Delivering on Poverty Reduction: Focusing ANDS Implementation on Pro-Poor Outcomes

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About the Afghanistan Research and Evaluation Unit

The Afghanistan Research and Evaluation Unit (AREU) is an independent research organisation based in Kabul. AREU’s mission is to conduct high-quality research that informs and influences policy and practice. AREU also actively promotes a culture of research and learning by strengthening analytical capacity in Afghanistan and facilitating reflection and debate. Fundamental to AREU’s vision is that its work should improve Afghan lives.

AREU was established in 2002 by the assistance community working in Afghanistan. Its board of directors includes representatives from donors, the UN and other multilateral agencies, and NGOs. AREU has recently received funding from: the European Commission; the governments of Denmark (DANIDA), the United Kingdom (DFID), Switzerland (SDC), Norway and Sweden (SIDA); the United Nations High Commissioner for Refugees (UNHCR); the Government of Afghanistan’s Ministry of Agriculture, Irrigation and Livestock; the World Bank; UNICEF; the Aga Khan Foundation; and the United Nations Development Fund for Women (UNIFEM).
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1. Introduction

In May 2008, Afghanistan’s Government approved the country’s poverty reduction strategy paper (PRSP), entitled the Afghanistan National Development Strategy (ANDS). In response to this, the International Conference in Support of Afghanistan, held in June 2008, agreed to fund the implementation of the approved strategy. The international community pledged more than US$20 billion for this purpose. This marks the end of a three-year process of drafting an interim ANDS, of developing ministry and sector strategies, and of consulting with national and international stakeholders in Kabul and the provinces. To many observers and participants, the process of developing the ANDS had strengths and weaknesses. This paper, however, focuses on the final outcome and identifies what the ANDS document is not — either pro-poor or strategic — and how to address these shortcomings for the ANDS’ constructive and effective implementation.

One could step back and say the ANDS has achieved one of its key aims; that is, to gain debt relief status for Afghanistan — and that it could be set aside after the required one-year implementation period. We think this view undersells some of the better aspects of what the ANDS represents. The ANDS document and its supporting sector strategies contain elements that can help to drive reconstruction and development efforts forward. Of particular relevance is the document’s core objective of poverty reduction, achieved within a context of improved stability and security. Specifically, this paper contends that delivering effective pro-poor growth and poverty reduction by implementing policies within the document’s three main pillars (security; governance, rule of law and human rights; and economic and social development), could help significantly to move Afghanistan out of its current morass. In addition, implementation needs a regionally specific strategy that is sensitive to security challenges. However, the ANDS document also contains assumptions and gaps which limit its ability to achieve this aim. These must be acknowledged and rectified during implementation and progress monitoring. Hence, it is important to give attention to how ANDS implementation and monitoring and evaluation processes can contribute to poverty reduction, so that Afghanistan moves closer to delivering on the expectations of its citizens.

The ANDS had many stakeholders to please who had different interests and abilities to influence the process. This made the drafting process complicated as these different interests and voices had to be woven into one document. The politics involved in balancing different agendas resulted in visible problems in the final document. Specifically, the scope and scale of the strategy in some sections went beyond what is feasible with the available resources and capacities. Other parts include policy approaches not fully

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4 The preparation of the ANDS is one of the conditions for debt relief under the HIPC (Heavily-Indebted Poor Countries) initiative of the International Monetary Fund (IMF)- and World Bank-supported adjustment and reform programmes. Its approval has taken Afghanistan to the “decision point” on debt relief thus triggering interim relief on its debt service. Full and irreversible debt relief will be given at “completion point,” which requires, among other things, the implementation of the ANDS for at least one year.
5 ANDS, 5.
6 For example, donors, the IMF and World Bank, the Afghan people, the President and parliamentarians. See also Middlebrook and Miller LLC, “From Compact to Impact: Defining a Joint Donor Response to the 2008 Paris Conference on Afghanistan,” in Geopolicity, http://www.middlebrook-miller.com April 2008, for a discussion of the challenges of meeting the needs of these various stakeholders.
supported by all national actors. Thus, the ANDS document provides both more and less than is needed to take Afghanistan forward; it is broad in scope but often lacks detail on how to proceed. However, the aim of this paper is not to suggest major revisions to the ANDS document7 but to identify some shortcomings, particularly its lack of direction for informed action, and to suggest how the ANDS could be implemented in light of these. The emphasis is on how the implementation and progress-monitoring processes could sharpen the document’s focus, so that its commitment to pro-poor growth and poverty reduction can be realised.

To prepare this paper, Afghanistan Research and Evaluation Unit (AREU) staff and consultants reviewed selected portions of the ANDS document and available drafts of the sector strategies to assess: their core arguments; their analytical and evidence-based strengths and weaknesses; missing arguments, evidence or themes; and how they could be further developed or improved. A main author then assessed these reviews and drew out emerging key issues which frame the next section of this paper.

AREU’s reading of the ANDS identified four constraints on implementation which limit the ANDS’ potential to reduce poverty. These constraints are:

1. An overly-descriptive poverty profile which fails to assess the causes of poverty and fails to define clear poverty reduction targets to which the sector strategies can be held accountable;
2. An over-reliance on vision statements without detail on how to achieve them. The document seems to presume that desired outcomes will simply emerge and they do not need to be actively planned for;
3. A lack of sequencing and prioritisation; and
4. An overly-technical analysis of the existing problems and possible solutions, ignoring the deeply political nature of the development process.

The next sections describe each of these constraints in more detail and provide recommendations on how to implement the ANDS to improve its ability to deliver pro-poor growth and reduce poverty. They draw from a selected review of the ANDS document and sector strategies as well as comparative experiences of PRSPs from other contexts as appropriate.

