

**How Government Works in Afghanistan: A Study of Sub-National  
Administration**

**Summary of Findings and Recommendations  
Prepared for the October 21<sup>st</sup> Workshop**

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# How Government Works in Afghanistan: A Study of Sub-National Administration

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### Introduction

The objective of this study, begun in November 2002, is to assist in improving provincial and district delivery of key services, including health care and education. The study draws the bulk of its material from six provincial case studies: Faryab and Herat, undertaken in November 2002; Badakhshan and Wardak, in April 2003, Kandahar in June 2003, and finally Bamiyan in July 2003. The paper has also benefited from additional research undertaken by AREU and the Center on International Cooperation. The study has been coordinated by the World Bank and the Afghanistan Research and Evaluation Unit (AREU).

This workshop is the last stage in the study, by providing an opportunity to validate the study's findings, ensure the issues raised during the missions have been addressed, and confirm that the recommendations are practical and relevant. The views expressed during the workshop will be incorporated into the final products of the study, which will include:

- A detailed, consolidated report, with recommendations
- A set of six case studies documenting the specific findings in each of the provinces visited

The project coordinators would like to take the opportunity of this workshop to thank the large number of civil servants at all levels of government who generously shared their time, knowledge and insights with the project teams over the course of this study.

### What we heard

The following were the most significant and frequently raised issues during the missions:

- *A sense of pride* – serving in the government is a mark of distinction, and something to be proud of.
- *Disarmament* – “Disarmament is the top priority – the administrative system can't function as long as people are armed because you have to do what the armed people tell you to do, not what the rules tell you to do.”
- *Leadership from the centre* – Staff want this and would welcome this. But so far, there is a real concern about the lack of any support or guidance from Kabul.
- *Inadequate salaries* – Too little and particularly too late. Payroll system is weak and inefficient.
- *Problems with selection and appointment of staff* – The current system is overly centralized, cumbersome, subject to nepotism and staffed with many unqualified personnel.
- *Lack of resources to do the job* – Inadequate buildings, furniture, equipment, transport, communications, office supplies. Non-salary budget does not bear any resemblance to needs.
- *Captured revenues* – What revenue is generated at the provincial level is often captured by commanders and does not enter the government coffers.

- **Outdated tashkeels** – They are no longer relevant to the needs of the district; some departments require additional staff (e.g., education) and others fewer staff. And they do not always match the allotments.
- **Corruption** – While the degree differed across provinces, corruption seems to be a growing problem and bribes often need to be paid at every step of the way to get government paperwork processed.

### Overarching Conclusion

Despite the many political challenges, there is a basic bureaucratic structure at the subnational level that can be made to function. But this opportunity is time limited; if no action is taken soon, the skills, experience and commitment to public service will have completely drained from the system. These front line representatives of government – the face of government for most Afghans – play a critical role in linking central policy to local needs.

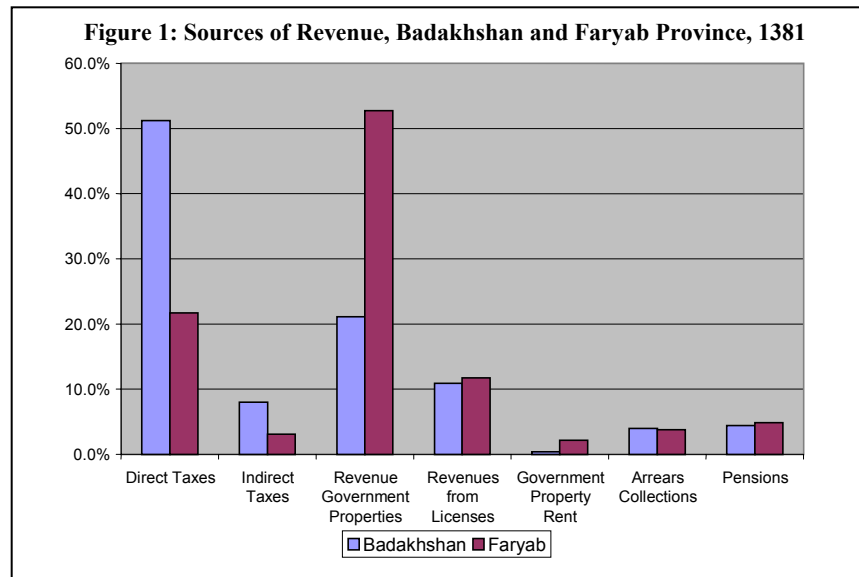
There are immediate steps that can and should be taken to restore basic operations, but achieving deconcentrated service delivery goals will also require greater delegation of day-to-day management decisions.

The study takes the view that a two-phased approach to strengthening subnational administration is necessary. Phase 1 entails the restoration of basic operations over the next 12 months – in other words, “fixing the plumbing.” This will take efforts on the part of the central government as well as the provinces and districts. Phase 2, over the subsequent 18 months, would see a cautious and responsible increase in delegated authority – with some rewards provided for districts and provinces that make particular effort. In both phases, we recognize that simple training and administrative improvements will be necessary but insufficient. Some significant “new blood” must be provided in the form of additional, skilled and competent staff, if the provinces and districts are to have the energy and dynamism necessary to restart their rather dormant administrative systems.

### Key observations

#### *Given expectations, there is surprising resilience*

One of the significant findings is that the administrative structure of the state as it currently exists is more robust and functional than anyone had expected at the beginning of this study. It appears that administrative and fiscal mechanisms, which had been standardized before the war, have continued in use throughout the country, despite the lack of an ongoing relationship with Kabul. Indeed, old protocols are often



strictly adhered to, despite the difficulties presented by the very poor state of telecommunications. Staff are being paid, albeit slowly, and revenues are being collected although not always reported. (See Figure 1 for an illustration of the types of revenues collected.)

