



## Country Partnership Strategy

---

### **Review of ADB's Capacity Building Activities In Afghanistan, 2002–2006**

November 2006

Alan J. Taylor, ADB Staff Consultant

This document is part of a series of background assessments, diagnostics, and discussion papers commissioned by the Asian Development Bank (ADB) to underpin the development of its new Country Partnership Strategy (CPS) for Afghanistan. The findings, opinions, and recommendations contained in this document may not reflect those of the Asian Development Bank, but are provided to generate stakeholder comment.

Such comment is welcomed by ADB, and can be sent to: [gcurtis@adb.org](mailto:gcurtis@adb.org)

## Contents

<b>Executive Summary</b>	
Key Capacity Building Issues	4
Government Strategy	5
Lessons Learned	6
Principal Recommendations	6
<b>Introduction</b>	9
<b>Capacity Building in the Context of AFRM's Overall Programme</b>	10
<b>The Operational Reality</b>	12
The TA consultants' "worm's eye view"	12
The public service context	13
The learning climate	14
Human resources management	15
<b>A Model for Capacity Building</b>	17
Organisational competence	17
Individual capabilities	18
Political, social and economic environment	18
Project design	19
Process	19
<b>The Interpretation of Capacity Building in Practice</b>	20
Doctrine versus practice	21
The desirability of consultations and their limitations	21
Five ways to improve process	22
<b>The Client – Donor and Client – Consultant Relationship</b>	23
Exercising influence	23
Conditionality, autonomy and partnership	23
Competing expectations of technical assistance	24
<b>Principal Conclusions</b>	25
Short-term versus long term perspectives	25
Capacity Substitution	26
Training as an instrument of capacity building	26
Sustainability and the work of the TA consultants	28
Organisational change before technical inputs	30
The strategic imperative	31
The importance of performance criteria	32
Alternative sources of TA	32
Training resource options	33
Capacity building in more than one institution	34
Donor coordination	34
<b>Administrative Issues</b>	36
The recruitment and supervision of TA consultants	36
Lack of institutional preparedness for purpose	38
Clustering of TAs	39
The support ethic	39
Scope versus excellence in portfolio composition	40
Managerial accountability	40
<b>Summary of Recommendations</b>	42
TA project planning	42
Project implementation	43
Strategic issues relating to capacity building	43
Supporting measures	45

## Figures and Tables

Table 1: ADB Grants for Technical Assistance by Year, 2002-2006	11
Table 2: Sectoral Distribution of TA Portfolio, end 2006	12

## Annexes

1. ADB Capacity Building Projects in Afghanistan 2002-22006	48
2. Case Review of Capacity Building Assistance to the Ministry of Finance	58
3. Persons Providing Information	65

## Glossary

ADB	Asian Development Bank
ADTA	Advisory Technical Assistance
AFRM	Afghanistan Resident Mission (of ADB)
CB	Capacity Building
DMC	Developing Member Country
EA	Executing Agency
I-ANDS	Interim Afghanistan National Development Strategy
PRR	Priority Reform and Restructuring
PGR	Pay and Grading Reform
TA	Technical Assistance

## EXECUTIVE SUMMARY

The report reviews ADB operations over the past five years in respect of the provision of Advisory Technical Assistance (ADTA) through grant-funded projects that have carried somewhere in their title the phrase *Capacity Building*. The primary purpose of the review is to provide lessons learned for the development of a new Country Partnership Strategy for ADB in Afghanistan over the period 2007-2011. Beyond this, the opportunity has been taken to highlight issues requiring attention to improve ADB's provision of capacity building technical assistance - primarily in Afghanistan but as may be applicable, also in other DMCs.

The information presented is based on information gleaned from a reading of inception, progress, and (very few) TA project completion reports; from interviews with AFRM and selected government personnel, and from interviews with - as well as written submissions from - TA consultants and others who have had the opportunity to observe ADB in action.

From 2002 to end-2006 ADB supported 20 different capacity building projects, absorbing 84 per cent by value of all TA grants. One of the 20 projects, a cluster project, comprised 18 different sub-projects, effectively making total of 37 projects and sub-projects. Excepting the one cluster project which was valued at USD 14.5 million, the average size of the 20 ADTAs was less than USD 900,000 with the smallest being for USD 200,000 and the largest USD 3.4 million. The average duration was slightly more than 27 months, with the shortest being 12 months and the longest 53 months. As of November 2006 only one of the 20 projects had been completed.

### Key Capacity Building Issues

There has been a tendency to take a short-term and somewhat *ad hoc* approach to the provision of capacity building TA in Afghanistan. A longer-term perspective would help to ensure that CB activities are mutually supportive of each other, that they bring about sustainable change, and that value for money is obtained.

For the most part, ADB's capacity building projects in Afghanistan have been designed without an understanding of the social technology that is available to deliver it. ADB Project Officers would benefit from specialist assistance to ensure that the organization's commitment to capacity building is converted into appropriate designs.

ADB is presently without an agreed capacity building model, a fact that handicaps both the process of project design and implementation. The full report offers a suitable model comprising 49 issues that must be examined in relation to each and every project that seeks to build capacity.

Much of the TA that has been provided in Afghanistan, including by ADB, has served to fill gaps in national capacity that was otherwise not available in-country. While some of this assistance has contributed to skills transfer, much of it has not. The result is that now all donor organisations and Government are concerned to accelerate the process of improving indigenous development capacity.

There is urgent need for a "shared ownership" of TA projects. The process by which projects are designed – in particular the quality of the consultations that take place with stakeholders – can have a dramatic effect on the results obtained. Not all projects have been adequately consulted with the relevant stakeholders, including on occasions with the responsible government officials. Consultation at provincial level and below has not been a regular feature of project preparation but should be encouraged.

Capacity building can be viewed as the development of the understanding, skills and attitudes of individuals, as well as the development of systems and procedures. In ADB TA projects, in the main it has been the latter interpretation that prevailed. Unfortunately, the

limited ability within government to absorb TA consultants' findings and recommendations means that many TA outputs will remain underutilized.

Few capacity building projects have been provided with performance indicators. Where indicators have been used these have usually referred to outputs (e.g. number of courses delivered, number of trainees trained) while outcomes (services improved, cost-effectiveness increased, etc.) have been neglected.

The short lecture-based training courses that have been delivered in association with ADTAs have been insufficient to achieve the desired impact. A limited number of projects have employed other forms of training, such as overseas study visits, 3 – 6 month tailor made training courses delivered in other countries within the region, and on-the-job-training. These methods have been well received by the participants and appear to have greater potential impact.

## **Government Strategy**

The Paris Declaration on Aid Effectiveness urges donors to strengthen the relationship between national strategies, such as the Interim Afghanistan National Development Strategy (I-ANDS) and their own development assistance frameworks. The Declaration highlights the importance of these relationships to increasing the impact that aid has in promoting growth, reducing poverty and building capacity. At its core is the acceptance of joint responsibility for the delivery of assistance programmes.

The I-ANDS makes reference to the needs for capacity building in a wide range of sectors. Among those mentioned which are of specific relevance to ADB's focus areas are the Ministry of Transport; the Independent Civil Aviation Authority; the Ministry of Public Works; the national customs administration; public administrative reform; and support to Afghan businesses and private sector development.

So far as concerns coordination with other development partners, the I-ANDS asks for an alignment and harmonization of objectives and strategies as well as financial support from all development partners. Donor assistance provided through the external budget is expected to be designed in such a way as to build capacity in both the government and private sector.

The Ministry of Finance is interested in finding ways of ensuring better communications between itself and the three other stakeholders in the capacity building process: the individual line ministries and /or the relevant executing agency, the donor (specifically ADB), and the TA consultant (individual or firm). Information on TA projects planned and in the process of execution does not always move easily between the concerned parties, a fact that sometimes results in duplication of effort and "stuck" initiatives that could otherwise be accelerated.

At an operational level, what all government officials ask for is TA of the kind that would help them to work out how to approach the tasks and the problems that they face in their day to day work. Rather than formal training courses, the demand is for long-term training and support on-the-job, from consultants who have the experience and the patience to be able to understand the difficulties and then show the processes by which a job is to be done. Although not necessarily expressed in such terms, what officials are usually asking for is leadership of the kind that shows and demonstrates but does not usurp the national authority. This kind of help is called *facilitation*, and is part of the repertoire of any good management development consultant or management skills trainer.

## **Lessons Learned**

At present there is a very wide gap between what ADB aspires to be doing in the area of capacity building and what it is doing in practice. ADB's problems are not unique, however.

Within the international aid and development community - at least as represented in Afghanistan - capacity building is a concept much advocated but little understood. Addressing many of present constraints will require a shift in institutional priorities as well as a re-tooling of the institution for effective delivery.

The fact that responsibility for the management of many of ADB's capacity building projects in Afghanistan has resided with staff members in the headquarters office in Manila, has meant that it has been difficult to monitor progress with the desirable rigour. Subject to the availability and training of personnel in the AFRM, devolution of responsibility for project support and project monitoring would help in securing effectiveness in the capacity building area.

### **Principal Recommendations**

To improve the impact of capacity building projects it will be necessary to focus attention on the changes that it is desirable to see in the behaviour of the responsible officials. Baseline surveys should be used to document the situation at the time of project inception so that outcome monitoring and project evaluation becomes possible.

The role of TA consultants should be carefully defined and agreed between ADB, the client and the TA consultants. The question of who is to do what and by when should be agreed between the three parties. Commitments entered into should be documented and followed up for compliance.

For effective capacity building ADB should concentrate its TA resources on a fewer number of longer-term projects, with the full-time engagement of capacity building specialists to support the work of the more technical consultants.

ADB is encouraged to review the nature and structure of professional incentives under which its Project Officers work. Whatever incentives operate should not have the effect of drawing resources away from ensuring that the capacity building elements of projects receive adequate time and attention.

In Afghanistan ADB should commission a study of the main bottlenecks to capacity development in each of the sectors in which it works, including those at sub-national level. Based on this, a gap analysis can be prepared as the basis for the planning of future capacity building activities.

Before approval, capacity building projects should be vetted by a specialist to determine whether the CB objectives are clear, the design internally consistent, and the outcome indicators relevant to operational circumstances as well as to the project's purposes. Such scrutiny is best carried out in a workshop setting with the CB specialist working alongside the responsible Project Officer and his or her government counterparts.

ADB may find it helpful to commission the preparation of a series of "boiler plate" outcome indicators that may be adapted for use in particular capacity building projects.

*Aide memories* should be translated into the national language before being put before busy government officials who are not necessarily fluent in English. In the case of Afghanistan, this would generally be Dari.

While there may be a need for the preparation of studies, plans and recommendations of various kinds, TA consultants engaged on capacity building projects should be encouraged to spend their time developing the capacity of those officials who carry responsibility in the sector. Terms of reference should place emphasis on the need to help Afghans think and plan for themselves the actions that are required to make progress in the sector, within the individual ministry or executing agency, as appropriate.

Where TA consultants are required to prepare written reports, they should be brief and, in so far as possible, within the range of comprehension of the relevant government officials. The reports should be translated into the national language, shared with and then discussed in detail with the executing agency and /or the appropriate government ministry. Terms of reference should require the preparation, together with the national counterparts, of an Action Plan that will take the consultants' recommendations forward. TA consultants' reports should be regarded as the starting point for ADB's intervention rather than an end point.

ADB capacity building projects should facilitate processes within the concerned government department or work units that enable the *application* of the techniques or approaches that the project is helping to introduce. In designing training interventions, emphasis should be given to on-the-job training, as well as to organizing residential training programmes outside of Afghanistan for selected groups of officials.

Before training programmes are designed and delivered training needs analysis should be carried out.

Individual government ministries should be encouraged and assisted to establish in-house *Centres of Excellence* that would help to improve human resources management while providing practice-based training for the development of organisational efficiency and effectiveness.

A long-term perspective on capacity building suggests the need to identify and school up groups of young Afghan professionals who, in due course, will be able to assume positions of leadership in their respective sectors or institutions. ADB may wish to consider mounting a long-term scholarship programme for the support of new entrants in each of the ministries with which it works.

To secure the technical assistance that is needed to engage in sustained capacity building, ADB is encouraged to trawl the NGO community for suitably skilled individuals.