2. Poverty Profile: Limitations and consequences

The poverty profile is central to the ANDS because it is, after all, a poverty reduction strategy and states that substantial poverty reduction is its “overriding objective” in creating the foundation for a secure stable country.8 The key questions to ask here are:

- How well does the poverty analysis define the problem of poverty in Afghanistan?
- How well does it identify the correlates and determinants of poverty that will define the policy response needed to achieve pro-poor growth and poverty reduction?

The ANDS sets itself a clear and ambitious standard. It defines pro-poor growth not just as inclusive growth from which the poor will benefit equally. Instead, the standard is growth “where the income and livelihoods of the poorest rise faster than the average

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7 Note that the paper does suggest revisions to the poverty analysis chapter, in order to ensure appropriate focus on poverty reduction aims in implementation and monitoring and evaluation.
8 ANDS, 5.
growth of the economy,” with this achieved through growth-enabling policies and targeted investments in social protection.9

Unfortunately, the poverty profile is not clear about who the poor are, why they are poor and how to address the causes of poverty. Because of this it does not establish an agenda to reduce poverty to which economic, social and other policies should respond in their strategies. Those implementing the ANDS need to use existing information about poverty in the Afghan context, drawn from a wider range of sources, to generate propositions about which interventions might be most appropriate, and for which groups of poor people in different geographic regions. This would be a key first step to developing the ANDS into a strategy that can realise its pro-poor vision.

This section focuses on three key issues related to improving the poverty profile. This is so that the poverty profile better informs both the implementation of the existing sector strategies and the development of a monitoring framework with poverty reduction outcomes to which to hold implementers accountable. The three issues are: improving the conceptual clarity and scope of the analysis; improving data analysis to understand causality and ensure a focus on identifying the poorest; and using both to guide the development of pro-poor policy prescriptions.

2.1 Conceptual clarity and scope

The poverty profile’s concept of poverty is unclear. Sometimes it uses an income-based measure, at other times it uses a consumption-based measure as well as both absolute and relative measures.10 This leads to confusion about how to move from analysis to action because different concepts of poverty can lead to different understandings of who is poor and how to address poverty. To improve the ANDS’ implementation, the poverty profile needs to define poverty more clearly in part through assessing existing definitions on how well they apply to Afghanistan. This assessment should justify why the selected definitions are appropriate and recommend what data to use to understand poverty using those definitions.

The ANDS’ poverty profile focuses primarily on understanding the condition of being poor and not on how people become poor or why they remain poor, even across generations. This may be insufficient to identify key policy options to move people out of poverty. The ANDS poverty analysis should include the more dynamic concepts of risk and uncertainty that characterise the lives of poor people. This is because exposure to risk without the means to cope with it perpetuates poverty, and when households avoid opportunities to move out of poverty because they increase risk or uncertainty, they become trapped in poverty. The concept of risk applies not only to random events affecting individuals (a death in the family) or more widely felt risks affecting communities (drought, epidemic) but also to structural dimensions11 of risk represented by political, social and physical inequalities, and by systemic corruption. The poverty profile’s lack of attention to the concept of risk limits its ability to inform policy which will be relevant to people’s lives.

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9  ANDS, 27.
10  The profile refers to a head count poverty rate linked to per capita monthly income levels, a cost of basic needs based head count poverty rate, both of which are absolute measures, and shares of consumption (relative measure).
11  Structural dimensions of risk relate to those which are part of the physical, political, social and cultural context, and are embedded within how institutions (like the state, family, market or community) work. They are often associated with chronic poverty since the structures are slow and difficult to change. Examples of structural dimensions of risk include remoteness, gender and other forms of social inequality, and unequal power relations, such as between local land holders and those dependent on them for work or credit.
The lack of attention to social and political structures is a gap in the poverty profile and relates to another conceptual limitation - the highly individualised way poverty is defined. This leads to assumptions that it is opportunities alone “that will allow the majority of Afghans to improve their lives and pull themselves out of chronic poverty,” rather than giving attention to the structures and relationships, including inequalities in power, that give rise to poverty in the first place. Such inequalities limit the ability of poor people to act independently for themselves (i.e. to pull themselves from poverty); they also contribute to vulnerability and poverty. Therefore, the poverty profile needs clearer analysis of both individuals’ efforts to escape poverty and the social and physical constraints (gender inequality, remoteness) placing people in poverty and making escape difficult. Such an analysis will provide better information for sector programmes and policy.

Some of the above problems relate to the data sources used. Most of the data are from a selective use of the National Risk and Vulnerability Assessment (NRVA) with primarily illustrative quotations drawn from the participatory poverty assessment done to support the ANDS. Although the NRVA data are useful for poverty analysis, there are limits to what they can tell us because the datasets are based on numerically measurable indicators. The ANDS’ over-reliance on the NRVA data leads to poverty measurement rather than an understanding of poverty. For a fuller understanding of poverty the ANDS’ analysis could have drawn on a wider range of published field evidence. This could include better use of the participatory poverty assessment to deepen the analysis of different dimensions of poverty. It could also include exploration of: issues of ownership and access to land and water, access to informal or formal justice systems, the roles of informal credit and livelihood activities including migration and casual employment, the importance of social networks, and evidence of differential access to public services (education, health etc.).

2.2 Data analysis and identifying the poorest people

The ANDS poverty profile uses the terms correlation and causality interchangeably, leading to confusion within the data analysis because these terms capture very different types of relationships. The NRVA data mainly capture the character or correlates of poverty; they are only able to describe people’s condition of poverty (poor people having no education or few assets). They are less able to illustrate the deeper, multi-causal process of poverty creation and maintenance - for example, why a person’s livelihood does not enable them to save to meet a crisis, or why a person does not have access to social assistance networks because of social and political exclusion. Understanding the causes of poverty requires more than numeric data. It needs investigation into the deeper processes of poverty creation and maintenance which are embedded in unequal social relations influencing who has access to what resources, and on what terms.