One of the signs of the unexpected robustness of public administration is that it has not dramatically grown in size. Doubtless there has been significant patronage hiring both in Kabul and at the provincial and local levels over the last two years. However, considering the pressure that the public sector must have been under to provide jobs, the evidence suggests that the existing establishment control systems have largely controlled the tide of patronage appointees (see Table 1). No doubt, low pay has also been a factor in limiting new hires, and with the recent increase in teacher and police salaries, this trend may change. But the control systems have clearly played a role.

	<b>Positions filled</b>	<b>Tashkeel</b>	<b>Caps Reported by MoF</b>
Badakhshan*	3,355	4,612	9,005
Bamiyan	3,226	3,566	2,883
Faryab*	5,724	5,552	5,695
Herat	11,790	12,145	22,075
Kandahar**	6,581	8,987	11,244
Wardak	3,691	4,006	6,369

\* Positions filled and tashkeel for 1381

\*\* Tashkeel for 1381

This general observation masks significant regional variations. Upheavals and the atomization of power in the country have produced very uneven results. In some areas governmental structures have continued to function reasonably well. In a few areas funds, projects, and appointments have been completely placed at the disposal of local commanders. In other areas, lack of resources, benefactors and attrition have atrophied the system, producing districts which have staff in posts but little knowledge of their responsibilities and no resources to implement them. Municipalities are particularly varied; some are independent as the law envisages, subject only to budget approval; at the other end of the spectrum, some are treated as district offices of provincial municipalities, with their main (and even sole) responsibility being revenue collection that is then transferred to the provincial municipality.

The point will undoubtedly be made by many that this government is encumbered by an entrenched structure that may be difficult to hew into the lean, responsive public administration envisioned in the National Development Framework. In addition, and of particular interest to this study, the administrative structures and functional responsibilities inherited in the health and education sectors could be argued to be incapable of meeting the expectations of the current population. Nevertheless, the discovery of an administrative bureaucracy that is functioning beyond expectations is an undoubted blessing. This implies that government employees share a common understanding of how the system is intended to work, and that there is a significant degree of discipline entrenched at all levels. This common understanding and foundation of discipline represent valuable resources; without these, future reforms would be considerably harder to launch and sustain.

### ***But a crisis is imminent***

Significant progress has been made in reactivating the basic administrative system and setting the stage for future improvements in functional responsibilities and performance. Nevertheless, there are immense risks to the achievement of gains in these areas in the provinces and districts, and in securing the level of service delivery throughout the country that the government is targeting.

### **A new generation of staff that does not know the rules**

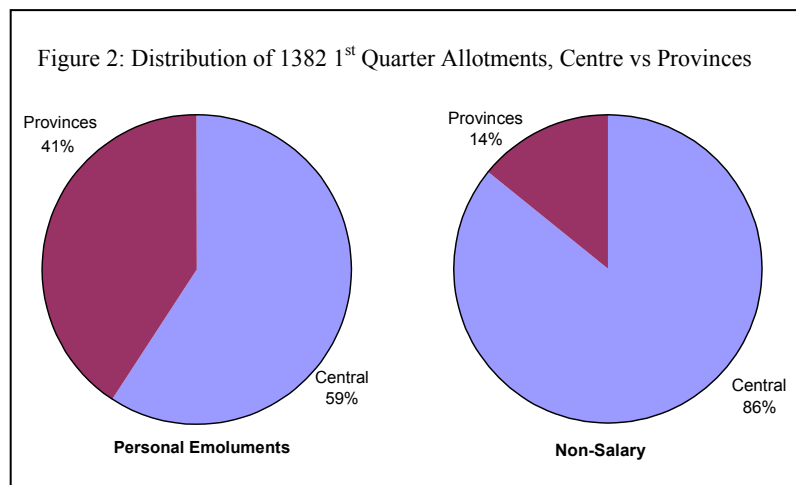
The groups of staff at the provincial and district levels who have first hand experience of the system in operation are ageing and are about to retire. In all the provinces and districts visited for this study, there was virtually no written guidance on procedures – rules of business, personnel regulations, procurement guidelines, etc. In a few cases staff had copies of legislation, or manuals written many years ago, but

nothing reflecting current procedures. Learning from older staff is the only option for newer hires who wish to understand appropriate procedures. Moreover, for those appointed by patronage, they may not be interested in making even that effort. If this older generation leaves before the written rules are in place and before the younger staff have been trained, the practical knowledge of how to operate this cumbersome but essentially sound system will be lost.

#### Dashed hopes and growing disappointment

Since December 2001, provincial and district staff essentially have been waiting to hear from Kabul. They understand the present centralized system and, broadly speaking, they support it. They hoped that some relief to their difficult working conditions and poor compensation would be forthcoming from Kabul quickly. But for various reasons, the relief has not arrived. They comment, increasingly angrily, that the Kabul staff receive their salaries on time while they must wait for several months. They also note that Kabul ministries have access to a non-salary operating budget, with the cash to support it, to cover the costs of maintenance and repairs etc., while they do not (see Figure 2 for the distribution of allotments). The consequence, they note, is that they cannot do their jobs. Or, they are forced to be dependent on local commanders and other political elite who can provide funds to repair school windows or provide other non-salary running costs, thereby entrenching the power of the commanders further.

Expectations are rising on other issues. Low salaries are creating many problems, including some difficulties in attracting and retaining qualified staff and the undoubted creation of ghost workers as a means to supplement salaries. Many staff who remain in provincial or district employment see their current meager salaries as a marker – a sign that when salaries are increased, they will benefit. The recently announced salary increases for police and for teachers will further increase expectations.