ADB should cooperate with other development partners to assist the Government in establishing and maintaining a register of TA inputs. Given the present lack of capacity within the Civil Service Commission (which would otherwise be suitable), the Aid Coordination Unit within the Ministry of Finance may be the most appropriate location for such a service.

To avoid undesirable or wasteful overlaps in TA provision, ADB should ensure that its inputs in any one ministry do not conflict with but, rather, support the work of development partners active in the same sector.

As a matter of urgency, ADB should arrange for all Project Officers with an interest in Afghanistan, as also its own National personnel, to be provided with in-depth training in the meaning of capacity development and its design requirements. Current and future TA consultants should be offered the same training but with an emphasis on the techniques that are available for implementing CB interventions.

For project implementation, arrangements should be made to ensure that TA consultants are properly supported and supervised to enable them to reach the capacity building objectives embedded in their projects. In due course this could be accomplished by training suitable AFRM personnel to provide the necessary support services.

Reporting formats should be standardized and, for capacity building, should require a clear description of what was attempted, what was achieved, the difficulties encountered, the immediate work plan agreed with the client organisation, lessons learned, and recommendations for future action.

ADB headquarters should undertake an enquiry to identify the major bottlenecks in the recruitment and hiring of consultants for work in Afghanistan. On the basis of such an enquiry an action plan should be formulated to speed up the process.

Additional staff resources may need to be allocated to allow ADB to discharge its commitment to working towards its capacity building objectives.

Attention may also be given to the institutional or strategic planning processes within ADB to ensure that recommendations of the kind contained in this report, and reports carrying similar conclusions, excite the necessary action.

## Introduction

This report reviews ADB operations over the past five years in respect of the provision of Advisory Technical Assistance (ADTA) through grant-funded technical assistance projects that have carried somewhere in their titles the phrase *Capacity Building*. The primary purpose of the exercise is to provide lessons learned for the development of a new Country Partnership Strategy for ADB in Afghanistan for the period 2007-2011. Beyond this, the opportunity has been taken to highlight issues requiring attention to improve ADB's provision of capacity building technical assistance.

Chapter 2 provides an overview of ADB's capacity building projects in Afghanistan during the period. Chapter 3 describes the typical operational circumstances in Afghanistan within which technical assistance projects have had to operate. Chapter 4 provides a model of capacity building as understood by specialists in the field. The remainder of the report describes the situation in Afghanistan from a variety of perspectives, including the relationships between the Government, ADB and TA consultants, the competing expectations relating to technical assistance, training, the need for a strategic approach to capacity building, donor coordination and administrative issues.

Annex 1 provides a list of all capacity building TA projects and sub-projects funded by ADB during the period. Annex 2 contains an illustrative case review of capacity building assistance provided by ADB to the Ministry of Finance. The case study throws additional light on some of the main conclusions emerging from the review.

The information presented is based on information gleaned from a reading of inception, progress, and (very few) TA project completion reports; from interviews with AFRM and selected government personnel, and from interviews with - as well as written submissions from - TA consultants and others who have had the opportunity to observe ADB in action in Afghanistan and elsewhere.

Terms of reference required the consultant to review the provision of ADB's technical assistance for capacity building in Afghanistan, with a particular focus on the nature, implementation and effectiveness of that which has been provided to the Ministry of Agriculture and Irrigation, the Ministry of Energy and Water, the Ministry of Finance, and the Ministry of Public Works.

The discussion that follows is limited to projects that have sought to assist civil servants, engineers and others who have been involved – or should have been involved – in the delivery of services or execution of ADB-financed activities through the mentioned ministries. This is a relatively elite group. In a few cases TA projects have attempted build capacity within community groups.<sup>1</sup> Capacity is most definitely required at this level, as well as in the district and provincial administrations. However, a treatment of this subject would require a much more comprehensive review and would need to be based on field work, which was not part of the present exercise.

In collecting material for the review, a problem encountered was that very little information was available on file concerning actual achievements in the capacity building area. Reports tended to concentrate on activities rather than on outputs or outcomes. Also, as the files in many cases were incomplete, arriving at a sound judgement concerning ADB's contribution to capacity building has been extremely difficult.

Wherever possible, the source of information or comment has been cited in footnotes. This has been done where the comment has been taken from a document on file. A few exceptions have been made in not identifying written sources where this might otherwise give rise to embarrassment for the authors. Where observations have originated with

---

<sup>1</sup> For example, TA-4483-AFG *Capacity Building for Land Policy and Administration Reform*.

comments provided by AFRM staff, individual TA consultants or outside observers, confidentiality has in all cases been respected.

Many of the conclusions arrived at and presented in the report are not peculiar to the Asian Development Bank; many if not all of the donors active in Afghanistan suffer similar difficulties to those that confront ADB. To this extent, ADB need not regard all of the issues raised as being a critique of its approach alone. Obviously, the fact that a number of problems are shared does not relieve any single organization of the necessity of addressing them.

At the same time, a large number of the issues that are raised in the report reflect specifically on ADB's own business practices and procedures. Many of these may be judged dysfunctional in relation to the objective of building capacity. These issues are for ADB alone.

Some readers may find parts of the report excessively harsh in terms of both the reported comments and the conclusions arrived at. ADB staff should not be surprised. Capacity building as a concept arrived relatively recently in the corridors of the multi-lateral aid institutions and it would be unreasonable to expect instant performance against criteria only recently recognized. Time will be required to adjust to the new doctrine and, to the extent necessary, retool the organization to deliver on the new expectations. It nevertheless remains true that in respect of capacity building, at present there is a very wide gap between what ADB claims to be doing and what it is doing in practice.

It may be that conditions in Afghanistan are peculiar and different to those prevailing in most of ADB's developing member countries. If this is so, it is more likely to be a matter of degree than of substance. The writer's own observation is that the problems observed in extreme form in Afghanistan mirror those to be found in other DMCs, if only in a slightly more extreme form. It does not take much experience - or imagination if one has not the experience - to understand that the problems described are systemic and of such a nature as to require the most serious and urgent attention from the institution's administrators. Failure to act in a responsible fashion will surely bring discredit on what ought to be the flagship of excellence in the management of development assistance for Asia.

### **Capacity Building in the Context of AFRM's Overall Programme<sup>2</sup>**

ADB operations in Afghanistan were suspended in 1979 in the wake of the Soviet invasion. Operations remained in abeyance during more than two decades of civil conflict and resumed only in 2002 following the ouster of the Taliban regime and the launch of international efforts through the Bonn Agreements to promote political normalization, reconstruction and development.

Since the resumption of operations, ADB's activities in Afghanistan have been governed by an Initial Country Strategy and Program (CSP) document, developed in 2002, a second CSP covering the period 2004-2006, and updates prepared in 2004 and 2005.

ADB's Initial Country Strategy and Program outlined four principles for ADB operations in Afghanistan, of which two were

- the need for appropriate policy and institutional frameworks to support the country's reconstruction; and

---

<sup>2</sup> Text in this section is adapted from ADB's AFRM *Country Strategy and Program 2002-2006: Completion Report*, November 2006.

- the need for national capacity building to ensure the effectiveness of reconstruction and development efforts.

Both of these principles could be construed as a commitment to building capacity. Indeed, the Initial CSP identified six overall programmatic areas: capacity building, rehabilitation of physical infrastructure, revitalization of agriculture and rural development, private sector development, social development, and gender empowerment.

So as to promote sectoral coordination and avoid overlap, duplication, and varying approaches, the then-Minister of Finance requested donors to provide support to no more than three sectors. Accordingly, ADB, in consultation with the Government, chose to focus its programme on

- (i) building capacity,
- (ii) policy and institutional reform, and
- (ii) the rehabilitation of infrastructure.

In terms of sectors, ADB agreed to limit its lending and non-lending operations to the transport, energy, and agriculture and natural resource sectors, with some support also to governance and finance-related activities.<sup>3</sup>

From 2002 to end-2006 ADB's approved support to Afghanistan totalled more than USD 1.16 billion. In the same period, the total committed to Technical Assistance Grants was USD 56.9 million. Looking at the year by year comparison, the largest amount was committed in 2002, when a TA Cluster Grant of USD 14.5 million was approved for work in 19 different sub-projects.

ADB's Board of Directors has been extremely supportive of the helping to build capacity in Afghanistan. The total number of TA grants during the period was 36. Of this number, 20 have been classified as addressing the need for capacity building. A full listing of all CB projects during the period appears in Annex 1. As of November 2006 only one of the 20 projects has been fully completed – the *TA-3875-AFG Disaster Preparedness and Management Capacity Building*.

**Table 1: ADB Grants for Technical Assistance by Year, 2002-2006**

	2002	2003	2004	2005	2006 <sup>a</sup>	Total
Technical Assistance Grants (\$ million) <sup>b</sup>	15.1	10.5	13.6	8.5	9.2	56.9
Number of TA Grants	2	8	13	11	5	36

<sup>a</sup> Projected to end-2006 based on firm processing schedule

<sup>b</sup> Includes donor cost-sharing of TAs

Inclusive of co-financing from donors, by the end of 2006 ADB will have approved 38 TAs amounting to USD 53.8 million. This total included 29 ADTAs totalling USD 45.4 million.<sup>4</sup>

<sup>3</sup> In addition, ADB's pledged support to Afghanistan's private sector development through catalytic investments in the country's banking and telecommunications sectors. Social development and gender empowerment were to be mainstreamed across all ADB activities.

<sup>4</sup> There were also nine Preparatory Project Technical Assistance grants totalling \$ 8.4 million.

Of the USD 53.8 million, approximately 84 per cent went on projects carrying the Capacity Building label. The sectoral allocation of the overall TA portfolio is shown in Table 2, below.

To address the strategic priorities set out in the 2001 CSP, ADB has provided lending and non-lending assistance to many sub-sectors. This was seen to be justified in order to support policy reforms and capacity building, and to fill infrastructure gaps that were believed to contribute directly to increased production and economic growth. However, more recently the sector focus has narrowed to transport (mostly roads), energy, agriculture and natural resources management, and some governance-related activities such as public financial management and public administration reform.

The average size of the 20 capacity building ADTAs during the period was USD 1.57 million. However, omitting the omnibus cluster project with 18 sub-projects<sup>5</sup>, the average was less than USD 900,000 with the smallest project being for USD 200,000 and the largest USD 3.4 million.

The average duration of the Advisory TAs examined in this review was slightly more than 27 months, with the shortest being 12 months and the longest 53 months.<sup>6</sup>

**Table 2: Sectoral Distribution of TA Portfolio, end 2006**

Sector	ADTA		PPTA		Total	
	#	Amount \$million	#	Amount \$million	#	Amount \$million
Agriculture and Natural Resources	4	2.4	2	2.2	6	4.6
Energy	5	5.2	4	3.2	9	8.4
Environment	3	3.0			3	3.0
Finance	1	1.0	1	1.0	2	2.0
Industry and Trade	3	2.2			3	2.2
Law, Economic Management, and Public Policy	5	8.5			5	8.5
Transportation and Communication	4	6.7	2	2.0	6	8.7
Multisector <sup>a</sup>	4	16.4			4	16.4
<b>TOTAL</b>	<b>29</b>	<b>45.4</b>	<b>9</b>	<b>8.4</b>	<b>38</b>	<b>53.8</b>

<sup>a</sup> The \$14.5 million TA 3874-AFG, *Capacity Building for Reconstruction and Development* covered several sectors, thus skewing overall sectoral distribution.

## The Operational Reality

### *The TA consultants' "worm's eye view"*

Compared to many other theatres of operation in the world, the work of TA consultants in Afghanistan has been and continues to be unusually challenging. As one so succinctly put it:

Seldom do we work in situations where capacities are at such a low ebb at all levels of government.

In the early stages of the assistance programme, 2002-2003, some of the operational problems noted by TA consultants were the absence of or otherwise unrealistic terms of

<sup>5</sup> TA3874-AFG *Capacity Building for Reconstruction and Development*.