Many of the causal claims in the poverty profile about the nature of poverty are actually descriptions of the results of being poor. For example, the poor may be found to have no livestock (an effect of their poverty) but the poverty profile does not explore why they

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12 ANDS, 36.
14 For example, on page 31, a section heading is titled “Most Important Causes of Poverty: Poverty Correlates.” Note that the IMF also confuses these terms in its Joint Staff Advisory note on the PRSP; see International Monetary Fund, “Islamic Republic of Afghanistan: Poverty Reduction Strategy Paper — Joint Staff Advisory Note” (Washington DC: IMF, 2008), 2.
have no livestock (the cause — for example they had to sell the livestock to meet health expenses because the child was sick because of malnutrition). Thus the analysis does not identify causes of poverty although it claims to do so. This has serious consequences for policy and programming which, in the end, will only focus on symptoms of poverty (e.g. people lack livestock) and not the underlying causes which make and keep people poor (e.g. drought and insufficient fodder to raise livestock productively; lack of viable economic opportunities in which to invest credit to create a livelihood).

A missed opportunity in using the NRVA data is the failure to identify who the poorest are. From the NRVA dataset it is possible to apply a consumption-based definition of poverty to carefully answer this question. However the poverty profile does not do this. Instead, it lists every category of person that might be poor (e.g. rural, urban and Kuchi) without further specification within these categories, other than identifying the most vulnerable groups. The document hints at where the poor are to be found, drawing attention to major geographical differences in poverty levels (i.e. higher in the southeast and in the more mountainous areas). But the authors do not develop a detailed map of provincial poverty headcount rates and provincial poverty gaps (a measure of how far people are below the poverty line), which the data would allow.

By exploring key factors and how they correlate with incidences of poverty, the poverty profile could identify relevant categories of poverty in Afghanistan. It could also present an argument, with evidence, on who the poorest are and why. Key factors to explore include demographic factors (age, sex, disability status, literacy, household size, Kuchis), household economy factors (sources and levels of income, expenditures, assets including land) and geographical factors (rural/urban locations, region, topography). Such an analysis could examine differences in the availability of and access to public services and infrastructure by different categories of the poor. This analysis could provide the basis for targeting investments in public services and thereby responding to some aspects of structural poverty (i.e. remoteness). This is not a simple task. There are many ways of categorising poverty which tell overlapping and not necessarily consistent stories.

2.3 The pro-poor policy response

The weaknesses in the poverty profile identified above lead to insufficient policy advice. The poverty profile ends with a generic list of principles linked to a stated goal of promoting pro-poor growth. The discussion of how to achieve this is limited to mention of combining priority sector allocations, pro-poor budgeting, and improving donor coordination and aid effectiveness. A general discussion on what would generate pro-poor growth includes mention of prudent fiscal policy interventions, generating employment through appropriate labour-market policies, investments in health and education, and private sector-led development. However, the discussion presents few specifics and no scenarios to explore different routes or choices. Hence, the poverty analysis has not supported the development of a specific, well-argued, pro-poor agenda to which sector strategy implementation can be held accountable.

If ANDS implementation is to make progress on these objectives, this paper recommends that the staff in the Department for Monitoring and Evaluation of the ANDS, with technical support, revise and greatly improve the poverty profile so it provides a useful analysis rather than merely description. This will need a more detailed and systematic

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15 The IMF’s Joint Staff Advisory Note (June 2008, 2) also mentions the weakness of the policy response to the poverty analysis.
16 Preparing regular poverty analyses is one of the roles of this department, as laid out in the document
analysis of the available numeric and qualitative data which includes explorations of why and how people are poor and how people try to move out of poverty, in the face of what structural difficulties. As the IMF Joint Staff Advisory Note also recommends, the ANDS’ first annual progress report is an opportunity to produce and submit this improved poverty analysis. It is a chance for the institutions responsible for ANDS’ implementation and monitoring to discuss required changes to the implementation strategy and how they will be carried out. For example, the more informed poverty analysis can contribute to the development of policies and programmes which offer more than technical quick fixes to the outward signs of poverty and which instead address the causes of poverty related to exposure to risk and insecurity and an inability to cope with both. It should also be used to develop focused and realistic indicators of poverty reduction outcomes. These indicators can inform the prioritisation and policy development processes in the ANDS sectors. This will make implementation plans more concrete and strategic, with clearer steps from planned actions to poverty reduction outcomes.

As this paper explores in the next section, the existing poverty profile produces generic policy priorities that have no guarantee of delivering either pro-poor growth or poverty reduction. They also represent a larger implementation challenge — that of moving from vision statements and presumptions to developing specific actions geared to poverty reduction.


One conclusion from reading the ANDS is that it lacks many elements of a strategy document. One particular gap is the absence of discussion of the policy choices and trade offs required to achieve the desired outcomes. These outcomes then risk being reduced to vision statements which are presumed to result simply because they are desired. Key areas where the ANDS falls into this trap are in its objectives of poverty reduction, pro-poor growth and good governance. As comparative evidence on the links between the core pillars of most PRSPs — growth, governance and social development — attests, lack of attention to how to achieve these ends, or blindness to the need to explicitly work toward them, sets the ANDS on a course to failure. Therefore a weakness that needs to be addressed in the implementation phase is how to move from words to informed action.

There is debate about how the aims of growth, good governance and social development achieve poverty reduction, or reduce poverty inequalities, either singly or in combination.