In addition, some rumors of the public administration developments in Kabul have reached provincial and district staff, including the creation of the Independent Administrative Reform and Civil Service Commission (IARCSC), and the passage of the Priority Reform and Restructuring (PRR) Decree. There is extensive cynicism – but also some frustration – that details of these measures have not been provided, leaving once again a sense that they have been overlooked.

#### A perceived distant and hostile central administration

The problems created for provinces and districts as a result of the general lack of basic procedures manuals and other guidance are exacerbated by an apparently high-handed approach taken by the Kabul ministries to their provincial and district colleagues. This high-handedness is evident in many ways:

- Kabul ministries intimidate provincial staff by responding to questions with unclear responses coupled with implicit threats about actions to be taken if the ministry determines later that they have acted inappropriately.

- In addition, the widespread delays in the Kabul ministries' provision of the staffing establishment list (tashkeel) and the budget allotments (takhsis) mean that provincial departments in turn are forced to delay hiring and paying staff.
- Adding insult to injury, there are many cases this year of an inconsistency between these two documents, leaving provincial staff with no logical way of interpreting the authority that they have received.
- Finally, many staff with qualifications lower than those formally required for the post were appointed on a temporary basis in 1381, as qualified staff were often not available. Kabul ministries are neither confirming these staff in post, nor indicating that they are no longer needed, leaving the staff to wait and see whether they get paid.

This tension between staff based in the capital and those outside is found in every country to some degree. However, it is exaggerated in Afghanistan because of the differential treatment on salary issues noted above, and because the flood of donor activity has been so strongly Kabul-centered that it has created a sense that this is the only layer of government that ultimately matters. Donors have launched large new national schemes that completely ignored the fact that provincial and district level government structures exist. In the process, the provincial role as service-provider has been eroded, and its potential role as regulator has been overlooked. Within the logic of the system, Kabul essentially has a support function, ensuring that appropriate budgets, guidance, standards and recruitment authorities are provided to the provinces and districts to enable them to perform their tasks adequately. If the cynicism about the role of central administration becomes entrenched in the minds of provincial and district staff, then the 138,000 staff outside of Kabul – who at present are proponents of a strong central administration – will become active critics.

#### A growing sense of impotence and confusion in the social sectors

Provincial staff in the education and health sectors face additional difficulties in their capacity to plan, deliver and monitor complex services, and their ability to shape the delivery of future services and structures in their sectors. The resources available to NGOs and others providing services outstrip those of the provinces and districts many times over. In addition, the introduction of institutional reforms in the social sectors have created confusion for many provincial and district staff. The result is that district and provincial staff feel that the real decisions are made elsewhere. Frustration and resentment will grow unless realistic and distinct roles can be devised. As a further example, the introduction of the National Solidarity Program (NSP) initially bypassed the existing provincial and district structures.

Current reforms in the health sector are moving the sector towards a purchaser-provider relationship as the major contracting arrangements for primary health services are introduced. However, currently provincial staff have almost no knowledge and certainly no understanding of this proposal, or their role in it.

In addition, the existing centralized nature of planning, budgeting, and management constrains the ability of government to adequately plan the use of resources to meet needs throughout the country. As a result, the location of services and staffing configurations are not well aligned to meet needs. A variety of other factors, including poor security, have had a serious impact on the ability to attract qualified staff, especially females, to some parts of the country. Government facilities are poorly equipped and there is a consistent lack of funding for operating costs – features that have an impact on some communities more than others.

In the education sector, despite the years of neglect, there continues to be a strong sense on the part of the community that provision of education services is a key responsibility of the government. As such the roles are likely to evolve differently from the health sector.

While NGOs and UNICEF remain important actors in the sector, being largely responsible for provision of textbooks and materials, school inspection, teacher training and in some cases direct assistance to schools, there is a general agreement that the government holds overall responsibility for service delivery and for educational outputs. Clearly it will be a challenge for government to take over all of these functions in an orderly and sustainable way while improving quality and access at the same time. The conditions for improving educational outreach and quality in Afghanistan remain daunting and affected by a number of factors, including a lack of a shared vision of the problems and priorities facing the sector. The highly centralized administration of education does not encourage innovation and tight expenditure controls at all levels promote an inefficient use of scarce resources. Community participation in schools exists only as a result of NGO activity and potentially will disappear along with donor financing.

***Add in the political realities...***

These issues are further complicated by a number of political concerns that directly affect the functioning of the civil service. First and foremost is the issue of disarmament. Many interviewees expressed strong views that without disarmament, the civil service could not function effectively. In addition, the resource and military imbalance between local commanders and the government continues to undermine the legitimacy of central government institutions. (Table 2 illustrates the spending imbalance between the ‘have’ and ‘have-not’ provinces.) Closely related to this are issues of narcotics and local revenue capture. Improvements in the sub-national administration should have some impact on local security by increasing confidence in government.

<b>Table 2: Summary of Provincial Revenues and Expenditures for 1381</b>			
<b>Department</b>	<b>Revenues Collected</b>	<b>Ordinary Budget Allocation<sup>1</sup></b>	<b>Actual Expenditures</b>
<b>Million Afs</b>			
Badakhshan	3.5	44.4	42.8
Bamiyan	0.6	19.3	57.6
Faryab	6.6	53.9	80.0
Herat	2,625.9	166.4	969.6
Kandahar	629.7	63.7	668.2
Wardak	1.4	62.0	61.3

1/ UNDP Salary payments included in allocation for Wardak only.

