed that a mixed management model be used where AusAID has an overall leadership role but is supported in management by a Scheme Manager and in administration by DAFA.

9.3   Scheme Manager

As in HPA, it is suggested that a senior person be appointed as Scheme Manager but that the Scheme Manager be located separately from the NGO partners. AusAID will organise for DAFA to advertise the position and short-list candidates for selection by an AusAID/ACFID panel (with ACFID's agreement).[51] The Scheme Manager will operate from an office in Australia, not Afghanistan, however it is expected that a considerable amount of time will be spent in Afghanistan. This will provide the Scheme Manager with access to AusAID Canberra which, given the lack of full devolution to Kabul, leads on overall management of AACRS. An Australian base will also be cost efficient (given the high cost of security and travel for long-term personnel in Kabul) and enable effective communication with some/all of the selected NGOs (recognising that some NGOs may be international). The Scheme Manager will be contracted by DAFA on behalf of AusAID. DAFA will performance manage the Scheme Manager (in communication with AusAID). The Scheme Manager position is expected to be full-time in the first year, but become pro-rata after this time, as the AACRS is established.

The Scheme Manager will provide day to day leadership and coordination between the NGOs relating to overall Program level events and M&E. They will establish Scheme wide processes and systems, preparing templates for standardised reporting by Projects, a database and manage financial flows and acquittals for meetings and other management expenses. Project financial flows will be direct between AusAID and each NGO. The Scheme Manager will quality check reports inclusive of financial acquittals. The Scheme Manager will provide Secretariat services for SGC Meetings inclusive of: drafting and finalisation of Agendas; distribution of meeting documentation; and, preparation and distribution of the Summary Record.

The Scheme Manager will draw on an AACRS Administrative Fund for clerical support at peak periods prior to Meetings and other events. There is not expected to be need for a long-term AACRS administrative position in either Australia or Kabul. This recognises that there will be up to five NGOs in AACRS rather than the ten in AACES, which justified a larger Resource Facility rather than the one individual proposed for AACRS.

It is proposed that administration and logistic support be provided by DAFA for Kabul-based meetings such as the Annual Reflection Meetings each June from 2014, and the SGC Meetings held back-to-back with each of these. The support needed relates to arrangements for security, flight bookings, visas, accommodation, secure transport and communications, and additional insurance for short-term AACRS visitors to Kabul as well as providing a meeting venue, catering and equipment such as data projector. Costs of such support would be drawn from the AACRS Administrative Fund. The Scheme Manager would liaise with DAFA on meeting requirements, commencing well in advance of travel dates.

---

[51] AusAID will consider having an AACRS partner NGO sit on the selection panel if ACFID are unable to take part.

The level of management resourcing should be reviewed by the SGC at the end of the Scheme's first year. The review should consider the respective roles and responsibilities of both AusAID Canberra and the Scheme Manager at that time and the anticipated responsibilities in Year 2 and beyond to ascertain that resourcing is appropriate.

9.4   Technical Reference Group

AACRS partners will have access to specialist technical advice through using the services of a Technical Reference Group (TRG). At the outset, these should include design, M&E, rural development, and gender expertise. However, if other skills are required, additional experts could be recruited. They will be a pool for NGO partners to access as required, to an amount defined by AusAID. The TRG would co-facilitate the Design Workshop with the Scheme Manager. The TRG may be contracted through the DAFA, where appropriate.

9.5   Agreements and Financial Management

Agreements with the selected NGOs will be managed by AusAID Canberra's Afghanistan team. AusAID will enter into grant agreements of AUD50,000 with each NGO to develop detailed design documents based on a consistent format, and building on their proposals. Following the detailed design phase, NGO projects will be subject to AusAID quality processes appropriate to the scale of the projects. Once detailed NGO designs are agreed, AusAID will enter into full grant agreements with the NGOs. In addition, the NGOs and AusAID and a representative from the Afghan Government will sign an AACRS Partnership Agreement which sets out the partnership principles and roles and responsibilities of each partner for the duration of AACRS.

In addition, AusAID will task DAFA to contract the Scheme Manager and members of the TRG. The Scheme Manager would be full-time and the TRG members would be pool positions with an established daily rate to be drawn down as required. It is expected that TRG inputs will be greatest in Year 1, when TRG members support project design inclusive of M&E strategy. At peak periods, the Scheme Manager could request administrative support following DAFA's approval.