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17 This is also noted in Finland’s and Germany’s comments on the draft ANDS. See “German Comments on the Draft ANDS” (Bonn, March 2008) and “Finland’s Comments on the Draft Afghanistan National Development Strategy”.

18 For example, there is no discussion of the poverty reduction trade offs involved in promoting commercial agriculture in Afghanistan, or what other approaches may be used with different pro-poor orientations.


F. Ellis, R. White, P. Lloyd-Sherlock, V. Chhotray and J. Seeley, “Social Protection Research Scoping Study” (Overseas Development Group, University of East Anglia, 2008).
The key conclusion from comparative evidence regarding the links between economic growth and poverty reduction is that one cannot assume that growth will necessarily lead to less absolute poverty or lower poverty inequalities.\textsuperscript{20} Poverty reduction outcomes have to be a specific focus of economic policy design.

This lesson drawn from other PRSP experiences does not appear to have influenced the ANDS drafting process, since the ANDS makes vague claims about poverty reduction and pro-poor growth that are not backed by empirical evidence. However, this lesson can still be integrated into the implementation and monitoring phases of the ANDS, and it must be if any progress is to be made towards genuine poverty reduction in Afghanistan. This is where the impact of the poverty profile’s failure to clearly identify who the poor are, where they are, and what they do, and to explain how social and economic development could respond to their needs, becomes evident. This failure means the concept of “pro-poor” remains abstract and variable throughout the rest of the ANDS document. In some places “pro-poor growth” is used to mean “inclusive growth”, or growth from which the poor have the opportunity to benefit, while in other places any form of economic growth is assumed to be “pro-poor” under the old fashioned idea that wealth will “trickle-down” to the poorest. The clearest examples of this position are found in the Private Sector Development Strategy and the Agriculture and Rural Development Strategy with its attention to commercial agriculture.

The macroeconomic policy section of the ANDS provides a more detailed example of where assumptions about pro-poor outcomes are clearly evident. The idea of pro-poor — a preferential focus on the poorest people — is simply not visible in the macroeconomic policy discussions. For example, there is no discussion about the types of investments or growth that will favour the poorest or about preference for investments leading to labour-intensive growth. Nor is there a discussion about what combination of growth and redistribution programmes is appropriate in this context to reduce poverty while enhancing growth. Despite claims about linking growth with poverty reduction, the only way the framework offers to achieve this is through high rates of economic growth. The chapter refers to quality growth rates but these are simply characterised as high growth rates which “should lead directly to poverty reduction and employment generation.”\textsuperscript{21} But “should” is not enough to ensure poverty reduction outcomes; ANDS’ implementation must move beyond this to assess the different scenarios that could lead to such outcomes.

One area where the ANDS could develop the pro-poor principle further is by recognising the critical roles of labour-absorbing growth and employment generation in poverty reduction. This would acknowledge the importance of the type of growth (i.e. its labour intensity) and not only the rate of growth. It is empirically justified by the experience of other South Asian economies, where composition and type of growth across sectors mattered more than overall growth.\textsuperscript{22} Specifically, this means that high growth sectors identified for investment should be labour intensive and that both unskilled and skilled workers should be able to benefit from the employment this generates.

\textsuperscript{21} ANDS, 40.
\textsuperscript{22} India averaged approximately 6.5% real GDP growth in the 1990s but saw relatively little poverty reduction during this decade. One reason is that growth was driven primarily by services (skilled, labour intensive) and manufacturing (capital intensive). This led to little formal sector unemployment; most of the growth was due to capital deepening. If growth in agriculture had been higher in the 1990s, poverty could have fallen more. So higher agriculture growth may have a larger impact on poverty reduction than higher, economy-wide growth.
Macroeconomic policy, as laid out in the ANDS, supports just one pathway to poverty reduction — economic growth generated through liberal economic policies — without discussing other options. However, evidence shows that there are many pathways to poverty reduction, and that countries that achieved significantly higher than average poverty reduction outcomes did so through a variety of means, not only high growth. Approaches which achieved poverty reduction outcomes were spending on social sectors including rural education, support for microenterprises which provided non-agricultural jobs, and progressive redistribution policies. Some countries expanded the agricultural sector primarily to reduce poverty, even though this did not substantially promote short-term economic growth. This evidence from other countries supports the argument that Afghanistan needs to engage in a wider debate about more varied approaches to poverty reduction and pro-poor growth.

The outcome of this wider debate should be a set of policies that are deliberately designed to achieve pro-poor outcomes and do not just focus on high growth. These policies would guide the implementation of the macroeconomic framework of the ANDS and should include at least the following dimensions:

- Attention to the composition of growth across sectors (agriculture, manufacturing, services, transport, etc.);
- A particular focus on ensuring that the type of growth promoted is labour intensive and inclusive of the poor and less skilled;
- An examination of the relationship between redistributive policies and growth enhancement; and
- An exploration of the combinations of growth and redistribution that will lead to poverty reduction.

This would lead to investments being prioritised more systematically within sectors of the economy and between social and economic sectors. Those investments delivering labour-intensive growth linked to poverty reduction outcomes should receive higher priority. Reopening debate on approaches to economic growth, and incorporating discussion of the above points, will be a political process since there are differing interests across government and international stakeholders. However, the weight of empirical evidence, much from the South Asia region, points to the need for a different approach if Afghanistan is to achieve the aims of poverty reduction and pro-poor growth.