Administrative boundaries are also influenced by politics. In Faryab, four districts have unofficially been transferred to Jawzjan province because of access to customs revenues. In Badakhshan, 14 new districts have been created in the past 12 years, and there is now talk of splitting the province in two. In Bamiyan, a new district has been created to accommodate political influentials. As the elections move closer, there will no doubt be increasing pressure to award new districts and provinces to local power-holders; strong consideration should be given to a moratorium until after a new constitution is approved, and a census has been carried out.

Additional issues are the extent of patronage appointments, particularly in the police, and the difficulties in transferring senior staff to different parts of the country, because of political pressure and well as low pay.

**Approach to developing the recommendations**

Adding these issues together, it seems inevitable that, without action, provincial and district administration will become weaker still, and will soon face a crisis of competence, capacity and relevance. But while it is important to address the immediate issues raised, it is also critical to have a clear picture of where sub-national administration in Afghanistan should be heading when designing the study’s recommendations.

### ***Making deconcentrated administration work***

Formally, the structure of government in Afghanistan is one of deconcentration. In a model of deconcentration, political accountability remains at the centre, while service delivery is provided through local (provincial, district and municipal) administrations. The challenge is not to fundamentally change this system – certainly the signs are that the proposed constitution will not seek any such radical moves. The task at hand is to make this deconcentrated system work.

Funding for service delivery is provided through individual ministry budgets, and local government has no independent sources of revenue – at least, formally. (The one exception to this is at the municipal level, but even here, the base and rate of municipal taxes are set in Kabul.) On the staffing side, all local government staff are employees of the central government, and are fully accountable to the center through their respective ministries, and through the governor, who is also appointed by the centre. In practice, central political and fiscal control is uneven, given the regional strengths of some local commanders who command substantive revenues and military power. But the bureaucracy still attempts to operate under centralized procedures.

While this study notes the political issues, such as disarmament, these of course are not amenable to technical actions and the study offers no recommendations for tackling these directly. However, fiscal and administrative actions have political implications and the study hopes that its concrete recommendations for action in these areas will help to make deconcentrated service delivery work better, by:

- focusing central activities on priority setting, fiscal planning, policy development, setting service delivery standards, and establishing administrative procedures, and
- delegating implementation of service delivery, including financial and administrative management, to the provinces and districts.

### ***A strategy supported by analysis***

Before turning to the question of how to get there, it is critical to emphasize that this strategy is supported by the data and analysis assembled during the course of the study. The evidence collected from the six case study provinces describes a civil service that has reasonable commitment and discipline to deliver services, it has a corporate memory (although fast disappearing) that knows how a functioning system can work, and it has processes in place (albeit cumbersome) that when operational do function. But the extensive data also shows that the absence of delegated administrative authority is preventing the current system from working, as demonstrated by delayed payrolls, shortage of non-salary expenditures, inability to approve staff appointments, and outdated staffing structures. This evidence and data will be documented in the study's more detailed reports.

But beyond this, there is a compelling need to move forward – to make deconcentrated administration work better. Achieving the twin objectives of a government that is sustainable on very limited resources, and the pressing need to extend basic services across the country, will necessitate shifting as many resources out to the provinces as possible. The centre can only do this effectively if it carefully delegates responsibility while focusing its own efforts on its core support activities.

### ***A phased approach***

Moving the current sub-national administration in this direction will not be easy or quick. Many of the problems cited above mean that even the administrative structures as they currently exist are not working well, or at all. A two-phased approach is recommended. The first phase involves 'getting the plumbing working'; in other words, implement changes that will get the existing processes working again, so that the system is somewhat stabilized and operating at a minimal level of performance. The second phase

would involve introducing some modest reforms that delegate some basic administrative decisions to the provincial or district level.

Implementing Phase One should take no more than 12 to 18 months. But even within this timeframe, political and security concerns will require a provincial strategy of prioritizing efforts where urgent action is needed. Moreover, it is likely that some provinces will be ready to progress faster than others. For this, an incremental move to Phase Two could be designed. A very simple approach would see the Class 1 provinces moving to Phase Two reforms first. A more performance-based approach would be to move selected provinces to Phase Two reforms as soon as they achieve a minimal set of performance standards.

### ***Five guiding principles***

Within this overall approach to restoring basic functioning and strengthening the deconcentrated service delivery model, there are a number of principles that must underpin the recommendations:

#### Embrace a more modest role for government

Given the self-evident historical socio-ethnic fragility of the "nation" of Afghanistan, the fiscal and administrative centralization of the state has some logic in that local and regional elites have to refer to the central government for financing and the authority to deliver public activities. However, the corollary is that the central government should limit itself to a relatively minimal set of activities and functions. Moreover, the fiscal reality of extremely limited financial resources over the medium term means that government will have to limit activities to essential service delivery.

Overall, the ambitions of the sector ministries and their provincial and district departments must be constrained by the vision of a lean, competent bureaucracy in Kabul, supporting a provincial and district administration overseeing the delivery of core services.

#### Extend access and reach

In the past, Afghans have spoken of a "six-mile rule," meaning that government funds were rarely used on projects located more than six miles outside of major urban centers. Reaching rural areas throughout Afghanistan is a key goal of the TISA, in order to ensure fairness, spur widespread development, and extend central government influence. In addition, expectations are that a new government, with access to significant levels of donor resources, will ensure greater access of basic social services throughout the country than was feasible or expected several decades ago. Focusing resources through provincial and district administration offices, and providing them with the capacity to direct, monitor and support – if not deliver – the extension of services will ensure that resources are reaching rural areas and not remaining concentrated in urban areas. One key connection that the study makes is between the district administrations and the new village level Community Development Councils that have emerged within the National Solidarity Programme.