<sup>6</sup> The longest running project was the cluster project TA-3874-AFG; at 51 months the second longest was the TA 4244-AFG *Support for Public Administration Reform Program*. Ignoring these two however, the longest running project was only 36 month.

reference; regular and prolonged power outages – limiting the use of computers; lack of cohesion between different TA teams working in the same counterpart institution; the difficulty of finding interpreters and translators with a sound command of English; conflicting instructions coming from different levels within the client institution; and the Ramadan holiday foreshortening the counterparts' working day.<sup>7</sup>

Many times it has been difficult for TA consultants to make sense of the situation within which they have found themselves working and, therefore, difficult for them to put forward rational proposals that would stand a chance of being implemented. Several reasons can be adduced. In many cases the role and purpose of individual units within the institution has been unclear, with little or no actual work being performed that could be reviewed or analysed. Secondly, more than one organizational diagram was often encountered purporting to show (differing) categorization of departments and lines of reporting. Which one of these diagrams held legitimacy was often subject to debate. The lack of consensus about what was or should be, has been fuelled by an ongoing struggle for control over resources, exacerbated by a chronic distrust among Afghan counterparts of persons from social groups different from one's own. In the mist of such continuing uncertainties, the TA consultants have had to find their way largely unaided.

### ***The public service context***

The Afghan Civil Service is populated in the main by middle aged and elderly Afghans who have remained in country during the long years of military conflict. While some may have benefited in their early years from an education that was considered good at the time, their professional experience was acquired under the Soviet regime which tends to have little relevance today. Officials are generally out of touch with modern streams of thought in relation to the role of government, development and all aspects of modern management.

Government Ministers and Deputy Ministers have usually been appointed for reasons of political correctness – in order to example to maintain a balance between the different groups that make up the society, rather than on the grounds of ability or technical competence. In as much as officials below this level generally have no discretionary power in the allocation or use of budget, this means that all decisions of significance are made by people who, with rare exceptions, have no particular aptitude for the task.

At the other extreme, there is a much smaller body of young Afghans who have been educated outside the country, mostly in Pakistan but also in the United States and Europe. These people have returned to the country of their birth with an incomplete understanding of its recent history, language and norms, as well as the realities outside of Kabul. Many of this younger cadre are resented for their foreign ways and expectations and are actively discriminated against in terms of employment opportunities and promotion.

The middle level in most government ministries is deficient in numbers. This will present something of a crisis as the older cohorts retire and there are few if any middle-ranking people to succeed them.

Often, at the start of a project the executing agency has provided no focal point. In most ministries the pool of personnel available to undertake senior management functions has been extremely small and the number available to work alongside the TA consultants correspondingly limited. In relation to many ADB-supported TA projects, there is a missing sense of ownership by the Government; officials have often seemed to act more as observers than as those responsible for the process. This has been accompanied by an expectation that ADB will assume responsibility for functions that are in fact the responsibility of the executing agency.

---

<sup>7</sup> Project TA-3874-AFG Component 1A: Report on Stage 1 Activities October – November 2003.

At the start of a project, a project office may or may not have been allocated, with or without basic equipment such as computers; stationary has been a rare luxury. Regular access to a vehicle has not been guaranteed. The security situation has not always permitted TA consultants to get around unescorted or in unapproved vehicles, while numerous other dysfunctional arrangements have made the work unusually arduous. Obtaining interpretation services has been a particularly haphazard business.

Afghanistan is characterized by a chronic shortage of information of all kinds and, in official circles, there has been a generalized reluctance to share even that which does exist. In a situation where the machinery of government is subject to constant restructuring, turf wars between ministries have been common place.

Although a number of government ministries have been accustomed to a form of planning, this has generally followed the former Soviet central planning model. The international donor community requires a significantly different approach to project design, implementation and evaluation, one that supposedly involves a resort to market economics and a greater involvement of civil society. Prior to 2002 such techniques as stakeholder analysis, cost-benefit analysis, SWOT exercises and planning using the logical framework technique were virtually unknown. The absence of such skills has constituted one of the most important obstacles to getting development moving in a way that satisfies the donors and provides for ownership of development activities by Afghan nationals.<sup>8</sup>

In spite of the efforts made under the Priority Reform and Restructuring (PRR) programme, almost all Ministries are grossly overstuffed, with human resources management of any kind totally absent. Large numbers of personnel inhabit most Ministries without a meaningful function, job description, useful skills, equipment or leadership. As noted above, the age structure is top heavy, with some 40 per cent of personnel over the age of 50 years. Only a few young entrants to the system are in evidence. In most cases no financial resources are available to pay for operations other than those needed to cover salaries that, at around USD 50 per month, are in any case totally inadequate to support a family.

In most government Ministries working hours and the attitudes to work are generally very different to those that are required to establish a functioning administration. There is a tendency for government personnel – including counterparts - to come and go for various reasons, often without informing the TA consultants who are there to assist them. The general tardiness has applied also to meetings and training sessions.

### ***The learning climate***

Many reports suggest that that the overwhelming majority of counterpart personnel engaged on training courses have exhibited severe to moderate learning difficulties. Organized critical thinking is rare, while the ability to analyse and rationalise outcomes based on learned knowledge has been reported as limited. The ability to learn independently has also been lacking. While some trainees have made an effort, many have failed to understand that effort that is required to acquire skills in the technical disciplines that are offered. This is not attributable to individual obstinacy, but is rather the result of a lack of prior learning opportunities consequent on the years of war without schooling. Until university graduates enter the public service with the requisite educational level, there can be little chance of effecting a significant change in such behaviour. The future of Afghanistan thus clearly lies with its young people.

When planning a capacity building intervention, several problems have regularly confronted TA consultants.<sup>9</sup>

---

<sup>8</sup> Project Management Training, Bill Mullens, TA Team Leader, 20 August 2003

<sup>9</sup> In *TA 4579-AFG Capacity Building for the Power Sector* some of the problems listed resulted in only half of the short course activities being implemented.

- With an aging civil service population, the question arises as to whether it is cost-effective to be providing training to mid-level officials nearing retirement age. The older civil servants rarely have a command of English language and almost never computer literacy. On the other hand, as indicated, there is a shortage or total absence of entry level personnel who have sufficient English language capability to be able to absorb what the TA offers.
- It can be difficult to identify suitable participants for training courses, particular in light of the implementation of the Priority Reform and Restructuring programme of the Civil Service Commission – whose result could be the elimination of large number of civil servants from the units to be trained.
- Cultural attitudes towards women result in a situation where it is very difficult to ensure that women enjoy equal opportunities to participate in training courses or study visits, etc.
- In common with many other developing countries, the cooperation of government officials in training activities is often contingent on there being some pecuniary benefit. Given the limited budgets that are available in support of training, in many cases this difficulty serves to undermine the organization of workshops or other training activities.
- There is a limited range of locally based training organizations in Afghanistan, and most of these are able to deliver only general courses such as basic office skills, administration and finance.
- It can be difficult to identify international specialists and trainers willing to travel to Afghanistan in light of the prevailing security situation.
- Translation and interpretation remains a constant problem; in training sessions confusion often arises from the difficulty of communicating not only linguistically but also in terms of concepts that are unrecognized in Afghanistan.
- Residential training at specialist training institutions abroad is possible, but problematic on the grounds of its relatively high cost and trainees' limited English language ability.

To help overcome some of the conceptual and communications difficulties that are encountered in training courses, some opine that exposure visits and study tours abroad – usually within the near region - are often more appropriate, at least as a first step. Unfortunately, a difficulty with this approach is that of securing agreement on who should participate. As is common elsewhere, such opportunities are much sought after and subject to political manipulation.

### ***Human resources management***

In Afghanistan a large number of personnel and human resource factors have affected the implementation of all CB projects, including those of ADB. Some of those that have been reported are that

- Reward systems are underdeveloped. Reward is identical for those who are contributing and for those who are not. Civil Service pay is poor and there are few compensating rewards. It is difficult to provide meaningful incentives for performance or effort.
- Staffing arrangements are inhibited by the inability of Government to dispense with the services of individuals, whether necessitated through poor performance, poor

productivity, lack of effort, or redundancy of function. Once acquired, personnel are employed until retirement age. For this reason it is difficult to redirect financial resources to those who are actually making a contribution.

- There are no meaningful appraisal or performance reviews and there are no meaningful disciplinary procedures or, where there are, they are not used.
- Recruitment processes are porous, allowing for the use of counterfeit qualifications, decision making that is subject to bribery and political influence, and the maintenance of ghost employees.
- Rarely are decisions relating to recruitment, training and deployment linked to institutional priorities on which there is agreement.
- There are no policies that would coordinate the provision of higher education with the needs of the public service even broadly defined.
- In most government institutions there is no mechanism to encourage or facilitate continuous professional development, and there are no independent or parastatal organizations that define, protect, promote or secure professional standards.

A problem experienced in many projects has been that responsibilities within government Ministries have not been clearly defined and not supported by delegated authority. The result has been that minor decisions have tended to occupy top leaders, depriving them of the time and attention needed for dealing with more strategic issues and taking advantage of the TA advice that has been made available.<sup>10</sup>

Government officials are not necessarily assigned to tasks according to their ability. Political patronage is widespread, so that the arrival of a new Minister is accompanied by the injection of favourites at all levels in the organization. Naturally enough, this practice is resented by other personnel whose abilities are ignored or passed over. Sometimes quite able people are given mundane and unchallenging tasks while others with lesser ability are assigned duties way beyond their competence.

In the long run, the answer to the above described situation lies in the functioning of a human resource management system that operates in a fair and transparent manner, with appointments and assignments based on merit. For more progress in capacity building however, in the short term it would be better if national counterpart positions were remunerated from project funds and subject to a selection competition within the executing agency. An agreement would also be needed with the executing agency ensuring that the person or persons benefiting from the CB would be assigned to positions in which they were able to use their training.

On the side of the projects too, human resource factors have been important. Recruiting local personnel to work with ADB projects has been particularly problematic, given their relatively short-term nature and the fact that competent nationals have usually been able to find placements in longer term projects elsewhere at good salaries.<sup>11</sup>

On the other hand, government officials have noted that one of the principal benefits derived from ADB capacity building projects has come from the salary supplements paid to those

---

<sup>10</sup> Mentioned among others in the *Aide Memoire* of the Final Review Mission for project TA-3874–AFG *Capacity Building for Reconstruction and Development*, Sub-cluster 2C, Capacity Building for the Ministry of Public Health, February 2005.

<sup>11</sup> This problem affected for example, project TA-3874–AFG *Capacity Building for Reconstruction and Development*, Sub-cluster 2C, Capacity Building for the Ministry of Public Health, Inception Report, September 2003.

who work on them. Not only do the supplements allow the appointees to concentrate on the job, they help to reduce the temptation to behave in corrupt ways. Officials in the Ministry of Rural Reconstruction and Development, for example, reported that whereas formerly project monitors would take bribes in return for false reporting of progress, with the receipt of salary supplements from the project this practice had been eliminated. In addition, such incentive payments was said to motivate others in the Ministry to try harder to acquire the necessary skills (English language and computer operation) in order that they qualify for recruitment to the same or similar projects that may come up in the future.<sup>12</sup>

## **A Model for Capacity Building**

Before proceeding to a description of what has been done in practice by ADB and other agencies in Afghanistan, it will be helpful to describe the factors that professional capacity builders normally like to take into account when planning and executing a project. Current consensus among analysts suggests that there are at least three sets of factors to be considered:

1. those that have to do with *organisational competence and effectiveness*;
2. those that have to do with *individual capabilities*; and
3. those that have to do with the *political, social and economic environment* within which the organization and individuals operate.

Each of these domains can be better understood as a number of issues that are worthy of consideration, investigation and, as may be required by the circumstances, intervention.

Those that relate to ***organisational competence*** include

- 1.1 The organisation's mission
- 1.2 It's service orientation and management of client relations
- 1.3 The organisation's connectedness with other stakeholders
- 1.4 Organisational structure
- 1.5 How the organization is governed and controlled
- 1.6 The culture and traditions of the organisation – including the distribution and operation informal power and team work
- 1.7 The quality of strategic leadership, planning and the intelligent use of plans
- 1.8 The organization's economic base and its strategic financial management
- 1.9 Provisions for securing accountability – for the management of inputs, outputs and outcomes
- 1.10 Arrangements for human resource management – including recruitment polices and practices, and the incentive and rewards systems for personnel
- 1.11 Arrangements for employee participation and involvement in decision making

---

<sup>12</sup> TA 4549-AFG Capacity Building for Impact Monitoring and Evaluation

1.12 The infrastructure, premises, equipment and technology available.

Those that relate to **individual capabilities** include

- 2.1 A definition of behaviour that is appropriate to the organization's purposes
- 2.2 Acknowledgement of individual motivations and arrangements for ensuring proper incentives
- 2.3 A definition of the appropriate behavioural changes required – including training needs assessment and baseline surveys
- 2.4 Integration of training plans with plans for the utilization of human resources, including a reference to job descriptions
- 2.5 Arrangements for selecting and supervising the participation of trainees
- 2.6 Arrangements for coaching and mentoring
- 2.7 Arrangements for exposure visits – including overseas travel and attendance at conferences, etc.
- 2.8 Definition of intended outcomes for all activities – including their performance indicators and arrangements for evaluation.