Another area where the ANDS tends to rely on rhetoric is in its good governance agenda. This is evident in the ANDS document’s presumptions about how to achieve good governance and about the role of governance in reducing poverty. However, comparative evidence from other PRSP-producing states again shows that governance reform does not show clear or consistent influence on growth and poverty reduction. While institutions and their quality clearly matter to growth and poverty reduction, it is difficult to demonstrate these effects empirically. Existing evidence has been interpreted as indicating that effective administrations are more important than rule of law, though

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23 The adoption of this approach reflects some of the issues discussed in the section on the politics of development.
25 This paper’s section on the politics of development addresses this point.
these are clearly linked.\textsuperscript{27} The argument that democracy encourages growth is even more problematic since a very wide range of political systems have achieved high growth.\textsuperscript{28} In conclusion, good governance will not automatically reduce poverty; governance reforms must be formulated with that goal in mind.

While internationally accepted principles of good governance underpin the ANDS sector strategy, the strategy in the end is confused and the information provided within it is unclear. Many sets of principles, priorities and challenges are identified for the sector as a whole and then for its individual components.\textsuperscript{29} These are public administration reforms, improved National Assembly capacity, increased participation of women and youth in governance, anti-corruption and improved information flows. However, the strategy is not explicit about the direction for governance reform or how it will achieve the various goals. For example, little detail is given on how and when to tackle corruption, how and when to build capacity, or how and when to increase women’s participation in decision-making processes. Afghanistan’s governance structures have many areas of weakness and it is necessary to determine how these are going to be addressed, particularly against a background of “government of relationship”\textsuperscript{30} and clientele networks. It is not enough to simply identify the final goals; the lack of specifics on the “how” clearly impedes governance reform efforts, as well as the achievement of any related poverty reduction outcomes. The process of strengthening the existing progress monitoring framework of the ANDS can provide an opportunity to develop these specifics.

What most clearly emerges from this review is that the links between growth and poverty reduction and the governance reform effects on growth or poverty reduction are highly context specific and must be worked towards; nothing can be assumed. While good governance and growth are essential prerequisites for poverty reduction, high growth rates can be achieved without good governance or democracy, and growth can come without poverty reduction or reductions in poverty inequalities. All of which indicate that the implementation of the ANDS should be sensitive and responsive to the changing realities of the Afghan context, and policies and programmes should be designed to seek pro-poor effects and not just claim to do so.

4. Sequencing and Prioritisation

One part of building a strategy is defining the “how,” which includes prioritising problems or needs and deciding in what order to do things. The former is particularly important in Afghanistan because resources and capacities are scarce. However, a third shortcoming of both the ANDS document and its sector strategies is that they often fail to either prioritise or to specify a sequence of actions, whether at the pillar level or within sector strategies.\textsuperscript{31} This clearly limits their potential to guide the implementation of effective poverty-reducing strategies or to provide direction on how to allocate scarce financial and human resources.

\textsuperscript{27} Weiss, “The Aid Paradigm for Poverty Reduction: Does it Make Sense?” 419.
\textsuperscript{28} Weiss, “The Aid Paradigm for Poverty Reduction: Does it Make Sense?” 421.
\textsuperscript{29} The individual components of the sector are: governance, public administration reform, and human rights; justice; and religious affairs.
\textsuperscript{30} Hamish Nixon, Subnational state-building in Afghanistan (Kabul: AREU, 2008).
\textsuperscript{31} This lack of prioritisation is a well noted shortcoming, with many referring to the document as a “wish list.” See IMF, “Joint Staff Advisory Note”; Germany’s and Finland’s comments on the draft ANDS; and Middlebrook and Miller, “From Compact to Impact.”
4.1 Pillar-level sequencing

At the pillar level, the ANDS document recognises that security and stability are preconditions for achieving the other ANDS aims of governance, economic and social development, and poverty reduction.32 As noted in a content analysis of the Interim ANDS,33 it is unusual for security to feature in a PRSP to the degree it does in the ANDS. A PRSP normally presupposes that the state has gained its basic survival functions, including an ability to enforce order and ensure the personal safety of its citizens. Afghanistan has yet to achieve this in many regions. Until security regimes establish at the very least that someone is credibly in control and provide enforcing security34 then it will remain extremely difficult to achieve the other elements of the ANDS since “security requirements trump all development needs.”35

While the ANDS recognises the challenge insecurity poses to development, it is largely silent on how to respond. It again falls back to statements of end goals, with little detail on how to achieve them. For example, it expresses commitment to implementing an integrated national security policy but does not explain how it will do this. This is particularly crucial given the complexity of the security sector, where individual donor responsibilities for different aspects of security sector reforms prevent such integration. The ANDS document also does not explicitly return to the issue of the security challenges to implementation in its chapter on the implementation framework. It recognises the connections between its three pillars (security; governance, rule of law and human rights; and social and economic development). It also identifies the need for sequencing and provides, in Figure 10.2, a sequence of actions that starts with stability, then moves to basic service delivery and then economic growth. However, it does not provide either the mechanics of this sequencing (particularly given the integration of the pillars), or a discussion of the regionally specific application of the sequencing plan.

It would have been unrealistic to expect the ANDS document to have included a fully fledged strategy to address the range of security challenges that the country faces. However, to move more successfully into implementation, in a way that responds to Afghan realities, a regionally specific plan is needed based on the sequence of actions illustrated in the Implementation Framework chapter. Such a plan needs to identify provinces in which security is sufficient to allow movement to phases two and three: delivery of basic services, and economic growth and human security. Concurrently, the plan would prioritise security in other regions which do not meet the basic conditions for large-scale development investments. Of course this separation of security and development is not so straightforward in practice. Any plan will need mixed strategies to respond to realities on the ground, since, for example, improving security may require addressing weaknesses of governance or rule of law. However, in regions where personal security is still not assured this must be the primary concern before making significant development commitments.