#### Be pragmatic about service provision

This study observes that the education sector and health sectors are taking very different tacks for improving service delivery. On service delivery, education is – broadly – reincorporating donor activities back into the public sector (noting that development projects will undoubtedly remain largely funded by donors and executed outside of government). Health is heading in the opposite direction, with significant contracting out of service delivery responsibilities to NGOs and others.

In general terms, both of these approaches may be reasonable; the challenge is to ensure that they are determined by pragmatism and not by dogma. Continued participation of NGOs in the education sector, at least in some areas, may help the government meet a level of demand for education that it could otherwise not meet in the short term, at least at any reasonable level of quality. In the health sector, given

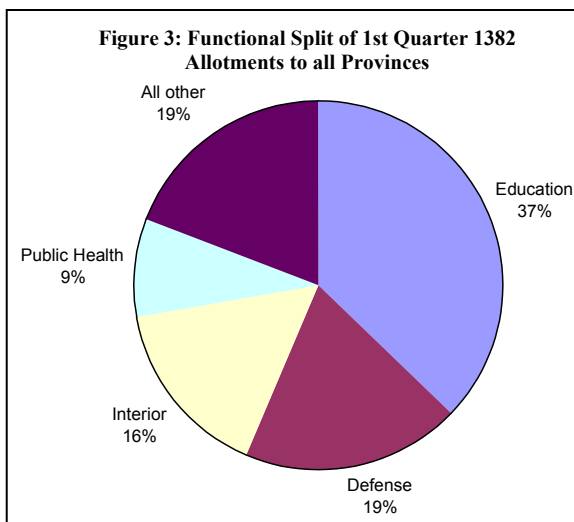
the low level of government service provision and the already high presence of NGOs, the use of contracting models may be expedient at the moment, assuming that appropriate conditions can be created to support the contracting approach. But over the longer term, a health care system that must be sustainable without external funding may include direct service delivery. In either case, the decision should be based on well grounded analysis.

### Promote transparent government

There is a well-established tradition of using ‘social monitoring’ techniques to inform the public of the costs and benefits of development projects – putting signs on public works programs, for example, indicating the costs and who to contact for further details. The tashkeel and takhsis system within Afghanistan offers the opportunity to take this one stage further and to provide the public with information on core public sector activities.

For example, if all public offices had their tashkeel and takhsis prominently displayed, the public (and staff from other departments) could see at a glance which positions are sanctioned in the department, and the resources that the department is disbursing. This might be particularly effective in the health

and education sectors where there is high community demand for service provision from government. If consolidated provincial budgets were publicly available, informed debate of how subnational resources are allocated could be promoted. Figure 3 illustrates the type of information that consolidated budgets could provide.



### Pursue fairness, not uniformity

Over the last 20 years, unity and fairness in the Afghan civil service has been maintained by a common pay scale and shared terms and conditions. This uniformity has been disrupted by the arrival of large numbers of advisors and other consultants on relatively high pay scales, and ad hoc top ups provided to civil servants by donors and NGOs in some sectors. This disparity has been the source of some resentment. A second level of disparity has been introduced between Kabul and the provinces. The differential pay arrangements for provinces and Kabul, along with major delays in payments to the provinces, have given provincial staff a distinct sense that they are second best.

One plausible model is of a stratified public service with differential pay levels, comprised of a small, elite ‘civil service,’ and a larger and more easily accessible, ‘government service.’ The civil service could be subject to distinctive employment legislation with tight codes of conduct and some significant restrictions on personal activity (no involvement in politics, regular asset declarations, etc.).

## **Recommendations**

A summary of the study’s recommendations is contained in the Annex to this paper. These recommendations are grouped into six categories, which are further divided into Phase One and Phase Two actions.

### ***Strengthening personnel management***

A critical set of actions centre around personnel management issues, ranging from delays in pay, delays in staff appointments, patronage-based appointments, ‘ghost’ employment, outdated tashkeels, lack of staff

training and knowledge of procedures, and low public sector pay levels. There are a number of immediate actions that can be taken to make the current processes work more effectively, many of which involve improved communications, setting process deadlines, and ensuring that everyone knows what their responsibilities are. But these actions will not change the fact that many of these personnel related functions are cumbersome, manual procedures.

Two reforms are already underway at the central government that should lead to significant improvements. First, the Ministry of Finance is proposing that the DAB take over responsibility for the payroll process from the stage at which funds are transferred to the relevant provincial account by the Treasury Department. They would move the cash within the DAB, and arrange for the distribution of individual departments, removing the existing steps requiring the preparation of checks, the third payroll pre-audit and verification, and the distribution of the checks to departments. The DAB reforms would conclude the process by undertaking the distribution of individual payments.

Finance is also considering the introduction of a payroll module, associated with the Treasury AFMIS, which could assist in creating the payrolls as pro formas, which could be generated automatically. If this were coupled with improved communications technology in the districts, then the payroll module could even avoid the need for the Mustoufie to physically take the payrolls to Kabul.

But beyond this, there are opportunities for greater involvement of provinces in approving staff appointments and the tashkeel. There is scope for delegating appointments for grades 3 to 6 to the provinces; this can be supported by advice from the IARCSC on structuring a merit-based recruitment process. The tashkeel needs to be reviewed to eliminate out of date positions, and better reflect current needs.

Many of the interviewees raised the benefits of rotation of senior staff, like the Uluswal, to different districts. Apart from the political constraints, the current low pay levels make it very difficult to cover accommodation costs. This is only one of many reasons why it is critical that action be taken on pay reform before too long, if the quality of the civil service is to be raised.