Those that have to do with the **political, social and economic environment** within which the organization and individuals operate include

- 3.1 The national and local political environment, including corruption, nepotism, ethnic and tribal factors, and significant illicit activities
- 3.2 Political support or otherwise for the project purposes and methods
- 3.3 The policy environment
- 3.4 The administrative and legal system within which the organization operates
- 3.5 The labour market
- 3.6 Economic trends that may affect the organization and its individuals
- 3.7 Social and cultural traditions – including gender attitudes and discrimination
- 3.8 Consultation with and involvement of civil society
- 3.9 Consultation with and involvement of the private sector.

In addition to the above, a wide swath of international experience demonstrates that projects aiming to make a contribution to capacity building must be assembled according to certain principles. The project formulation and management practices must conform to norms that maximize potential impact. These considerations go beyond those of a financial or strictly technical nature and can be summarised as

- those having to do with the *form* and content of TA project design; and
- those having to do with the *process* of TA project design, management and supervision.

In so far as concerns **project design** the following must be taken into account

- 4.1 Projects providing capacity substitution are identified and kept separate from those aiming to build capacity
- 4.2 Where merited, a sub-national focus is included
- 4.3 CB outcomes are defined and related to improvement in the delivery of public services
- 4.4 The CB outputs are quantified
- 4.5 CB outcomes are provided with observably verifiable indicators (OVIs)
- 4.6 Arrangements are in place to monitor and evaluate the intended outcomes
- 4.7 The CB methods chosen are suited to the intended outcomes
- 4.8 Gender issues are recognized, not only as they may affect achievement of the project's specific objectives but also the future of the society in general
- 4.9 An agreement is in place with the executing agency concerning the actions that it will take to ensure that the TA realises its objectives
- 4.10 The resources allocated by the project are sufficient to ensure that CB is achieved. This should include a description of the quantity, quality and period of time for which the TA will be required
- 4.11 Arrangements are in place for all relevant personnel to be provided with an orientation and the skills necessary to ensure CB
- 4.12 Arrangements are in place that allow adequate support and supervision for the TA team
- 4.13 Agreements are in place with that avoid unproductive overlap of TA and conflicting approaches to CB.

In so far as concerns **process** the following must be taken into account

- 5.1 For the purpose of capacity building, the project must identify trends and build on existing potential
- 5.2 Personnel at all levels in the executing agency must be consulted in the design of the project
- 5.3 Other stakeholders must be identified and consulted, including representatives of the intended beneficiaries. These consultations must be documented for future reference
- 5.4 Previous experience from similar TAs in country must be identified and taken into account

- 5.5 The burden placed on the executing agency by the new project should be assessed, in particular taking account of other activities already underway and planned. These may include activities funded by other donors
- 5.6 Progress reports, reviews and evaluations should include a description and analysis of the process being adopted and the outcomes achieved, as well as the more traditional cataloguing of outputs
- 5.7 Reviews of the donor's activities should seek to identify specific outcomes in terms of learning and changes in behaviour.

Each of the five topic areas detailed above can be analysed from the point of view of the strengths, weaknesses, opportunities and threats (SWOT) that they present. Within the context of a TA project this makes the identification of both needs and opportunities for intervention considerably easier.

The 49 issues described above attract attention to the potential complexity of capacity building activities. As will be recognized, the “technology” of capacity building is no less sophisticated than that pertaining in the fields of engineering or finance. Inattention to any one aspect, particularly those operating in the wider environment, can seriously undermine progress that may be made elsewhere. Thus, it behoves any body interested in promoting CB to acquaint itself with the relevant issues and take these into account when planning an intervention.

### **The Interpretation of Capacity Building in Practice**

AFRM personnel consulted for this review have reported that there has been no guidance issued by ADB or in-house discussion concerning what capacity building should be taken to mean. In the projects examined confusion seems to have reigned between two quite different interpretations of the phrase. For some, capacity has meant *human capacity* - as delivered through training or mentoring and demonstrated in improvements to professional competence. For others, the word capacity has meant *systems capacity* - as represented in policies, procedures, plans, regulations, norms and the other paraphernalia of modern rational organization. A review of ADB's capacity building projects during the period suggest that this second interpretation has been the most favoured, with a limited number of *ad hoc* short training courses tacked on.

Associated with the development of systems has been the purchase and deployment of hardware – computers and vehicles, etc. This too has been a common feature of projects, more especially in the early part of the reporting period when Government was struggling to create the most basic office infrastructure. In the Ministry of Agriculture and Animal Husbandry for example, assistance was provided to establish a secretariat for the Minister. The short-term objective was to enable the Minister and his staff to organize their days better and so defend themselves against uninvited visitors. The long-term objective was to create an environment more conducive to strategic planning. Actual inputs included partitioning and a desk, chair, computer, printer, photocopier and training for the Minister to enable him to access his diary and handle e-mails.<sup>13</sup> The furnishing and equipping of training rooms was another example of the investment in CB infrastructure.<sup>14</sup>

---

<sup>13</sup> Terms of Reference: First Steps to Establishing a Secretariat in the MAAH, Component 1A of project TA-3874-AFG Capacity Building for Reconstruction and Development.

<sup>14</sup> Core Skills Training in the Ministry of Agriculture and Animal Husbandry, Component 1A of project TA-3874-AFG Capacity Building for Reconstruction and Development.

## ***Doctrine versus practice***

ADB's rhetoric is that its interventions must be designed and implemented with due regard for the social structures that are needed to support them. In practice, during the reporting period this was not always - or even often – achieved, at least in regard to the TA activities reviewed as part of this assessment. While the pressured nature of the task in building a programme from scratch in very difficult circumstances is understandable, ADB TA consultants have expressed surprise and regret that the advice that they have offered regarding the importance of addressing social organization and institutional factors before engineering ones has been ignored. As one TA consultant put it:

The social support structures must be developed first, or at least in parallel with any hardware investment.

One AFRM staff member drew attention to the frequent discontinuity between statements of purpose appearing in logical frameworks and the TA consultants' terms of reference. While project purposes might well be couched in terms of building capacity, these have not necessarily been translated into the brief provided to the TA consultants. Whether in particular instances this observation holds true or false, it remains evident that, overall, a significant gap has existed between ADB's desire to build capacity and what has happened in practice.

Baseline surveys have been a feature in a number of projects.<sup>15</sup> Sometimes these have been intended as a tool for ongoing work in the sector, or in other cases as a marker of the status quo before beginning an intervention intended to change behaviour. Yet, when it comes to changing behaviour for capacity building, in many cases it appears that the data gathering and analytical skills have not been available to any significant degree.

### ***The desirability of consultations and their limitations***

Several project reports refer to the fact that provincial authorities are rarely involved in national level decision making, or even consulted on matters that affect them.<sup>16</sup> The highly centralized nature of the Afghan state works against this and, even where it might occur to central government officials that consultation in the provinces would be a good thing, the difficulties and expense associated with travel tend to undermine good intentions. No doubt some of the same limitations apply to ADB's project preparatory technical assistance missions, as well as to the work of advisory TA consultants who are required to venture outside of Kabul.

A report emerging from the Ministry of Public Works suggests that at least some of ADB's projects presently in progress may not be wanted by the relevant Ministries. A case in point is the Advisory *TA-4675-AFG Capacity Building for Road Sector Institutions*. Under this project a road data base is to be set up. Although an *aide memoire* was signed by the Minister outlining an agreement with ADB that the work should proceed, it has been communicated that the project bears no relationship to what the Ministry in fact believes its priorities to be. Clearly, this kind of situation does not create the conditions necessary for effective capacity building.

---

<sup>15</sup> For example, *TA-3874-AFG* Sub-cluster 1B for the Ministry of Irrigation and Water Resources, where there was a large number of water resources to catalogue; and in the same project for the Ministry of Higher Education where it was necessary to deal with a large number of educational institutions. By contrast, *TA-4594-AFG Capacity Strengthening of the Aviation Sector*, proposed a baseline survey that would provide data for a functional analysis, the development of training programmes, the development of organisation resource programmes, and the analysis of office facilities.

<sup>16</sup> For example, the Aide Memoire of the Final Review Mission for project *TA-3874-AFG Capacity Building for Reconstruction and Development*, Sub-cluster 2C, Capacity Building for the Ministry of Public Health.

In the forgoing case, the explanation offered by the Ministry's senior advisors was that ministers do not always understand the issues that are put before them for consideration; that they rarely read the *aide memoires* that they are asked to sign in English – a foreign language, and that pressure of other work and lack of able assistants precludes taking a more thoroughgoing interest in the minutiae of ADB's activities. This belies ADB's emphasis on partnership and national ownership.

The extent of this kind of problem is unknown, but anecdotal evidence suggest that the professional incentive structure for ADB's Project Officers militates against devoting sufficient time and attention to the issue of whether a particular project is relevant to immediate development needs, whether it is a priority for the executing agency, and whether it is capable of being implemented to affect capacity building. It appears that a project's contents is determined largely by ADB custom and practice, modified by the professional interests, experience, or perceptions of the particular Project Officer who is assigned responsibility for the initiative.

### ***Five ways to improve process***

Several changes can be suggested that would help ADB achieve greater relevance and ownership of capacity building projects by its national counterparts. This in turn would help in achieving greater effectiveness in building capacity. One is that *aide memories* be translated into the national language before being put before busy officials who are not necessarily fluent in English. In the case of Afghanistan, this would generally be Dari.

The second suggestion is that all capacity building projects be subject to rigorous scrutiny by capacity building specialist to determine whether their CB objectives are clear, the design internally consistent (including between the logical framework and the consultant's terms of reference), and whether the benchmarks and indicators of outcomes are relevant to the operational circumstances as well as the project's purposes.

Rather than arranging for an additional desk check – which would add further delays to the process of designing projects and getting them approved, it would be better if the recommended scrutiny were carried out by the CB specialists working in the field alongside the responsible ADB Project Officers and their government counterparts. If such checks were done in workshop format then everyone would benefit from being guided through the thinking process.

A third suggestion is that training be provided to ADB Project Officers and others in the formulation of projects in ways that bring capacity building to the fore. This would involve a detailed analysis of the various meanings and dimensions of CB, a review of the usual obstacles to achieving it, and practice in the formulation and phrasing of CB objectives and performance criteria so that they are both meaningful and objectively verifiable.

A fourth proposal, applicable particularly to the AFRM, is that ADB make greater use of its existing national officer staff, and that it recruit additional national personnel to reinforce its ability to supervise capacity building work. Such staff should be provided with advanced level training in strategy and techniques for securing capacity building. The personnel may then be tasked to advise and coach TA consultants as well as national counterparts on how best to manage the CB aspects of any project.

Before adding additional workload, a review should be undertaken of the existing duties and functions of the relevant personnel. It was observed that some of the national personnel are already overloaded in terms of the number of tasks that they are asked to discharge – some of which might be better handled by more junior staff members. Most of ADB's projects in Afghanistan are presently managed from Manila, an arrangement that is said to generate a large amount of relatively unproductive and menial work for AFRM personnel, professional

and national officers alike. This burden could be reduced and value for money increased if the management of additional projects were to be delegated to the AFRM. This assumes, of course, that adequate qualified personnel are made available and that arrangements are made for their training.

A fifth recommendation is that ADB take greater care to ensure continuity of communications with stakeholders in the field, especially in those cases where Project Officers are subject to change. Arrangements for handover may need to be reviewed to ensure a thorough understanding of the CB dimensions within the ongoing project portfolio.