Financial flows will be governed by the agreements. Project funds will flow direct from AusAID to the NGOs. Given that project implementing partners are NGOs, project expenditure will be grants-based and paid in advance. Project designs will include a financial schedule for payment tranches. Details will need to be discussed between AusAID and the NGOs. The expected model would be twelve-monthly grants and acquittals aligned so that they accompany narrative reports.

Funds for Program purposes such as workshops and Scheme Governance Committee meeting will be managed by DAFA. The Scheme Manager and TRG members would submit timesheets and invoice DAFA for fees in arrears on a monthly basis. Administrative support appointed on a casual basis to support the Scheme Manager during peak periods would invoice DAFA at the conclusion of their period of employment (or monthly if the employment exceeded one month).

9.6 Management Roles and Responsibilities

The design has deliberately not recommended a larger coordination team in an attempt to contain expenditure on coordination. It uses the synergies provided by the existing DAFA team and secure facilities in Kabul.

AusAID, DAFA and the Scheme Manager will establish collegial working arrangements to ensure all aspects are covered and to avoid duplication. Table 1 sets out respective roles and responsibilities for AusAID and the Scheme Manager.

AusAID will organise for DAFA to support the AACRS in the following areas:

- administrative support for the recruitment of the Scheme Manager
- contract and performance manage (in communication with AusAID) the Scheme Manager
- logistic arrangements in support of Kabul-based meetings and workshops (including arrangements if meeting relocated to nearby country) in close liaison with the Scheme Manager
- records management system and database accessible by the Scheme Manager to capture all AACRS records
- contract and performance manage (in communication with AusAID) members of the TRG
- manage the AACRS Administrative Fund and organise payments for program expenses
- contract and support the Mid-Term Review team.

Table 1:   Management Roles and Responsibilities

AusAID	Scheme Manager
• Approves PDD and AACRS start-up	• Provide day-to-day leadership and technical direction to guide and quality assure implementation
• Manage relationships with MAIL, MRRD and MoE	• Develop AACRS communication protocols
• Task DAFA to support AACRS	• Manage relationships with all stakeholders
• Take part in selection of Scheme Manager and final sign-off	• Develop Scheme and Project systems, processes and templates
• Advertise the NGO Request for Submissions and handle the responses (conformity check etc)	• Organise annual Scheme Governance Committee Meetings and provide secretariat services for such meetings, with logistic support from DAFA for Kabul-based events
• Select members of the Selection Panel	• Build relationship with the TRG and consult regularly
• Appoint and brief the Selection Panel	• Provide oversight and support in a collegial environment to each NGO Project team during design and implementation
• Chair Selection Panel, document selection process and delegate approval	• Encourage adherence to AACRS principles such as partnership and gender inclusion
• Detailed Design agreements with AACRS NGOs – bilateral agreements and AACRS Partnership Agreement	• With administrative support from DAFA, organise Annual Reflection Workshops in Kabul (or nearby location) and provide secretariat services
• Appraise and approve project designs	• In consultation with the TRG, design and implement program level Monitoring and Evaluation (M&E)
• Program agreements with AACRS NGOs following project approval	• Review and quality check all NGO project narrative and financial reports prior to submission to AusAID
• Performance manage NGOs with support from the Scheme Manager	• Prepare the *AACRS Annual Report* for submission to the SGC
• Organise annual NGO grant payments and acquittals	• Encourage NGOs to implement change in response to lessons learned and promote a culture of continuous improvement
• Appoint SGC and Co-Chair SGC Meetings	• Anticipate risks and enact risk mitigation measures as required, through active risk management processes in line with AusAID's risk management policy, including documentation of risks in AusAID format, regular review and reporting to AusAID
• Update AACRS stakeholders on relevant policy and program developments (at SGC Meetings and out of session if urgent)	• With support from DAFA, maintain efficient records management and a database
• Monitor AACRS progress through engagement with partners, attendance at Annual Reflections, review of Six-Monthly Snapshot Reports, Program Annual Reports and Program Completion Reports	• Be available to consult with the external team(s) appointed to evaluate AACRS
• Organise Mid-Term Review and act on its findings	• Respond to requests for information from AusAID
• Disseminate information on AACRS results	• Prepare the *AACRS Annual Report* for submission to the SGC
	• Prepare information on AACRS results suitable for communities in Afghanistan and Australia

10. Monitoring and Evaluation

10.1 Monitoring and Evaluation Framework

M&E for the AACRS will serve multiple purposes. The M&E framework is designed to support accountability, learning, application of learning to produce improved processes and/or outcomes within AACRS, and to create useable information for purposes of policy and program development, or for community education. Figure 1 summarises the diverse forms of M&E.