### ***Improving administrative efficiency***

Beyond personnel management, the next most pressing issue is access to non-salary expenditures. This issue has been discussed extensively within the Ministry of Finance, and some action has already been taken to advance small sums to provinces for this purpose. But more needs to be done. More realistic amounts need to be transferred, supported by timely and accurate reporting by provinces. For their part, provinces need to start giving non-salary allotments to districts. For next year's budget process, ministries need to take a critical look at the share of non-salary expenditures being allotted to provinces, to ensure that as much funding as possible is directed to front-line service delivery.

Basic office facilities are also needed. UNAMA is developing a pilot project to provide a basic 'facilities' package – two waterproof structures, a phone, and other basic office equipment – to six pilot districts. Once basic performance standards are met, these districts may be eligible for further facilities support. The expectation is to role this program out to all districts. This initiative is worth supporting, not only to give districts some of the minimal tools necessary to do their job, but also to restore some of the prestige that is an important contributor to local staff morale.

Additionally, it is important for the central ministries to develop an ongoing presence in the provinces through regular visits, and similarly, provinces should be visiting their districts, to establish better communications and dialogue.

### ***Strengthening transparency and accountability relationships***

A third category of reforms calls for improved transparency of government activities and responsibilities. This transparency can help engage the public more actively, but it can also help to strengthen the relationship between different parts of government administration. There are a range of possibilities, but examples would include publishing consolidated provincial budgets, reporting on budget execution, and posting tashkeels in local ministry offices.

In addition, the recommendations in this report can be reinforced if administrative performance targets are established for all levels of administration. Not only will these targets ensure that different organizations meet their commitments, they will demonstrate that for these reforms to be successful, responsibility must be shared by the central ministries, by provincial departments and by districts.

### ***Specific administrative reforms in health and education***

The generic range of issues discussed above critically affects both the health and education sectors. In the education sector, the delays in issuing tashkeels and the incompatibility of the tashkeel with the takhsis has hampered the ability of the education departments at provincial levels, for example, to recruit teachers to meet the expanding demand for education services. While many schools receive textbooks and materials from external donors, these remain inadequate. The lack of non-salary expenditures for provincial and district administrations has severely hampered their ability to undertake basic activities including inspection, teacher training and monitoring. Similarly in the health sector, the inability of the centralized administrative system to adapt the tashkeel to more adequately reflect the staffing needs of the sector has constrained the ability of provincial health directors to address real service needs. In addition, the chronic shortage of non-salary expenses and human capacity in the provinces severely compromises their ability to maintain an even basic level of functioning, including in their ability to determine the location of clinics, undertake the purchase of necessary supplies and mobilize resources and other support from NGOs. Fixing these basic administrative problems will at least ensure the existing system can function with some degree of effectiveness.

Beyond these basic issues, there is a need for specific actions in each section to equip the provincial and district level administration to respond to emerging reform agendas.

In health, the central ministry is in the process of contracting with NGOs and other providers to deliver primary health care, on a province or district basis. Provincial and district health staff should be active players in this reform process, but this will involve new rolls and functions. Staff need to be informed of these changes, and training programs, particularly for the provincial health directors, need to be developed quickly. Restructuring the provincial health departments to focus on contract management and oversight could be assisted by the PRR decree. Transition plans to move existing staff into their new roles, whether in the NGO sector or in a restructured health department, need to be developed. Finally, a detailed plan for recruiting and retaining female health workers should be designed and implemented. Given the rapid pace of reform in this sector, these actions cannot wait, and must be treated as ‘phase 1’ actions, followed by implementation in ‘phase 2’.

In addition, could be real benefit to conducting an impact review of the contracting out strategy, particularly in terms of long-term sustainability.

In education, massive efforts have been made to restore and expand education services, through facility improvements and hiring new teachers, but little attention has yet been paid to improving the quality of education through real reform. Immediate ‘phase 1’ efforts are needed to establish a planning capacity, particularly at the provincial and district levels, including the development of data on school age population, catchment areas, as well as data on informal schooling. Actions are also needed at the

national level to initiate a dialogue on identifying the problems and priorities for change. Beyond this, it is at the community level that driving reform can be most effective. As part of phase 2, consideration should be given to providing school improvement grants to local communities, and encouraging them to create school improvement plans. In the medium-term, capitation grants for non-salary expenditures such as textbooks could be given directly to schools.

### ***Cautious reassertion of municipal autonomy***

Municipalities operate differently than other levels of administration, in that they keep the revenues they raise, develop budgets, and manage their own financial and administrative responsibilities, with oversight by the Ministry of Interior. However, it was clear from the six case studies that there are widely differing views on the accountability relationship of district municipality from one province to another, despite the fact that their independence is clearly set out in legislation. This needs to be clarified and communicated to all provinces and municipalities. In some cases, where extreme dependence on provincial municipalities is the practice, training will be needed for district municipalities to reestablish administrative functions.

It was also observed during the missions that the services provided by municipalities varied significantly, in part due to their revenue raising capacity. In future, it would be useful to establish a minimum set of required functions depending on their level of revenue capacity.

### ***'New blood'***

Staff need training and other supports to aid them in performing their jobs. Recommendations include drawing on the older generation of staff to act as advisors to newly hired staff, and developing procedures manuals for key functions. Over the longer term, training strategies should be developed for provincial and district level staff generally. However, these actions will not adequately address the pressing need for trained and experience staff, who can form the core of a strengthened professional civil service.

Consideration is being given to introducing an intensive, compressed training program, targeted at two groups:

- (1) junior, high-potential candidates for entry level professional positions
- (2) NGO staff who could fill more senior posts at all levels of administration.

This intensive training program could be combined with a structured job rotation program, especially for the junior category, in order to build up experience quickly.