## **The Client – Donor and Client – Consultant Relationship**

### ***Exercising influence***

Donor organizations - including ADB - constantly search for ways in which they can influence the development of government institutions. In most cases in Afghanistan the preferred modality has been to place TAs in positions that may be regarded as influential. Although formal requests from government are usually demanded, in practice such requests are often ventriloquised. This results in what is referred to as supply driven TA. However, in the absence of an agreed intervention model, each TA consultant is required to work out for him or herself how the desired influence can be secured.

In face of the inevitable problems that arise, the approach adopted by most donors is to seek to maintain relationships through diplomacy. On almost every occasion where problems crop up between the technical advisor and the executing agency, priority is given to preserving the ties through which, it is hoped, progress can be made.

Yet the trade off between keeping the Government happy and stimulating worthwhile progress is often a difficult one to judge. More often than not the hope is forlorn. In some circumstances (conflict prevention, peace keeping, etc.) a holding strategy may well make sense, but in the case of normal development activities it rarely does. A lack of clarity about what is expected of the client as a *quid pro quo* for receiving assistance simply compounds the difficulties. Instead of progress, a great waste of time and energy results, while resources are consumed that would be better used elsewhere.

### ***Conditionality, autonomy and partnership***

Part of the reason for this perennial lack of clarity in expectations lies in the belief that the client – the Government - must be in the driver's seat. After more than 50 years of development assistance, imperialism and its variations are most definitely out, while independence and national autonomy are politically correct. The role of the aid organization is conceived as that of helping rather than doing or controlling. "Conditionality", so much favoured hitherto by the major lending institutions, has become a dirty word and, on ADB grant projects, is eschewed entirely. This is a mistake.

In recent times the idea has been introduced that the aid giving – aid receiving relationship should be characterized as a "partnership".<sup>17</sup> Indeed, the ADB Country Strategy and Program (CSP) has now been re-labeled as the Country Partnership Strategy (CPS). This may sound more cooperative and less threatening to national integrity, but the nature of such a partnership remains ill-defined. In Afghanistan anyway, no one seems in to know what the difference may be between a CSP and a CPS. Whatever the intention behind such a change in language, it would be a mistake to believe that partnerships do not or should not carry conditions, with benefits and obligations on all sides.

---

<sup>17</sup> Within the more progressive parts of the NGO community the idea has held sway for at least the past 20 years. It is only now that the multi-laterals are adopting New Speak.

In aid circles the principle of accountability is much in vogue. But accountability can not be delivered on the basis of vague aspiration and good intentions. Recipient institutions should be made accountable for their performance in the same way that ADB's suppliers and ADB itself are accountable. If progress is inadequate, then the supply of resources should be cut and none further made available until agreements have been honoured.

The problem is how to do this while preserving face for the recipient. There is also the question of specificity: how detailed does one make one's requirements in order to secure value for money? The softly-softly approach seems to recommend conditions that are couched in general terms; the more hard nosed approach spells out a range of performance criteria and measurement indicators. In either case, there has to be a shared understanding of what is to be achieved and what each party will bring to the partnership. This almost always requires negotiation.

ADB already uses a market oriented approach when dealing with its suppliers. Consultants, for example, are governed by terms of reference that prescribe key outputs. In return for the delivery of the work agreed the consultant gets paid. The principle of reciprocity is one that underpins all human endeavour and there is no reason why the same principle should not apply to the aid relationship. Indeed, there is a substantial body of literature showing that, in the absence of *quid pro quo* measures, what is intended as aid may in fact be perceived as pernicious and demeaning. For all of these reasons, recipient institutions should be invited to agree and adhere to a set of reasonable expectations that are negotiated between the parties, i.e. between ADB, the TA consultant and the client.

Adopting a more production-oriented approach to the management of grant aid does not of course mean that one has to throw courtesy to the wind. The approach being advocated does however imply that from time to time one will be required to speak some truths that can be embarrassing. Not to share what one knows or understands of a situation does the other party no service; it simply saves one from the temporary embarrassment of possibly having offended the party one hope to keep as a partner. As most married people will attest, sometimes it is necessary to pass through conflict in order to move to cooperation that is founded on a deeper and therefore more solid understanding.

### ***Competing expectations of technical assistance***

Among many Afghan officials there is a thirst for new knowledge and understanding. Most recognize that as a result of 25 years of conflict they have been cut off from progress that they see in the rest of the world. For this reason, the arrival of an international consultant is usually greeted with enthusiasm and a level of expectation that know how will be transferred. However, as one TA consultant working in the Civil Service Commission put it

The problem in moving ahead with this enthusiasm [are the] factors that impede the work of the Commission in general: the slow build-up of capacity, insufficient communication between different units of the Commission, insufficient coordination of past and present external resources, inadequate staff and computerization, and ... the language barrier.

The same consultant regretted the fact that, notwithstanding the expectations that he would transfer knowledge of the procedures that he was using, no counterpart had been assigned to act as his understudy. In other words, the problem and the solution constitute a paradox: the reason why it is difficult to have an impact on capacity building is that capacity is lacking.

Among TA consultants and others, a question often debated is whether it is possible to build capacity in circumstances where the personnel to be trained have a level of education considerably less than is required for their tasks. In many instances in Afghanistan, officials with less than a high school diploma are being asked to grasp concepts and approaches

that, elsewhere, would require a university level preparation. Even where personnel have first degrees and 25 years of experience, isolation from the rest of the world has made it difficult for them to embrace the concepts that are being offered. Indeed, tensions exist between those who want to rebuild the public sector as it used to be before the war and those who prefer to see the rebuilding as an opportunity for significant reform.

Certainly, lack of a modern basic education system constitutes a serious obstacle to the transfer of knowledge. Much however depends on the patience and skill of the individual TA consultant, as on the complexity and perceived usefulness of the material being offered. The greater the range of teaching skills available to the consultant, the greater is the chance of having an impact; and the more that which is offered appears relevant to their needs, the greater is likely to be the trainees' interest in what is being taught.

In face of the expectations on the TA consultants that they will build capacity, in fact they are observed spending most their time glued to a computer screen preparing documents that they and ADB believe are required to get the machinery of government moving. Of course, in many instances the reports, strategies and plans, etc., are legitimate requirements, 'though they are not necessary a sufficient condition for change.

From the client's perspective, the business of preparing documents may be of uncertain relevance. Those government officials who have benefited from a higher education and can read English may well value that which is left behind in written form; in conducting interviews for the present review several senior government personnel expressed their gratitude for ADB TA support. For others, who had expected more skills for themselves and more results more quickly, the inherent difficulty in "building capacity" entails a certain amount of disappointment. Thus, when consultants turn to their counterparts for assistance in data gathering or other mundane tasks, a passive resentment may be encountered. In as much as the consultants are known to be earning many times more than their national counterparts, the assumption prevailing that it is the consultants who should do the work. This, of course, militates against involvement of Afghan nationals in the process and therefore works against the building of capacity.

## **Principal Conclusions**

### ***Short-term versus long term perspectives***

Notwithstanding the policy proclaimed by many aid organizations that "the Afghan Government must be in the driving seat", in the programming and implementation of rehabilitation and development efforts the country has remained largely dependent on the international community. This appears to be partly a result of the lack of understanding within the aid organizations, as well as among Afghan nationals, concerning what has to happen for self-determination to prevail.

Much of the multi-lateral and bi-lateral aid assistance that has been provided to Afghanistan has been built on an assumption that the acknowledged gaps in capacity can be bridged within relatively short periods – two or three years -- and that this can be achieved though the transfer of knowledge and equipment. Such aspirations would likely be unrealistic even in a country many times richer in human resources than Afghanistan. In Afghanistan the expectation has been hopelessly optimistic.

In general capacity building assistance has been more successful in delivering outputs (e.g., plans formulated, laws drafted, staff trained) than in achieving worthwhile outcomes (poverty reduced, service delivery improved, etc.) This is due, in part, to the short-term nature and input-focus of most technical assistance. In this regard, ADB has been no different than most other donors.

## **Capacity Substitution**

Within the international community in Afghanistan much current debate devolves on the possibility of using expatriate personnel to plug capacity gaps in the government system. This has been justified on the grounds that the people of Afghanistan will not wait indefinitely for effective public services or other benefits of rehabilitation, reconstruction, and development, and that national stability depends on breaking the stranglehold on public sector performance imposed by the insufficiency of trained Afghans.

Where ADB has recognized an urgent need to overcome a bottleneck that affects not only service delivery but also its own credibility, it has been ready to inject operational capacity. One such case has been the establishment of a Project Management Unit within the Ministry of Public Works to oversee the implementation of ADB-financed road projects; other PMUs are in the course of being established. Other aspects of the ADB programme have also been substituting international capacity for insufficient local capacity. Under the guise of capacity building TA consultants have been engaged to provide planning and design services that are regarded as necessary precursors to effective operations.

Capacity substitution and capacity building are not, however, the same thing. Even if capacity substitution were to be adopted as a significant stop gap approach, it would still be necessary to invest in capacity building on a large scale; the two are not alternatives although they may be seen as complementary to one another, or sometimes as different steps in a longer-term process. .

Another point in relation to capacity substitution, whether disguised as capacity building or not, is that unless the substitution is programmed for significant periods, i.e. for several years, its effect will in any case be transitory. Thus, there is likely no advantage to be had from capacity substitution if it is programmed in for time periods shorter than it takes to build or upgrade local capacity.

## **Training as an instrument of capacity building**

Most of the training that has been provided through ADB Advisory TA projects has been of an *ad hoc* and short-term nature. Such training has usually been related to the technical dimensions of a project rather than to the operational circumstances of the organization(s) where the training is supposed to bring about change. This is unfortunate for several reasons.

Training as conventionally delivered is predicated on the idea that changes have to be brought about in the trainee, i.e. in terms of additional knowledge, better skills and /or more appropriate attitudes. While these may be necessary elements, they are rarely sufficient to bringing about a change in operational practice and effectiveness, particularly in the absence of complementary institutional capacity building. Usually, the application of training outputs requires at least a tacit redistribution of power within the organisation, a collective rather than an individual approach to reform, and a demand for change that will motivate risk-taking. Within a framework of enhanced expectations of the organization and its personnel, training can contribute to better performance. But in the absence of attention to organization design, organizational culture and management, there is little or no possibility that training will produce a benefit.

It has been recognized, at least by some TA consultants, that the change in mind set, from a central planning model to the free market approach, constitutes an enormously difficult challenge, and one that is unlikely to be achieved quickly. As earlier indicated, almost all TA consultants in Afghanistan have faced difficulties of communicating with their counterparts in terms that were mutually comprehensible. This was so even where the national counterpart had a good command of the English language, which is only rarely the case.

In face of this, consultants attached to one project proposed a three stage approach.<sup>18</sup> This involved the delivery of off-the-shelf courses on modern project management, followed by a series of seminars in which participants had the opportunity to debate the different approaches while experiencing for themselves the power and limitations of participation. The first element was provided by a local consulting firm staffed by expatriate Afghans while the second element was run by international consultants provided by ADB. The third element involved both local and international consultants helping the Ministry's Planning Department to apply the teachings in practice.<sup>19</sup>

The way training is provided constitutes a key determinant of success. On ADB TA projects in Afghanistan the lecture format has almost always been poorly received and has had disappointing impact. Visits by international consultants invited to give courses – sometimes for as little as one week – have been found particularly unproductive. Aside from the communications problems described above, what most Afghans want but have only sometimes been provided with, is assistance of a very basic kind to help them understand how confront the tasks for which they are responsible. Universally, the demand is for on-the-job training, instead of lecture based courses that deal with theory and abstract principles.

Overseas study tours have been well received by the few who have been able to enjoy in them. The cost-effectiveness of such exposure visits is however in doubt, especially as it is often the same senior figures who are awarded the opportunities for overseas travel.

For the bulk of ADB TA project trainees, long term study outside Afghanistan has been found particularly helpful as well as cost-effective. A group of 25 Afghans who travelled to Bangladesh for a period of three – six months is reported to have benefited enormously from a multi-component course arranged by BRAC – the Bangladesh Rural Advancement Committee.<sup>20</sup> Another training programme, for 35 trainees, was arranged for nine months in India where the participants studied air traffic control.<sup>21</sup> Success in these cases appears to be derived, at least in part, from the fact that the receiving organizations were able and willing to tailor their offerings to the specific needs of the trainees. The fact that the trainees were removed for a while from the social and work pressures in Afghanistan also seems to have contributed to their success.