32 See ANDS, 5 and 53.
34 A fuller dimension of security is that which provides protective order, seeking to protect its citizens. This will only come with a political settlement that provides “a strong drive for state building (which) will also normally seek to achieve security that underlines legitimacy.” Alan Whaites, “States in Development: Understanding State-Building” DFID working paper. (London: Department for International Development, 2008), 8.
A security-linked, regionalised implementation approach is admittedly counter to the way some donors in Afghanistan have targeted significant portions of their aid to the provinces in which they have military and security objectives. Arguments that aid brings security by increasing citizens’ connection to the state inform the latter approach. However, these arguments have yet to be supported with empirical evidence in Afghanistan and the financial and human costs of these aid interventions may be high relative to the stability they achieve and sustain. This approach also sidelines provinces which are not “problematic enough” in terms of opium production or insecurity, which is not fair and can undermine the government to the extent people feel excluded from state benefits. Hence this paper recommends that donors supporting the implementation of the ANDS use a three-prong approach that does the following: it supports national priority programmes; it invests heavily in further development interventions in secure regions, beyond those offered by national programmes, to demonstrate what can be achieved when security exists; and, as required, provides a share of development funds directly to areas of strategic military interest.

4.2 Sector level prioritisation

Examples from gender and social protection can illustrate the issues of prioritisation at the sector strategy level, but other sector strategies have similar gaps in prioritisation, including the security strategy and anti-corruption strategy. The gender equity cross-cutting strategy lays out three immediate goals which are:

- To attain the 13 benchmarks in the Afghanistan Compact/Interim-ANDS/National Action Plan for the Women of Afghanistan (NAPWA);
- To realise commitments to gender equity which are mainstreamed into other sectors; and
- To develop institutional capacity for gender mainstreaming.

It seeks to achieve three main outcomes: that government entities embrace gender equality in a comprehensive manner; measurable improvements in women’s status; and greater social acceptance of gender equality. However, the strategy contains very little detail on how to achieve the goals or outcomes, and no prioritisation of the goals, outcomes or of the numerous demands they encompass. This makes the document more of a vision statement than a strategy and very difficult to implement.

In the social protection section of the ANDS, prioritising needs among different social groups is a greater problem than sequencing actions. Both the poverty profile and the social protection strategy make note of the large numbers of poor and vulnerable people in the country. They also recognise the reality of limited resources. For this reason they suggest a targeted approach, wherein the most vulnerable among poor people will receive aid, largely in the form of cash or in kind transfers. However, the lists of those most vulnerable to be “targeted” are anything but targeted. They include: war survivors, chronically-poor women-headed households with small children, street children, poor people with disabilities, drug addicts and the unemployed and underemployed. The strategy provides no analysis of trade offs or prioritisation of needs, either by region or social category. This means that there is no explicit debate of the implications of

37 ANDS, 125-6.
suggested policy choices, such as ending non-targeted energy subsidies or continuing transfers to martyrs’ families irrespective of economic need. Instead, the strategy largely skips over the politics of prioritisation. This makes it difficult to determine how to move the social protection agenda from words into pro-poor action within the realities of the resources available.

4.3 Developing the monitoring and evaluation system: Improving sequencing and prioritisation

The ANDS document proposes a monitoring and evaluation system designed to monitor what can be measured based on available data rather than the outcomes that are central to the ANDS’ aims. It is not set up to provide information about the links between interventions and effects, or about which policy interventions do and do not deliver on poverty reduction outcomes. These deficiencies should not be discouraging. Instead they should be seen as an opportunity to use the process of further developing the monitoring and evaluation system as a means to address some of the shortcomings of the ANDS document as a whole. Redeveloping the monitoring and evaluation system can specifically strengthen the ANDS’ sequencing and prioritisation. It can also clarify how to translate the vision statements in the ANDS into action. The Department for Monitoring and Evaluation of the ANDS needs to facilitate a sector by sector process through which sector representatives make hard political choices about how to allocate the limited resources available across competing needs. Expected poverty reduction outcomes should be the standard against which policy options are judged. This process can identify key actions and their sequencing; it can then link them to the development of progress indicators which build evidence about pro-poor outcomes related to the specific actions. The monitoring and evaluation unit cannot achieve this alone; political will from the government at all levels and from the international community is necessary to support this process.

The ANDS monitoring team can draw useful lessons from the experience of monitoring other PRSPs to assist in strengthening its framework. The first lesson is about the importance of giving attention in the monitoring framework to intermediate outputs which show how change happens. The development of PRSPs has led to increased use of research tools to measure final poverty reduction outcomes. This focus on end goals has meant that less attention has been given to understanding the intermediate steps needed to achieve the final outcomes, or to the process through which poverty reduction takes place. This is a serious deficiency because rapid feedback on this level of change is important for understanding and learning from the process of change.

PRSPs are reviewed annually. This process provides an opportunity to develop these more process-oriented measures which can capture quickly changing outcomes. However, identifying such indicators and collecting relevant data are formidable challenges. Due to the need for annual reviews, PRSP monitoring can rely heavily on administrative data reporting systems. These data can be of highly uncertain quality which is problematic because it may be impossible to tell if a change is due to actual improvement in an outcome of interest, or only a change in data quality. These concerns are particularly relevant in the Afghan context where different line ministries vary in their capacities

38 At the time of writing, this is the institution in charge of monitoring and evaluation. This department has responsibility for defining monitoring and evaluation methodologies, developing indicators of progress and impact, and preparing regular poverty analyses. See “Government Structures for ANDS Implementation” (Kabul: Government of Afghanistan).

to deliver data that is timely and of sufficient quality. Creative thinking is required to develop relevant indicators of process and outcomes which do not stretch data collection systems beyond their capacity. It is also important to note that some desired outcomes may only come after long processes of change. Expecting annual improvements may be setting expectations too high.