### **Moving forward**

There is a challenging agenda ahead in ensuring that all levels of government in Afghanistan are functioning effectively and according to a common agenda. This report has set out a range of actions at both the provincial/district level and at the central level that would help to improve the overall functioning of the system as well as lay a basis for improved performance and service delivery in the future. Some of these recommendations deal with ensuring the existing system functions more effectively: that staff have the necessary resources to undertake their responsibilities (timely payment of salaries, sufficient non-salary expenditures, basic facilities), and that there is improved support for service delivery in the provinces from Kabul ministries. Other recommendations focus on some potential changes to the system aimed at making deconcentration work more effectively.

Carrying forward the momentum of this work will be important. Keeping the interests of the provinces and districts on the agenda of policy makers, senior administrators and donors will be essential for ensuring that provincial and district administrations serve as effective arms of government throughout the country.

The centralized nature of government in Afghanistan and the disparate level of resources between Kabul and the provinces mean that this will be a challenge. There will be a need for champions both at the center of government in Kabul but also in the key ministries with strong service delivery agendas in the provinces and districts. Champions need to ensure that the provinces and districts are not left behind, but instead themselves become champions for central government. There is also a role for a central institution, such as the Ministry of Interior, to provide administrative and organizational support to the relevant administrative units within provinces and districts.

In addition, the information collected throughout this study has proved to be immensely valuable, not only in building a better picture of administration throughout the country, but in providing practical information on staffing, capacities and resources at different levels of government. There could be some merit in continuing this data collection in order to feed into a broader survey of government throughout Afghanistan. A strengthened office dealing with local organizations within the Ministry of Interior may be a focal point for organizing this effort in conjunction with other central agencies such as the Ministry of Finance, Office of the President and Administrative Reform and Civil Service Commission.

### Annex: Summary of Recommended Actions

Areas for Action	Issue to be addressed	Phase One Actions	Phase Two Actions
Strengthening Personnel Management	Delays in processing the payroll	<ul style="list-style-type: none"> <li>• Require Kabul ministries to issue takhsis prior to each quarter.</li> <li>• Set up a radio network with data transmission capabilities, or a reliable courier service, in the Mustoufiat, eliminating need for the Mustoufie to make the trip</li> <li>• Set deadlines for processing payrolls once submitted                             <ul style="list-style-type: none"> <li>• Deadlines for requesting corrections</li> <li>• Deadlines for transferring cash to the provincial DAB branch</li> </ul> </li> <li>• Delegate payroll verification to Mustoufie</li> </ul>	<ul style="list-style-type: none"> <li>• DAB to take over cash payment process (<i>reform currently under development</i>)</li> <li>• Introduction of payroll module which will generate pro forma payrolls that can be updated electronically by the provincial Mustoufiat (<i>reform currently under development</i>)</li> </ul>
	Delays in staff appointments	<ul style="list-style-type: none"> <li>• Impose a two month deadline for confirming or rejecting staff appointments; in the absence of a decision, approval is automatic</li> </ul>	<ul style="list-style-type: none"> <li>• Delegate to provinces approval of staff appointments up to grade 3</li> <li>• Establish provincial arms of the IARCSC to review staff appointments</li> </ul>
	Outdated Tashkeel	<ul style="list-style-type: none"> <li>• Require Kabul ministries to issue tashkeel prior to the start of the new year</li> <li>• Ensure that no tashkeels are issued without approval of the Ministry of Finance, to ensure consistency with the takhsis.</li> <li>• For the 1383 budget process, request input from provincial departments on revisions to tashkeel, within predetermined staffing limits</li> </ul>	<ul style="list-style-type: none"> <li>• Delegate authority to provincial departments to adjust the deployment of staff within the tashkeel, subject to review by the provincial arm of IARCSC</li> </ul>
	Low public sector pay levels	<ul style="list-style-type: none"> <li>• Implement new decree on regulating top-ups and secondments</li> <li>• Communicate the provisions of the decree to provincial and district staff, and to donors and NGOs</li> </ul>	<ul style="list-style-type: none"> <li>• Implement pay reform: consider establishing a two-tier civil service, with higher-paid, professional career civil servants at one level, and a broader range of support staff on a second level</li> </ul>

	Lack of staff training, knowledge of procedures	<ul style="list-style-type: none"> <li>• Develop training programs for staff in key provincial &amp; district positions, such as Mustoufiat &amp; senior Mustoufiat staff, district finance officers, heads of administration, directors of health, education. Programs would be focused on core job functions</li> <li>•</li> <li>• Where appropriate, develop step-by-step procedural manuals for key job functions, especially financial and personnel management processes</li> </ul>	<ul style="list-style-type: none"> <li>• Develop broader training programs focused on skills upgrading (1)</li> </ul>
Improving Administrative efficiency	Low levels of Non-salary cash flow	<ul style="list-style-type: none"> <li>• Provide monthly advances to Mustoufiats based on quarterly non-salary allotments; instructions be drawn up by Treasury and issued to the central bank on a monthly basis in order to affect the transfer of funds. Ongoing transfers would be based on establishing a sound record of expenditure reporting.</li> <li>• Require provinces to provide districts with non-salary allotments, to aide in service delivery, and to develop management &amp; financial capacities. Where feasible, a similar advance system should be employed, or districts could be allowed to keep a portion of their non-customs revenues for this purpose</li> <li>• As part of the 1383 budget process, require ministries to justify their split of non-salary expenditures between the central ministry and the provinces, with the objective of shifting the share closer to the same proportion as staff numbers. As part of this process, ministries should request input on non-salary requirements from provincial departments</li> </ul>	<ul style="list-style-type: none"> <li>• Introduce modest procurement reforms based on increased delegation, as appropriate to current and local conditions.</li> <li>• Provide districts with local access to DaB facilities, in conjunction with rollout of DaB's reformed payroll system</li> </ul>
	Lack of presence in the field	<ul style="list-style-type: none"> <li>• Kabul ministries should be required to visit provinces on a regular (quarterly?) basis to inspect activities, discuss problems, and update provinces on current directives, policies, etc.</li> <li>• Similarly, provincial departments should be required to visit all districts on a quarterly basis</li> </ul>	<ul style="list-style-type: none"> <li>• In conjunction with an upgraded communications network, Ministry of Interior should coordinate regular dissemination of information on various developments within the public sector.</li> </ul>