In all cases, for Afghan trainees, it has been found that training courses that integrate practice with theory have had considerably greater impact than the more conventional form of didactic teaching. Longer term training of this type also provides the opportunity for the building of trust between the TA consultant and the trainee, an element that can be regarded as essential to effective communication.

Throughout the period to which this report relates there has been no indigenous capacity available to carry out training needs assessments or diagnostic studies relating to institutional competence.<sup>22</sup> Most training interventions have therefore been formulated in a more or less prescriptive fashion, with the person appointed to do the training serving up whatever he or she considered appropriate. In a situation where almost everything has to be learned from scratch, this is not necessarily a serious obstacle. As time progresses

---

<sup>18</sup> TA 4679-AFG *Capacity Building for the Power Sector*.

<sup>19</sup> Foundations Skills Training in Project Management, Monitoring, Evaluation and Proposal Writing.

<sup>20</sup> TA 3874-AFG *Capacity Building for Reconstruction and Development* Sub-Cluster 1: Capacity Building for Reconstruction of Agriculture and Natural Resource Management.

<sup>21</sup> TA 4594-AFG *Capacity Strengthening of the Civil Aviation Sector*.

<sup>22</sup> Anon, Training Needs Analysis in the Ministry of Irrigation, Water Resources and Environment, 17 August 2003. See also Independent Administrative Reform Civil Service Commission, Training and Development Department, Report on Training Service Providers, Alan J. Taylor, April 2006.

however, and Afghan officials benefit from greater exposure and as job descriptions become more common place, TNA will become increasingly necessary. ADB's capacity to undertake such needs assessments, including contracting and supervising consultants or bodies hired to perform such assessments, needs to be examined.

A project in the Ministry of Public Health, appears to have been particularly successful in the areas of improving financial management, personnel management, and health zoning. Extensive training was offered by the project in management training, and these activities have been recognized and much appreciated by Government<sup>23</sup>

For the delivery of training, TA projects in Afghanistan have tended to avail of one or two local organizations that appeared to have the skills necessary to respond to the needs. Occasionally, this has resulted in the same training organization being wooed by two different donor projects, including in one reported case an ADB project.<sup>24</sup>

### ***Sustainability and the work of the TA consultants***

From time to time ADB and its consultants have recognized the importance of securing the participation and commitment of senior government officials in their planning and decision making.<sup>25</sup> However, the emergency nature of the reconstruction programme seems to have caused ADB to press forward with project design and implementation without always allowing for full and proper consultation with stakeholders. In any case, it has not always been easy for TA consultants to identify suitable counterparts with whom to work.<sup>26</sup> This is not to say that, had detailed consultations with government officials been judged essential, the resulting projects would necessarily have been superior in terms of relevance, impact or efficiency. Nevertheless, one may reasonably assume that the impact on sustainable capacity building might have been greater had a slower and more consultative pace been adopted.

To most TA personnel with experience in Afghanistan it is abundantly clear that capacity building requires a sustained effort over a number of years. In theory there can be no end to it, but projects having a duration of two or even three years are unlikely to have much of a lasting impact. Exceptions can always be found, but in the situation that pertains in Afghanistan, with extremely low levels of general education and generalized institutional dysfunction, projects or inputs of limited duration are mostly an irrelevance.

Although a large number of trainings have been conducted under ADB financed projects, the extent to which those trainings have been institutionalized remains unclear. In most cases the training courses have been designed and delivered by international consultants. Some have been accompanied and assisted by Afghan nationals, if not in the role of trainer then at least as interpreter and translator. Occasionally, a training of trainers programme has been conceived, but in the absence of a high level commitment to build that resource into the

---

<sup>23</sup> *Aide Memoire* of the Mid-Term Review Mission for project TA-3874-AFG *Capacity Building for Reconstruction and Development*, Sub-cluster 2C, Capacity Building for the Ministry of Public Health, July 2004.

<sup>24</sup> TA-3610-AFT *Technical Assistance to Afghanistan for Disaster Preparedness and Management Capacity Building*.

<sup>25</sup> Revised terms of reference for the third input from an institutional strengthening specialist to work in the Cluster TA-3874-AFG:1A stated "In order for effective ownership to occur and an internal capability of all three Ministries to progress internal reforms developed, the participation of key senior management personnel will be critical. Therefore appropriately senior manager should be identified and assigned as counterparts to the ISS in order for the above terms of reference to be successfully completed and results evidenced."

<sup>26</sup> Component 1A of project TA-3874-AFG *Capacity Building for Reconstruction and Development* reported that an international consultant arrived in October 2003 to assist the Ministry of Agriculture and Animal Health but terminated his contract after one month because no appropriate counterpart within the Ministry was designated.

structure of the organization and provide it with ongoing resources, the benefits of such ToT will quickly be dissipated.

As already explained, in Afghanistan ADB's approach to capacity building has concentrated on the preparation of written reports. Best practice, completeness and rigour are the criteria by which such work is normally judged. Unfortunately, in the absence of a painstaking process of explanation and providing opportunities for participation by counterparts in the preparation of such material, the consultants' output has a tendency to remain unread, little understood and unused. In the absence of contractual demands that requires effective communication with the counterparts, the likelihood of written TA outputs influencing future actions is reduced to the level of chance.

In the period 2003-2004 in the Ministry of Agriculture and Animal Husbandry, some of the TA reports that were produced under ADB TA projects benefited from being discussed by a Consultative Group made up of government officials having a variety of responsibilities. The officials were invited to read the reports and discuss them as a group. Unfortunately, for want of the necessary leadership in decision making, the Group was disbanded. The experience does however draw attention to one important fact: the element that is often missing but required to reap benefit from a TA report is adequate intellectual and organizational leadership. It is in this area where leadership training could be particularly valuable.

It is not uncommon in developing countries to hear the refrain that the number and length of reports generated by TA projects is overwhelming. Elsewhere, representatives of executing agencies have recommended that fewer and shorter reports would be more helpful, especially if coupled with more assistance and advice for implementation over a longer period.<sup>27</sup> This points to the need for improved reporting formats that clearly and succinctly point out what has been achieved, what constraints have been encountered, and what plans are proposed for mitigating them, etc.

While capacity building was the stated intent on the 38 ADB TA projects that were examined as part of this review, very few have addressed those factors that would have determined whether capacity building could in fact be achieved. Most of the TAs have focussed on relatively narrow technical needs. As the CB model presented earlier in this report demonstrates, capacity is most unlikely to be developed in the absence of a clear understanding on the prevailing human, institutional and political contexts. Even where the more narrowly focussed TAs have achieve something that may be recognized as improved capacity, in the absence of attention to context it is very unlikely that the gains will be sustained or built upon.

Government ministries in Afghanistan are crying out for technical assistance. Unfortunately, the way in which the TA is currently provided means that it comes in packages that are perceived to be either too open ended (no terms of reference for the TA at all) or excessively rigid in relation to the evolving needs. While ADB is not the only aid organization in Afghanistan to be viewed in this light, and while not all of ADB's Afghanistan projects perceived this way, the observation is sufficiently common to give rise to concern.

The incentive structure for consulting firms and individual TA consultants does not provide for the taking of a flexible and dynamic approach to the promotion of capacity, nor does it provide for a focus on the achievement of outcomes that may be judged worthwhile in the longer term. Ways have to be found that allow ADB to monitor the performance of contractors while, at the same time, taking an adaptive approach to the task. On the supply side, consultants are needed who are able to appreciate the wider picture and are ready to work with counterparts to identify ways in which the TA can contribute to capacity building in ways that makes sense to them and is therefore appreciated.

---

<sup>27</sup> Fiji Country Study Draft Final Report, p15.

The Development Assistance Committee of the Organisation for Economic Co-operation and Development has published a number of *Principles for New Orientations in Technical Co-operation*.<sup>28</sup> DAC Members<sup>29</sup> recognize that the ways in which they plan, design and deliver technical cooperation greatly affects local capacities and their development. In the context of the situation in Afghanistan four of the principles are of particular relevance and can be summarized as follows

- Set long-term capacity building rather than immediate short-term performance improvement as the strategic objectives of technical co-operation. Emphasize the key importance of long-term institution-building, especially in the areas of policy analysis and development management.
- Encourage "ownership" of technical co-operation by the intended beneficiaries, i.e. responsibility and control of programmes and projects at all stages. This should be achieved through participatory approaches, including the participation of local non-governmental organisations.
- Stress the importance of improved planning for effective technical co-operation, especially in the context of co-ordinated support for sectoral objectives and policies. Pay greater attention to the costs and cost-effectiveness of technical cooperation activities.
- Define objectives in terms of outcomes to be achieved rather than inputs to be provided.

### ***Organisational change before technical inputs***

In common with most of the large international aid organizations working in Afghanistan, ADB has tended to interpret the need for technical assistance in terms of specific technical inputs in defined sectors. While there is a role for such interventions, these are not necessarily the most urgent ones. It makes little sense to be instructing Afghans in the details of engineering processes for example, if the responsible institutions are grossly dysfunctional and, thus, prevent staff with enhanced capacity from applying the new techniques.

First and foremost what is needed is a change in the organizations that are supposed to deliver services. Generally, this means the executing agencies for the TA projects. An organizational structure that relates to purpose, job descriptions that are meaningful, and a human resources management policy that is transparent and builds capacity, all are prerequisites to effective capacity building at a technical level. The emphasis must be on developing operational processes that work within the executing agency. Most importantly, this means demonstrating and fostering the formation of an organizational culture that values effectiveness and efficiency.

In confronting dysfunctional situations sometimes all that is required is for personnel to be made aware of how they can work together to solve the problems that they face. Learning how to gain access to an existing budget, or how to deal effectively with another Ministry working in the same area, can be an empowering experience that requires little more than skilled leadership.

---

<sup>28</sup> OCDE/GD(91)207. For environmental projects a separate publication is available *Donor Assistance to Capacity Development in Environment, Development Co-operation Guidelines Series, OECD, 1995*

<sup>29</sup> Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland, the United Kingdom, the United States and the Commission of the European Communities, together with the International Monetary Fund, the United Nations Development Programme and The World Bank as permanent observers.

To achieve this kind of transformation, organizational development and change management specialists are required who are able to lead from the rear, i.e. without usurping formal authority. When injected from outside this kind of leadership is called facilitation. Such specialists are needed to demonstrate the power of group decision making, of collective planning and the adoption of regimes that ensure performance by all personnel in a given enterprise or work unit.

### ***The strategic imperative***

There is now a broad consensus of opinion within Afghanistan, i.e. among Government officials, AFRM staff, TA consultants and external commentators that, by and large, most capacity building programmes – including those of ADB - have failed to achieve the desired outcomes. Most ADB capacity building TAs have been *ad hoc* in nature and have been lacking in a sufficiently long-term perspective. There has also been a conspicuous absence of a comprehensive approach. Training courses have been provided here, policies formulated there, and officials mentored or substituted for somewhere else, without any systematic overview that would identify where the major bottlenecks are so that inputs can be directed to places where the return on aid would be greatest.

Given the low rates of disbursement of the international assistance that has been pledged to Afghanistan since 2002 it is clear that, very often, the principal obstacle to moving forward has been the paucity of educated officials able to respond to the opportunities. Another problem is that while most attempts at capacity building have concentrated on Kabul, capacity at the sub-national level is even more dire, and has not, to any great extent, been addressed. The continued lack of qualified personnel, and what seems to be a growing disconnect between the centre and the periphery, endangers the very existence of an already fragile state.

In face of this reality, the provision of technical assistance must be regarded as only one of a number of necessary measures. For donors to be able to make a worthwhile contribution to solving a complicated set of interrelated problems it is essential to take a longer-term view. This will include, particularly, investing in secondary and tertiary education. At present there is no provision for quality education in the management sciences, and such plans as exist for the founding of a Civil Service Training Institute are little less than derisory. For graduates, emphasis should be placed on identifying a significant number of young professionals, recruiting, training, supervising and mentoring them so that, in 10 or 15 years time, they will be able to provide the leadership that the country needs to progress. Such an approach would be much facilitated by the introduction of targeted scholarship programmes of the kind that have been used to great effect, for example, in Cambodia.