In line with AusAID's standard grant agreement requirements, NGOs must permit AusAID to monitor and/or evaluate the AACRS projects. AusAID will give NGOs at least two weeks' notice of its intentions prior to commencing such a review. In that event, the NGO must cooperate fully with any request for assistance pursuant to any such study, including allowing AusAID to visit project sites. AusAID will, however, ensure that any visits to project sites adopt a 'do no harm' approach, meaning such interventions should "do no harm" to staff implementing the project or project beneficiaries now or in the future. This is further outlined in AusAID's 2011 *Framework for Working in Fragile and Conflict-Affected States.*[52]

10.2 Project Level M&E

NGOs will prepare six monthly Reports using a standard AACRS template. These will report on major achievements, unresolved issues and lessons learned during the reporting period. Reports will also track progress against baseline data for a small number of relevant indicators agreed during the design process. In addition, performance/results stories captured through M&E may also be used to demonstrate how projects are making a difference.

Financial statements would include acquittal of grants received, expenditure against budget and a forecast of cash flow for the following period.

---

[52] Available at: www.ausaid.gov.au/Publications/Documents/aid-fragile-conflict-affected-states-staff-guidance.pdf

Figure 1: AACRS Monitoring and Evaluation Framework

	Program Results (What?)	Method (How?)	Responsibility (Who?)	Timing (When?)
1	Project Outcomes	• Snapshot Reports • Project Completion Reports	• NGOs • NGOs	• Six-monthly • 2017
2	Program Outcomes	• Annual Reports • Annual Reflection • AACRS Completion Report	• Scheme Manager (SM) • AusAID, SGC, NGOs, Afghan CSOs, TRG, SM • SM, TRG	• Draft – before Annual Reflection • Final– after Annual Reflection • Annually, March in Year 1 and in June from Year 2, Kabul • 2017
3	Learning	• Themes at Annual Reflections: -Year 1: Partnerships -Year 2: Capacity development -Year 3: Community Resilience -Year 4: Results – what has changed? (Gender inclusion to be integrated into each theme)	• AusAID, SGC, NGOs, Afghan partner CSOs, TRG, SM	• Annual - during Annual Reflection
4	Accountability	• SGC leadership & oversight • Financial statements • Grant acquittals • Timesheets • Mid-Term Review • Independent Completion Report	• SGC • NGOs, SM • NGOs • SM, TRG • Independent • Independent	• One per year (minimum) • Six-monthly • Six-monthly • Monthly • 2015 • 2017
5	Useable information	• Lessons learned • Brochure / audio-visual materials	• NGOs, SM, TRG • NGOs, AusAID	• Ongoing throughout • 2017

10.3 Program Level M&E

Program level M&E will focus on the higher levels of the Theory of Change through aggregation of project level information and through additional M&E activities relevant to the AACRS as a whole. Program level M&E must take into account AusAID's five strategic goals as set out in *An Effective Aid Program for Australia* and provide evidence as appropriate, and where possible, align with the ANCP Monitoring, Evaluation and Learning Framework (and the CSO M&E Framework when in place).

The most important mechanism for exploration of these themes will be an Annual Reflection Meeting held each June from 2014 onwards for all major stakeholders – MAIL, MRRD, MoE, AusAID, partner NGOs, local CSO/NGO partners, the TRG and the Scheme Manager. This will provide opportunity for information sharing lessons learned, brainstorming of common issues and exploration of achievement against one of the themes. As set out in the M&E Framework, it is proposed that one theme be explored each year with each project and stakeholder preparing in advance so that discussions about the theme are well informed.

Four themes are proposed, although others may materialise during implementation:

- AACRS partnerships
- Capacity development approaches and processes
- Community resilience
- Results – what has changed?

Gender inclusion will be integrated into each annual theme, for example, in Year 2, dedicated time will be given to identifying whether partner organisations have increased capacity in relation to gender assessment, implementing and monitoring gender inclusive activities and whether there is increased participation of women in decision-making. And in Year 4, dedicated attention will be given to disaggregating the results of projects by sex (noting that sex disaggregation of data should commence from year one.

Documentation prepared in advance of the Annual Reflection will include the latest Snapshot Report for each Project and PowerPoint presentations inclusive of photos or video to bring the Project alive. Photos are also important to file away for use in publicity materials at a later date.