	Lack of adequate office facilities	<ul style="list-style-type: none"> <li>On an urgent basis, provide all provincial and district centers with a basic package of office facilities required to meet minimal performance expectations. Package could include radio and fax for Mustoufiat, two weatherproof rooms for Mustoufiat, DaB, the governor, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Once provinces and districts are meeting certain performance expectations, a second, more advanced set of improvements could be provided. The performance expectation could include: establishing a good record of timely reporting of expenditures, revenues, payroll, etc</li> </ul>
	Policy decisions that bypass existing structures	<ul style="list-style-type: none"> <li>Revise the community-level planning procedures of the NSP to link these plans to the district and provincial level budget planning process</li> <li>In future, new programs and policies should be designed to build on existing administrative structures, and ensure there are clear linkages</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
Strengthening transparency and accountability relationships	Lack of performance expectations within government	<ul style="list-style-type: none"> <li>Standard administrative performance targets should be established for: Ministry of Finance, DaB, central line ministries, provinces, and districts. <ul style="list-style-type: none"> <li>Targets could include: deadlines for reporting expenditures, revenues, payrolls, meeting audit tests of accuracy, deadlines for approving &amp; processing payrolls, deadlines for approving or rejecting staff appointments, deadlines for issuing tashkeels and takhsis, etc.</li> <li>Achievement of performance targets should be transparent, through regular reporting communicated across government across government</li> <li>In the case of provinces and districts, these performance standards could be used as a basis for moving forward with phase 2 reforms</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Begin to build performance indicators for service delivery sectors</li> </ul>
	Lack of public awareness of government functioning	<ul style="list-style-type: none"> <li>Publish national budget, and provincial consolidated budgets, prior to the start of the fiscal year, on a department and bab level of disaggregation</li> <li>Publish annual staffing limits, by department and by province, prior to the start of the fiscal year</li> </ul>	<ul style="list-style-type: none"> <li>Once reliable systems are in place, publish data on budget execution on quarterly basis</li> </ul>
	Changing district & provincial boundaries	<ul style="list-style-type: none"> <li>Put a moratorium on further changes to district and provincial boundaries until a new constitution is approved, and a census has been taken</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>

Specific administrative reforms in Health		<ul style="list-style-type: none"> <li>• Inform provincial and district health staff about planned reforms in the health sector; information should include timetables, transition strategies, and role for government staff</li> <li>• Develop training programs for PHDs and other senior provincial/district health staff in order to develop management &amp; financial skills. It may be that a new cadre of PHDs needs to be recruited (retaining some existing staff) and trained reflecting their new roles and responsibilities</li> <li>• Consider offering PHDs PRR pay levels in return for active participation on the reform process</li> <li>• Actively involve Provincial Health Directors (PHDs) in developing transition strategies for each province</li> <li>• Design a detailed plan for recruiting and retaining female health care workers</li> <li>• Conduct an impact review of the contracting out model, to ensure sustainability over the long term</li> </ul>	<ul style="list-style-type: none"> <li>• Develop new organograms for provincial health departments, detailing new functions and staffing requirements</li> <li>• Ensure that pay levels in the NGO delivery structures are roughly in line with anticipated post pay reform levels in the public sector (at least order of magnitude)</li> <li>• Develop long-term plan for expanding the pool of educated health care workers, through improved educational opportunities, etc.</li> </ul>
Specific administrative reforms in Education		<ul style="list-style-type: none"> <li>• As a first priority, build planning capacity in provincial and district offices – including priority setting, costed action plans, and performance indicators</li> <li>• Engage senior educators, both inside &amp; outside government in a dialogue about education reform; gain consensus about problems and priorities for change</li> <li>• At the central ministry level, focus capacity building on core central functions – curriculum design, teacher assessment, student assessment data management &amp; analysis, policy analysis, etc</li> </ul>	<ul style="list-style-type: none"> <li>• On a pilot basis, encourage communities to create school development plans, within the context of provincially developed education plans</li> <li>• For these same pilot communities, provide improvement grants for school improvement plans, along the lines of the NSP</li> <li>• Roll out school centered community support grants across the provinces</li> <li>• Move as quickly as possible to capitation grants to schools for non-salary supplies &amp; equipment, such as textbooks; could be started on a pilot basis</li> </ul>
Cautious reassertion of municipal autonomy	Unclear lines of accountability	<ul style="list-style-type: none"> <li>• Clarify and communicate to all municipalities the correct lines of accountability (district municipalities should not be reporting through provincial municipalities)</li> </ul>	<ul style="list-style-type: none"> <li>• Establish clear service expectations for municipalities with differing revenue raising capacities</li> </ul>
'New blood'		<ul style="list-style-type: none"> <li>• Training provided in part by retaining retired or older employees with a strong track record of service. (These staff would need some pre-training on current procedures.)</li> </ul>	<ul style="list-style-type: none"> <li>• Introduce an intensive, compressed training program targeted at two groups: <ol style="list-style-type: none"> <li>1. high potential staff for entry level professional posts</li> <li>2. NGO staff for more senior posts</li> </ol> </li> </ul>