PRSP monitoring systems do not tend to track financial inputs, which means outcomes cannot be assessed against resources used. The systems also do not provide much detail on how stakeholders (i.e. government, donors, research institutes, civil society) will be included in monitoring systems, or, even more importantly, detail on how the information will be used to improve policy and implementation.

In response to these lessons, Box 1 contains an approach to monitoring the ANDS. It is structured around four questions with sub-themes linked to the levels at which monitoring should occur (inputs, intermediate outputs, outcomes). This framework can be used as a starting point to re-shape the existing monitoring and evaluation structure of the ANDS, with this process bringing greater order and focus to the ambitious document, preparing it for a more successful implementation.

**Box 1: An approach to monitoring the ANDS.**

**What to monitor?**
- Input monitoring through budget formulation and expenditures and assessment of scale and timeliness of disbursements and delivery, differentiated by pillar and location;
- Intermediate output and implementation process monitoring based on strategic analysis laying out probable causal relationships leading to the desired final outcome and identifying where change might happen (these identify the indicators); rapid feedback of information required for learning;
- Final outcome and impact at the pillar level (security, good governance, social and economic development; poverty reduction).

**How to obtain relevant and useful information?**
- Input monitoring through financial management and specific tracking surveys plus approaches to participatory public expenditure management;
- Intermediate output and process information through routine administrative data systems but with realism as to incentives and capacities to deliver the information. Different approaches to supplement administrative information must be sought through community/provider linked systems, qualitative participatory monitoring systems, commissioned studies and special surveys;
- Final outcome and impact through surveys, participatory assessments, theory-based evaluations, probable cause and contribution analysis.

**Who will use the information and for what purpose?**
- Input monitoring: ANDS management and line ministries analyse the data to link evidence from all three levels (inputs, outputs and outcomes) back into budgetary processes and resource allocation decisions;
- Intermediate outputs and processes: Line ministries in partnership with the ANDS management structure use the information to track progress toward intermediate outcomes and integrate the learning back into programme design. Donors to monitor use of funds in relation to outputs;
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The examples this paper has provided to illustrate the lack of sequencing and prioritisation in the ANDS document have at their core a common cause — an avoidance of the hard political decisions and trade offs that must be made between competing needs when resources are scarce. This is the fourth shortcoming this reading of the ANDS identifies — its lack of direct engagement with the politics of development, which this paper discusses next.

5. The Politics of Development

Development is both a political and technical exercise. It is political in the sense that it is about who gets what, when and how — the issues of sequencing and prioritisation previously discussed — as well as in terms of who is involved in those decisions, with what authority and representing whose interests. It is technical in that development actors need specific skills to deliver on the political decisions made. The ANDS document mirrors this, being both technical and political but not necessarily in the best ways. At the level of content, it is an overly technical document that avoids both political analysis of the problem of poverty and the many hard political choices that are needed. It is also as a whole a political document in terms of what motivated its development and whose interests and influences the different sections represent. Both characteristics can negatively influence implementation, as discussed below.

The ANDS document tends to define or treat many of the problems facing the country as resolvable largely through technical means rather than by considering the structural and political causes which may underlie them. This relates to the earlier criticism of the poverty profile. The poverty analysis does not go beyond exploring the characteristics of poverty and mainly describes experiences of poverty, such as lack of access to resources. This leads to a simplistic understanding of poverty and supports a technical approach to reducing it, for example by providing access to resources. However, this analysis ignores the underlying reasons why people may lack resources in the first place or be unable to use them if they are available. This makes simply providing access to resources insufficient to remedy the underlying structural causes of poverty. Other areas where a primarily technical approach is evident include the ANDS’ treatment of institution building, its discourse on markets, and in monitoring and evaluation.

Within the ANDS section on governance there is insufficient acknowledgement that creating legitimate state institutions is both a technical and political exercise. For example, strengthening subnational governance structures could create political tensions between competing local power holders, or between national and local governance

Who will do the monitoring?

- Input monitoring: The Ministry of Finance with the ANDS as a client; Trust Fund Management;
- Intermediate outputs and processes: Line ministries with support from ANDS structure, civil society and communities, independent research;
- Final Outcomes and Impact: NRVA, Central Statistics Office, communities and civil society, independent research organisations.
institutions. The section also overlooks other sources of political dissent. Clientelism and patronage networks are important in Afghanistan and these relationship-based governance mechanisms may contradict and confuse “efforts to reform public administration into a rational bureaucracy,” and derail governance reform programmes. At the same time, there may be situations where relationship-based governance mechanisms can be used to produce better outcomes. Without understanding the political dimensions that play a role at the subnational level, attempts to create legitimate state institutions are likely to fail.

Similarly, the ANDS discourse around the role of access to markets in poverty reduction views markets as distributive machines to which all have seemingly equal access and from which all can benefit. What is missing is an understanding that markets can very often be a source of risk and uncertainty to poor people. Specific evidence from Afghanistan points to the pervasiveness of markets, such as those for informal credit or employment, and their regulation by a range of informal means based on unequal power relations. These conditions often put the poor at a disadvantage such that the terms under which they engage in markets tend to be unfavourable and involve little choice. Hence the ANDS document’s apolitical view of markets is very limited. It does not represent the lived realities of many Afghans struggling to create livelihoods in an institutional environment in which they have little voice or autonomy. Programme and policy development based on a mechanistic and idealised view of the role of markets are unlikely to be successful in bringing sustained, positive change in line with the ANDS’ core aims. This is because they are unable to capture the complex political dimensions of livelihood security.