In relation to the provision of TA itself, there is an urgent need to adopt a more strategic approach. Most of the TA that has been provided in Afghanistan from all sources has not created national capacity to implement the bold and ambitious plans contained in Afghanistan National Development Strategy (ANDS) and thus has had limited, if any, sustainable impact. As already explained, the allocation of TA presently depends on donor preferences and /or Ministries' ability to attract it. Donor coordination of TA is weak, a fact that increases transaction costs for Ministries and results in duplication and wasted opportunities.

In order that technical assistance be defined and allocated on the basis of strategic need, it must be linked to priorities appearing in the ANDS and to plans in the individual Ministries. It should also be linked to progress made in other reform efforts, particularly the Public Administration Priority Reform and Restructuring (PRR) programme and the Pay and Grade Reform (PGR).

The re-focusing of TA inputs on the creation of adequate institutional contexts and the development of work practices, as advocated above, will permit a better definition of the skills needed to fulfil each organization's mission. This in turn will enable a better definition of the role of TA in capacity building. Further, it will facilitate application of more technical inputs of the kind that ADB is accustomed to provide.

Government should be furnished with assistance enabling it to establish and maintain a register of all TA being planned, approved and deployed within the country. The register should show the exact institutional location of each TA consultant, the outputs and outcomes expected, and the nature and timing of inputs committed by all the cooperating partners, including Government, the donor and the TA contractor.

The Aid Effectiveness Working Group, recently established by the Ministry of Finance, has prioritized capacity development as one of the key Paris Declaration benchmarks that will be monitored in Afghanistan. As a member of the Working Group (and its Executive Sub-Committee), ADB could play a useful role in advocating for better tracking and reporting on the provision of TA – and to begin with its own TA programs.

### ***The importance of performance criteria***

Clearly, there is need for usable indicators that can mark progress towards the development of capacity. This is true especially at the level of outcomes. If trainees do not engage in work for which they have been trained or if strategies, action plans, or reports prepared through TA assistance excite no action, it matters little if “x” number of persons have been trained or that “y” number of pages of reports have been written.

In terms of the quality of information available on file concerning ADB's Afghanistan CB activities, one of the most impressive efforts has been that on project *TA-3874–AFG Capacity Building for Reconstruction and Development*, Sub-cluster 2C, Capacity Building for the Ministry of Public Health. This project began with a clear conceptual framework that helped to guide the project's inter-related activities.<sup>30</sup> Activities, intended products, necessary relationships and what the project would leave behind were all identified. Even so, in this same project no indication was given as to precisely what capacity was expected in terms that were objectively verifiable. Under the heading of “legacy”, for example, concepts were included such as “culture development”, “maturing structure”, “probity”, and “efficiency”. Although this telegraph language may have been understood by its authors, it was not sufficiently precise to either provide a basis for negotiation and agreement with national counterparts or for effective monitoring and evaluation purposes.

### ***Alternative sources of TA***

As explained, capacity building is a long term process. It is also a somewhat pedestrian and largely uneventful process during which teaching and demonstration must continue. At the same time, organizational change is often punctuated by turning points and periods of acceleration, where inputs from outside can be particularly valuable. Unfortunately, such turning points can be predicted only rarely. In these circumstances, a periodic format for TA inputs rarely bears fruit. Long term TA commitments are usually more effective.

In Afghanistan's present circumstances this requirement is difficult to meet. The deteriorating security situation and its corollary restrictions, as well as the somewhat uncomfortable or difficult working conditions, mean that all agencies now have difficulty in recruiting, fielding, and retaining experienced consultants willing to commit themselves for long periods. This is particularly important in view of the long-term nature of capacity

---

<sup>30</sup> *Aide Memoire* of the Review Mission for project *TA-3874–AFG Capacity Building for Reconstruction and Development*, Sub-cluster 2C, Capacity Building for the Ministry of Public Health, July 2004, Annex II, Oxford Policy Management /Sheladia Capacity Building TA.

development, the importance of relationships, and the need for continuity and consistency in approach.

An alternative approach might be to prepare and engage a number of international and national NGOs to provide some part of the services that are needed. This approach would require ADB to adjust its operational modalities to fit more comfortably with the NGOs' operational culture, and it would require both Government and the non-governmental organizations to adjust their image of each other. If properly organized, the approach could however be considerably more cost-effective than the one presently adopted. In addition, it would help to build the capacity of Afghanistan civil society, including its ability to contribute to and monitor Government-led programs and activities.

### ***Training resource options***

The need for training in modern management practices in Afghanistan is overwhelming. Present provision does little more than scratch the surface, and even those new initiatives that are planned hardly begin to tackle the problem.

With the help of grant aid from the Peoples Republic of Korea, the Independent Administrative Reform Civil Service Commission's Training and Development Department is in the process of completing construction of a new Civil Service Training Institute. It is expected that the European Union will provide TA to help launch this facility. Certain differences of opinion prevail concerning the purposes of such an Institute (providing long-term professional training for new civil service entrants versus providing short courses to all comers). However, given the fact that the Institute can accommodate only about 230 trainees at any one time, it is extremely unlikely that it will be able to address more than a tiny fraction of the need for training in public sector management.

Approximately a dozen private sector and NGO training organizations operate in Kabul and in a number of provincial locations. Within the limitations of their short-course orientation, several of these do excellent work.<sup>31</sup> Most offer standard basic level courses that are directed towards the NGO market. Although most of the organizations do not exclude the possibility of providing services to Government, and indeed a few have done so, targeting the public sector has not generally been seen as a priority.

At the time of writing US AID is giving consideration to assisting in the establishment of a Faculty of Public Sector Management, or something similar, based at Kabul University. Plans for this facility are still in process, but the possibility of achieving substantial outreach look promising.

An issue facing some donors is whether it is better to address a certain kind of need across several Ministries - for example the need for human resource management or budget and financial control (the horizontal approach), or whether it is better to concentrate resources on improving the work of several departments within a more limited number of Ministries (the vertical approach). In both cases success is dependent on some synergy being present between individual departments within any one Ministry. This is more difficult to achieve with the horizontal approach; addressing needs vertically is more likely to allow the good work in one department to be supported by another.

To provide an institutional base for serious work in capacity building it is recommended that each concerned Ministry be encouraged to establish a *Centre of Excellence* that would be responsible for staff development through all of its departments. Such a Centre should be linked to a proper HRM function. The basic idea is that the Centre would serve as a powerhouse for organizational change and development, organizing workshops, short

---

<sup>31</sup> Independent Administrative Reform Civil Service Commission, Training and Development Department *Report on Training Service Providers*, Alan J. Taylor, Kabul, April 2006.

courses, self-study and e-learning programmes for Ministry personnel. Several such Centres could be linked together for mutual support and encouragement and the provision of high quality TA. A number of Ministries already have some kind of training unit, although these tend to be focussed on the training of artisans needed for the operation of public utilities.

### ***Capacity building in more than one institution***

Some of ADB's projects have sought to focus their efforts on more than one Ministry. The Cluster *TA-3874-AFG* was designed to be a multi-purpose resource, but even within individual sub-clusters in two cases needs in more than one Ministry were addressed.<sup>32</sup> Within any one Ministry, variations were observed in capacity, in levels of external assistance, and in the support that was planned or provided. The Ministries also varied in their approach to operating in the changed Government environment. For all of these reasons the capacity building engagements had to proceed along separate tracks. This resulted in considerable attenuation of the attention that could be given by the TA consultants to any one institution.

Securing cooperation between government ministries proved to be more difficult than many TA consultants had expected. In any developing society similar dynamics can be observed but, in Afghanistan, where institutional mandates are still evolving and the struggle for power and influence remains relatively raw, the reluctance to consult and cooperate with others has been that much more in evidence.<sup>33</sup>

### ***Donor coordination***

On the plus side it is worthy of note that over the past five years efforts to support Afghanistan's reconstruction and development have been marked by a degree of international engagement not seen in other post-conflict countries. Such collaboration is the result of the Bonn process and, more recently, the Afghanistan Compact, which was adopted at the London Conference in February 2006 and subsequently ratified by the United Nations Security Council. Relatively good donor coordination is also the result of strong leadership from successive Ministers of Finance.

In addition, the large international military presence and the decision by most countries to field an embassy and development personnel in Kabul, has resulted in a sustained dialogue between donors and the Government as well as amongst development partners. The amount of time and effort invested by all sides in the elaboration of an Interim Afghanistan National Development Strategy, and now the implementation of the ANDS and Afghanistan Compact benchmarks is evidence of the extraordinary collaboration that exists.

Notwithstanding this heartening record, TA project reports contain numerous references to the need to achieve a greater degree of coordination and harmonization amongst donors working in Afghanistan.<sup>34</sup> In the eyes of many Ministry officials too, coordination has been less than optimal. In spite of efforts by the Ministry of Finance to allocate responsibilities among the major institutions, individual donors have designed and supported projects in

---

<sup>32</sup> Sub-cluster 1A - Restructuring the Ministry of Agriculture, Ministry of Irrigation and Water Resources, and Ministry of Rural Rehabilitation and Development; and sub-cluster 3A -Capacity Building for Key Infrastructure Agencies.

<sup>33</sup> A report from Project *TA-3875-AFG Disaster Preparedness and Management* for example, observed difficulties between the Ministry of Rural Reconstruction and Development, the Ministry of the Interior, and the Office of Disaster Preparedness.

<sup>34</sup> In the disaster preparedness area, for example, a substantial amount of duplication was observed while cooperation between the main international stakeholders was described as weak. *TA-3875-AFG Disaster Preparedness and Management Capacity Building*.

areas where they have identified a fit with their own assistance framework or interests. In developing countries this is not uncommon, but in Afghanistan it has resulted in a very piecemeal approach, despite efforts towards donor harmonization and alignment.

More unfortunate is the fact that the Ministries that have played host to the donors' projects have not had the capacity, either in strategic planning or leadership, to ensure that the various contributions fit together, either conceptually or in terms of continuity. The lack of coordination at the level of individual Ministries has served the petty power interests of particular officials, but has not built capacity for planning and the rational use of available resources.

A number of ADB capacity building projects have provided computers, and some have provided training in computer operation. However, it was recognized that other donors were also providing computers and that it was hard to justify the procurement of such equipment in terms of an expected impact on CB. On the other hand, for reasons that are not entirely clear, the purchase of computer peripherals was nevertheless justified.<sup>35</sup>

A considerable number of aid organisations and programmes in Afghanistan have offered training courses and other project inputs, most usually in Kabul but from time to time also in the provinces. This means that on occasions potential beneficiaries have faced the difficulty of knowing which training course they should attend. One TA consultant's report stated that his counterparts were too busy to attend a training course that his project had organized, because they were occupied in designing projects to be submitted to another donor.<sup>36</sup>

Representatives of donor organizations have often preferred - or by force of circumstances have been obliged - to deal with the heads of individual departments within the ministries that they have sought to assist. At the same time, the preferred managerial style within government circles has been to deal with the donors and with consultants individually in an attempt to attract resources for departmental or individual interests. This compartmentalization, or "silo effect" as it has come to be known, has resulted in many wasted opportunities that might otherwise have come from integrating improvements in one department with those of another.

In relation to the impact on capacity building, in certain cases different assumptions and interpretations concerning the role of capacity building TA has resulted in consultants supplied by different donor organizations working at cross purposes. For example, whereas one consultant placed emphasis on the principle of autonomous learning, another felt it necessary to be more interventionist and, by way of example, extend leadership. Both approaches have their place, but not necessarily in the same room with the same counterparts at the same time!

While at the level of individual projects it may be going too far to suggest that donor organizations have cooperated together in any systematic way, in practice this has sometimes come about by serendipity. An input by one agency (for example paying for the refurbishment of a class room) has been followed some time later by the provision of computers and /or teachers, arranged by another. A programme of computer and English language training financed by one ADB project built on work already undertaken by the FAO and the Afghan Assistance Coordination Authority (AACA).<sup>37</sup>

---

<sup>35</sup> Options for the Capacity Building Equipment Grant (to MRRD) under Component 1A of project *TA-3874-AFG Capacity Building for Reconstruction and Development*.

<sup>36</sup> Bill Mullens, TA Team Leader, Project Management Training [Ministry of Water Resources and Environment], 20 August 2003.