The Scheme Manager will prepare a draft Annual Report for discussion, inclusive of aggregated information about project performance and achievement, and program level information. The final version of this Report will be prepared by the Scheme Manager after the Annual Reflection in order to capture discussion of the annual theme and make any recommended changes.

The Annual Reflection is expected to reveal both anticipated and unanticipated findings, and potentially issues and risks requiring resolution. By holding the June SGC immediately after the Annual Reflection, opportunity is provided for immediate discussion and decision by this high level group so that follow-up actions can be taken without delay. This timing immediately after the Annual Reflection also means that SGC Members will be fully up to date on AACRS at project and program levels and members may well have identified new topics or ideas for discussion to add to the preplanned Agenda.

The SGC may also decide to commission the TRG or Scheme Manager to conduct other M&E research

10.4 Independent Monitoring

AusAID will appoint independent consultants to review AACRS in line with AusAID's *Performance Management and Evaluation Policy.*[53] An MTR will be conducted in 2015, towards the end of the second year of project implementation. This timing should be far enough into the project cycle for some intermediate results to be apparent but soon enough for changes to be implemented which benefit from lessons learned through the MTR. Decisions about whether site visits are possible by the MTR team would need to be made at the time.

Acceptance of the MTR Report will be a trigger for drawdown from the AACRS Innovation Fund. The Annual Reflection Meetings would provide the ideal forum to explore opportunities for additional activities which complement the AACRS. The SGC will advise AusAID on the selection and drawdown processes.

The Afghanistan Program will decide whether an independent completion report is required (in line with AusAID's *Performance Management and Evaluation Policy*).Quality Assurance

Quality assurance will be achieved through a number of AACRS design features:

- A thorough NGO Request for Submissions process with strict eligibility provisions. Only signatories of ACFID's Code of Conduct or an international equivalent are eligible to apply. The Request for Submissions requires applicants to submit evidence of financial performance, prior project management experience in Afghanistan as well as a detailed response to the Selection Criteria. This will give members of the Selection Panel a strong basis on which to rank and select the NGO applicants.
- Each NGO project will be subject to AusAID quality processes appropriate to the scale of the projects.
- There will be regular checkpoints throughout the AACRS design and implementation cycle to ensure full inclusion and participation of women and girls as beneficiaries and decision-makers. These checkpoints include:
    - assessment within the Submission Selection Criteria
    - a session on gender awareness and inclusion during the Project Design and Partnership Workshop
    - support from the TRG during the project design process
    - six-monthly reporting
    - Mid-Term Review
    - Annual Reflections, where gender will be integrated into the topics which form the annual themes.
- A high level SGC made up of well-informed project partner representatives will provide leadership and oversight and be involved in both quality assurance and management of risk.
- A thorough management system where the terms of reference for the Scheme Manager position call for a highly experienced candidate.

---

[53] Available at: www.ausaid.gov.au/makediff/ode/Documents/performance_policy.pdf

- The Project design process will be supported by the Scheme Manager and TRG in a collegial manner in order to produce the best possible designs.
- Each NGO project will have its own quality assurance systems built into the design.
- Thorough and regular M&E at Project and Program levels will provide ongoing monitoring of the quality of program delivery.

10.5 Reporting

Reporting has been captured in the M&E Framework and in the Work Plan. NGOs will produce six-monthly Reports using a standard template to be developed by the Scheme Manager. These will be submitted to the Scheme Manager, one month before Program level reporting is due. The Scheme Manager will quality check the narrative and financial reporting before forwarding Snapshot Reports to AusAID. Information in the Snapshot Reports will be used to develop Program level reports, most notably the Annual Report to be discussed during the Annual Reflection, and finalised immediately afterwards.

Financial statements will be prepared and submitted to AusAID annually. Financial reporting will include expenditure against budget, acquittal of grant funds and bank account reconciliation.

The Scheme Manager and TRG will prepare a draft Completion Report for discussion at the final Annual Reflection.

In addition to reporting prepared for the SGC and AusAID, NGOs and the Scheme Manger should develop reports to the Afghan and Australian communities on the achievements of AACRS. There could be a trilingual brochure / pictorial record aimed at the public (in English, Dari and Pashto), and a Scheme Summary in English for the informed public.

10.6 M&E Roles and Responsibilities

Undertaking the M&E
The M&E Framework identifies the lead actors for each of the M&E activities. Project designers will need to factor in resources (people and funds) to conduct regular project M&E and reporting. If required, the TRG will be able to support NGOs when they are designing the M&E and making resource decisions. Once projects are designed, it will be the responsibility of the NGOs to produce timely and comprehensive reports.