As a final example, monitoring and evaluation is not just a technical issue, as the ANDS describes it. While monitoring and evaluation assumes a logical connection between means and ends, policymaking in the real world typically does not fit a model of rational evidence-based decision making. It involves political choices at all levels. A key function of the ANDS monitoring process is to use its evidence on where progress is and is not occurring to inform political judgements. The process of forming the monitoring and evaluation system within the different sectors must also assist in moving from visions and end statements to specifics about how they will be achieved and progress monitored.

While the specifics within the ANDS tend toward a technical understanding of issues, the political nature of the overall document is evident in the influence of particular states or institutions on the document. Agenda setting by different stakeholders was an undeniable part of the process of creating the ANDS document. For example, the initial motivation for developing the strategy was to gain debt relief status by completing a PRSP. Even though PRSPs are to be country owned, there are great similarities between existing documents across a range of country contexts. This provides evidence that the

41 However, as Nixon (“Subnational state-building,” 58) emphasises, the relationship-based governance should not necessarily be abandoned in favour of the formal mechanism for the delivery of services. Rather, “the inconsistencies and perverse outcomes arising from the interaction of the two require analysis and measured attention.”
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World Bank and IMF exert influence on PRSP processes and outcomes, in part through the sourcebook provided on how to develop a PRSP. In the Afghan case this institutional influence partially explains the technical nature of the ANDS’ content, given the overtly apolitical nature of these institutions. Other donors were also influential in ANDS’ policy choices, in sector strategy content, and in selecting which elements of sector strategies were included in the final ANDS draft. These discrepancies stand out particularly in the areas of counter-narcotics (CN) policy, agriculture and rural development policy and anti-corruption policy. For example, although the ANDS’ CN strategy states that the National Drug Control Strategy (NDCS) is the overall policy, what it presents is not consistent with the NDCS. In particular, the NDCS states “the Government of Afghanistan’s drugs control policy is not eradication-led”45 but the ANDS CN strategy leads with force protection of eradication and establishes a goal of eradicating 50,000 hectares of poppy in 2008.46 Such differences may be due in part to the ANDS Secretariat’s use of external consultants to complete the final drafting, with these consultants exerting considerable influence on the final content.47

Influence from a range of international stakeholders is not necessarily a bad thing, but must be weighed against wider aims of local ownership and capacity building, with the trade-offs between these explicitly debated. As it stands it is difficult to argue that the ANDS is an Afghan-owned document, except in a narrow and limited sense.48 Subnational consultations were held, but over a short time period of four months, and this was the only opportunity for Members of Parliament to comment.49 The limited national ownership of the ANDS will influence political will and commitment to moving the ANDS into the implementation phase. It may also mean international actors maintain significant levels of influence on policy and programme development in the implementation process, with consequences for coordination, capacity building and state building outcomes, and for efficiency and cost effectiveness.

External funding will continue to be fundamental to the implementation of the ANDS. Given this, it is necessary to find ways to enable local ownership of the implementation process and outcomes. One way is to revisit ideas of conditionality, recognising that conditionality and local ownership do not need to be viewed as opposing policy positions.50 Instead, conditionality can be applied in ways designed to enhance ownership. It can make clear the roles and responsibilities of all actors involved in reconstruction and development in Afghanistan, enhancing mutual accountability and beginning to build a social contract between the Afghan state and its people.

6. Conclusion

A number of themes run through this paper’s arguments and analysis. First, the ANDS as it is now does not provide the robust analysis of poverty that would inform a pro-poor policy response. Therefore, it does not provide the basis for an effective strategy to

46 The comments from the Germans on the draft ANDS (March 2008) also note this discrepancy in a call for the ANDS to better reflect the content of the sector strategies.
48 The issue of ownership was strongly questioned in the Finnish comments on the draft ANDS.
49 See Shah, “ANDS Formulation Process.”
reduce poverty. This supports the second argument, which is that the ANDS document aims to reduce poverty but does not actively seek to achieve this through explicit pro-poor policy and programme commitments. Third, the ANDS document and its sector strategies do not address the political choices involved in prioritisation. These choices must be made to achieve the many admirable aspirations of the sector strategies, given the imbalance between needs and resources. Therefore, less needs to be done so it can be done well. Fourth, the ANDS document also tends to rely on technical solutions to what are not simply technical problems. This means that it does not address the politics and the structures that create poverty — the reasons why people are poor and why some are poorer than others.

Designing and implementing a monitoring and evaluation system can provide opportunities to focus and prioritise the ANDS' implementation if the actors involved are committed to developing realistic, contextually relevant plans. This requires an improved analysis of poverty to better define the poverty reduction outcomes sought. Those responsible for the ANDS’ implementation must use the improved analysis and outcome indicators to direct the implementation of the sector strategies. Policy stakeholders also need to critically discuss the types of governance reforms and the nature of growth needed to achieve pro-poor growth and poverty reduction outcomes. This should lead to clear criteria for prioritising investments both between and within economic and social sectors based on their potential contribution to poverty reduction. It also should include discussions regarding systematic ways to address corruption. ANDS implementers must sequence the ANDS’ broad priorities through a regionally responsive implementation plan, sensitive to the challenges of delivering on development promises in insecure regions and to the potentially negative consequences of marginalising less problematic areas. Implementing the ANDS also requires a robust monitoring and evaluation system. This system should focus on measuring what happens during ANDS implementation — the process of change — so this information can feed back into programme and policy design and revision.

The ANDS is an ambitious document which recognises many of the challenges involved in realising its vision of what Afghanistan can become. The agenda now must shift to focus on how to deliver this vision, a process which requires renewed commitment and much greater coordination between the Afghan government, international community and civil society.
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