The Scheme Manager will carry the primary M&E role at program level, but it is expected to be too much for one person to be effective in managing the full M&E portfolio. The Scheme Manger will be able to source M&E services from the TRG. Requests for such support should be approved by the SGC. In particular, there may be a need to conduct research regarding the themes to be discussed at successive Annual Reflections

The Scheme Manger will engage regularly with the AusAID Program Manager so that together they can analyse how AACRS is meeting AusAID's expectations and achieving results.

Utilising M&E Findings

There is also a responsibility to use the M&E findings. Findings and recommendations which can improve AACRS processes and outcomes need to be adopted by Project and Scheme Managers. Summative information about what has actually happened needs to be captured in ways that are useful for Governments, NGOs, project beneficiaries and the media. Creativity will be encouraged so that findings are used at local levels in Afghanistan, for example through story telling in communities being exposed to new ideas or technologies through a project.

11.   Risk Management and Security

The AACRS will operate in a complex environment requiring professional and robust management and documentation of risk, and appropriate security planning.

Risk Management

Risk management for the AACRS will align with *AusAID's Risk Management Framework and Policy*. This aims to ensure that AusAID is able to identify risks early and make sound decisions on how to manage these risks, rather than aiming to eliminate risk altogether. Risk management will require the flexibility to adapt to changing circumstances, an effective partnership approach, and close collaboration at many levels, both in Australia and in Afghanistan.

AusAID will provide a risk register for the AACRS detailing scheme risks, their consequences and likelihood. Both AusAID and the Scheme Manager will have responsibility for maintaining the risk register throughout the life of the AACRS. The Scheme Manager will report against the register quarterly through DAFA.

During the Detailed Design Phase, each NGO will develop their own detailed risk register using AusAID's risk templates. AusAID's Risk Management Section will review these before the designs are agreed through the design approval processes (set out in Section 7.3). NGOs will report against their registers to the Scheme Manager through their regular reporting. All partners will ensure timely communication and escalation of risks on high and emerging risk issues to the Scheme Manager and AusAID.

Security

AACRS will operate in a fragile and conflict-affected environment, and all partners will need to take all 'reasonably practicable' measures to mitigate security threats/risks, in line with a 'do no harm approach'. NGOs will be required to provide detail on how they will manage the security situation as part of the Request for Submissions process.

Recognising the close engagement NGOs may have with Afghan communities (particularly through relationship with CSOs), security planning may include focusing on local recruitment and strong community engagement. This may enhances a project's local acceptance and situational awareness, as well as provide continuity for initiatives if the political or security situation limits access to an area.

As part of the Detailed Design Phase, each NGO will be required to develop a project-specific Threat and Risk Assessment, and a detailed Security Plan. These will be provided to AusAID for review as part of the design approval processes, and must be in accordance with

the international risk management standard ISO31000 – 2009 Risk Management Principles and Guidelines.

12. Sustainability

Each NGO must develop an *Exit Strategy and Sustainability Plan*. These will be updated as the projects proceed, but early development will ensure an early focus on the legacy of the intervention.

A strong partnership model is seen as a major contributor to sustainability of AACRS benefits. At project level, this includes contributions to capacity development of local CSO and NGO partners, depending on the nature of the partnerships and the priorities of the local organisations. Capacity development has been widely defined in the AACRS in recognition of the diversity of contexts and potential partner organisations. Contributions could be made towards organisational systems, structures and skills for example. There may be scope for AACRS NGOs to contribute to on-the-job learning through joint planning, implementation and monitoring as well as more formal skills development through occasional training, if feasible.

From the project beneficiaries' viewpoint, their participation in the AACRS activity should ideally lead to changes which have long-term benefits. Without knowing details of the actual projects it is difficult to speculate what these changes may be but it is expected that through capacity development and/or resource injection, Australian aid will improve the quality of their lives and their outlook for the future and give them the capacity to retain these benefits.

At program level, effective partnerships based on inter-personal relationships and trust are expected to lead to ongoing dialogue and mutual support between various actors who share the goal of improving the lives of Afghans. For example, the expanded knowledge base about rural Afghanistan generated through program M&E could inform development of plans for future AusAID programming targeting the rural poor in Afghanistan. The enhanced working relationships between staff of the five NGOs may lead to other points of engagement or cooperation which benefit future development activities in Afghanistan or elsewhere.