<sup>37</sup> Core Skills Training in the Ministry of Agriculture and Animal Husbandry, Component 1A of project *TA-3874-AFG Capacity Building for Reconstruction and Development*. In this case the TA entered into a joint venture

## **Administrative Issues**

### ***The recruitment and supervision of TA consultants***

To the extent that it affects the prospects for capacity building, ADB's practices in recruiting, tasking, contracting and supervising consultants in Afghanistan merits a thorough investigation. This is undoubtedly a large and complex subject, but is one intimately related to the way in which TA projects are formulated. Certain aspects of the subject are nevertheless clear, and likely extend to other countries where ADB operates.

ADB should ensure that more attention is given to the drafting of project objectives and terms of reference. Capacity building outcomes must be clearly defined and supported by objectively verifiable indicators. The period for which the TA is assigned must be related to the complexity of the situation and an analysis of the tasks that are required to achieve the agreed outcomes. Until such skills are mainstreamed within ADB, there should be some centralized support and a mechanism for clearance of capacity building projects so as to ensure that the design of such projects conforms to best practice.

It is important that there be agreement between key stakeholders on what the TA consultants should be doing. At the same time it is not helpful if terms of reference are drafted in a hurry without a proper analysis of the situation, and then adhered to willy-nilly by those who feel no responsibility for the project's design or outcome.

ADB Project Officers /TA managers should carry clear responsibility for ensuring that specific outcomes are agreed with the executing agency, the TA consultant and the Ministry of Finance. Disbursement of grants, and contract payments to consultants, should be made contingent on adequate reporting of progress concerning the agreed outcomes, if not also on achievement of the outcomes themselves. As such, ADB should give attention to improve reporting formats for its capacity building activities.

A process of continuous reappraisal of the operational environment, relevance and validity of the objectives being sought is essential. *Aide memoirs* from project review missions that simply list purported achievements – of which a number of examples can be found on AFRM files – are not helpful when they omit this essential process.

To assist in these tasks ADB personnel at all levels, and also ADB TA consultants, must be equipped with an understanding of what capacity building is and how it can be achieved. ADB headquarters might wish to consider establishing a group of CB specialists who are available to train and advise ADB personnel, their TA consultants and, as necessary, government counterparts.

AFRM staff, Government counterparts, and TA consultants all have noted that it often takes ADB an inordinate amount of time to recruit suitable consultants for work in Afghanistan. Whether or not the delays in recruitment give rise to delays in project implementation (which many claim to be the case) the delays are certainly bad for ADB's image as a responsible organization.

Government officials in the Ministry of Transport opine that it is often better to engage individual consultants rather than consulting firms. This approach is cheaper and allows the individual consultant to focus better on the needs of the client, rather than having to worry about the needs of the firm through which he or she is employed. Engaging individuals may also speed up the recruitment process, although this can sometimes militate against the fielding of consulting teams where an interaction among team members is required.

---

arrangement with FAO which made possible the delivering of training services to nearly 300 of the Ministry's employees.

Comments from ADB TA consultants suggest that a recent change in policy, under which costs are factored in to decision making relating to the hiring of consultants, has resulted in serious difficulties in obtaining the services of experienced consultants who have the ability to drive projects forward. The need for experienced and qualified consultants, including for work in Afghanistan experience in post-conflict environments, is particularly important. The processes adopted by the Bank's Consulting Services Division in negotiating fees has also been reported as constituting an obstacle to the delivery of important project outputs.<sup>38</sup>

Afghanistan is recognized as being one of the most difficult theatres in which to live and work and the challenge of finding capable and experienced consultants who are willing to take on this challenge is more than averagely difficult. Tremendous mental strength and fortitude is required to work in the country over long periods. Individuals who have not worked in post conflict countries or are known to be too demanding in terms of working environment, or have a short fuse, are not suitable.

More than one TA consultant interviewed noted that not all consultants who were recruited to ADB projects were up to the mark. On the government side, officials opined that some of the TA consultants whom they had encountered were so young that they themselves needed training<sup>39</sup>. A disconcerting number had failed to adjust to the situation, remained isolated in their office or guest houses and, directly or indirectly, had distanced themselves from or otherwise failed to engage with their national counterparts. Obviously, such a situation does not bode well for the prospects of building capacity for government, even if the TAs had the necessary skills -- which in many cases appeared not to be the case. This points not only to the need for better recruitment and selection procedures, but also to the need for better supervision of the TA consultants in the field. The fact, already mentioned, that most TA projects are administered from ADB headquarters makes the challenge that much more difficult.

The question has been raised as to whether it would be more cost-effective for Afghanistan and ADB to engage preferentially the services of TA consultants drawn from Asia rather than from the richer more industrialized parts of the world. This is an issue reported to be of particular interest to the Ministry of Finance. The present report is not the place to consider the issue in detail. Suffice is to note that capable and incapable consultants can be found in all countries.

Based on experience among the ADB projects here reviewed, the key difference seems to turn on the cultural background of the parties involved. In cultures where personal relationships are seen to be more important than probity, the public interest is easily sacrificed. Thus, Asian consultants supervising Asian contractors are likely to be more vulnerable to temptation than where the supervising consultant is recruited from outside the region. Certainly, where Afghan or dual-nationality Afghan consultants have been engaged by ADB to supervise civil engineering contractors, the temptation to accede to the contractor's demands have been difficult to resist.

Not all TA projects in Afghanistan have required the consultants to prepare an inception report, progress reports, or end of mission report. The omission of such a requirement from terms of reference is striking. On the other hand, in view of the lack of real value in many such reports that have been produced the omission is not necessarily to be decried.

What is more disturbing is the fact that almost none of the project reports reviewed carry information that is illuminating on the issue of capacity building, either in terms of process or outcomes. Few of the reports provide useful lessons learned in terms of project design,

---

<sup>38</sup> TA 4244-AFG *Support for Public Administration Reform Program* encountered protracted difficulties in replacing its Team Leader.

<sup>39</sup> In the Ministry of Agriculture and Animal Husbandry, and the Ministry of Irrigation, Water Resources and Environment.

implementation or context. The number of training courses conducted or the number of participants in such courses gives one only an indication of the magnitude of the effort (the output). It says nothing about the relevance or quality of the training in relation to particular problems; about the impact of the training on actual work processes; or about the sustainability of what is delivered (the outcomes). This is unfortunate, not least because every one of the TA projects reviewed in this study included the words “Capacity Building” in its title. Clearly, there is plenty of scope for a tightening up of the standard of reporting required of contractors and utilized by ADB to improve its overall operations.

Information available from AFRM project files about ADB’s capacity building TA activities was found to be seriously deficient. Available TA reports demonstrate no consistency in presentation in relation to purpose, objective, method or results expected. Progress reports are presented according to the preferences of individual TA consultants, and these – where present at all on file – are mixed with copies of correspondence and other documents of an entirely peripheral nature. As stated, the quality of the information available in relation to capacity building bears little relation to its most important parameters.

### ***Lack of institutional preparedness for purpose***

ADB’s TA operations in Afghanistan during the period 2002-2006 can be described as ambitious, but seriously wanting in so far as concerns the needs for capacity building. This seems to be attributable in the main to a mismatch between, on the one hand, custom and practice within the ADB’s operating procedures and, on the other, the needs as they have manifested themselves in Afghanistan. It also appears that lack of responsiveness in administrative arrangements at ADB’s headquarters has handicapped operations to an unnecessary degree.

In providing comments for this review, one TA consultant wrote

There is enthusiasm and goodwill in ADB that is sometimes not accompanied by a systematic approach.... My experience in Afghanistan is that consultant contracts are managed capriciously and with minimal regard for budgets and TA objectives.

Another commentator observed

Financial and human resource backstopping are key ingredients to the success of the programme. It will not be the anti-government forces in a post conflict country that would fail [the people], rather it would be the non-responsive services....

These are partial comments from particular individuals; it is obviously difficult to generalize from a few cases. Nevertheless, it is already clear that certain capacity problems do exist within ADB and that they have served – and most likely continue to serve - as a significant impediment to the achievement of the organization’s goals in the capacity building area.

Commentators from other theatres have observed that, in general, ADB Project Officers responsible for commissioning TA may lack a suitable technical background to manage capacity building.<sup>40</sup> This would appear to be the case, at least when CB is defined in the more comprehensive manner here recommended. While the review did not have access to information that would substantiate such an argument in relation to work in Afghanistan, few would deny that TAs are prepared, managed and supervised by ADB headquarters primarily in relation to administrative and contractual matters. There is clearly a gap that needs to be filled, and filled by personnel who have the time, professional competence and authority to intervene to ensure that capacity building is given the attention and support that it deserves.

---

<sup>40</sup> For example, *Fiji Country Study Draft Final Report*, p16

Without successful capacity building it seem unlikely that ADB will achieve its other objectives relating to the reduction of poverty and the promotion of economic and social development.<sup>41</sup> Almost everyone connected with development efforts in Afghanistan accepts that capacity building is a necessary – indeed essential – part of the portfolio. There can be no other explanation for the number of CB projects that have in fact been mounted. The problem consists not in a lack of recognition of the importance of capacity building, but in a lack of recognition of what one has to do to deliver it.

ADB's Afghanistan Resident Mission has a complement of five National Officers, all of whom are engaged in supporting TA and other projects, with each responsible for a particular sector. At present the services of this staff is limited primarily to acting as “go-betweens” between ADB (and AFRM) and the relevant executing agencies and ministries. While perhaps essential, the nature and volume of this work does not allow the National personnel to engage with government and with TA consultants in addressing those capacity building objectives that ADB regards as important. With proper training and a re-distribution of work load, this cadre could contribute greatly to supporting such efforts.

### ***Clustering of TAs***

At USD 14.5 million, the initial cluster TA, *3874-AFG Capacity Building for Reconstruction and Development*, was probably ADB's largest ever grant. This was part of ADB's early efforts to get a programme up and running in circumstances that could be described as little short of an emergency. In view of the extraordinary circumstances that faced Afghanistan, ADB's senior managers and the Board was willing to approve activities that might not have been prepared as rigorously as normally required. At the same time there was recognition of the fact that it might be helpful to bundle TA activities in ways that reduced the administrative load.

As shown in Annex 1, the cluster TA was composed of no less than 18 separate components covering several different sectors and all with different purposes. A total of 13 different executing agencies was involved. In practice, this device made it difficult for ADB to track and monitor progress. Stretching individual TA activities across more than one institution at a time was also problematic. The conflation of multiple purposes seemed to divert attention from the need to monitor the impact and outcomes of individual components.

It is understood that future clustering of TA activities will be organized within individual sectors, with generally no more than one ministry being served by any one cluster. This new interpretation of the clustering idea will bring greater benefits and entail fewer problems than were generated by the *TA-3874-AFG*, and should therefore be supported.

### ***The support ethic***

According to AFRM's *Quarterly Portfolio Performance Review*, implementation of the assistance programme has suffered from a number of weaknesses. In general, implementation of ADB-supported projects in Afghanistan has been slow. Several projects have suffered from delays in start-up, including lengthy consultant selection. The time taken to signing of the TA agreement has been a problem, as also has proper coordination of TA consultants with AFRM.

---

<sup>41</sup> Government officials in the Central Statistics Office drew attention to the fact that the major donors are unable to commit the very substantial funds that have been assigned to Afghanistan for poverty reduction because of the absence of poverty indicators. The major constraint on data gathering for such indicators is the shortage of trained personnel. While ADB is supporting the CSO with one project (*TA 4313-AFG Poverty Assessment and Socioeconomic and Macroeconomic Statistical Capacity Building*) much more help of the same kind would be required to get the machinery moving in a way that would be conducive to the meeting both the donors' and the Government's objectives.

On the side of the TA consultants themselves, a problem reported more than once was the difficulty of coping with changes in ADB headquarters Project Officers and /or inadequate handover of responsibilities. The problem is one partly of securing continuity in ownership - and therefore commitment - to projects that have been designed under the leadership of others, and partly one of extreme variance in the quality of support services that the relevant sectoral division is willing or able to provide. A lack of responsiveness and timeliness of the administrative support services in Manila is an almost universal complaint.

AFRM staff, as well as personnel with long experience of ADB headquarters in Manila, have observed that one of the most significant impediments to capacity building is the pressure for ADB to keep its disbursements flowing. While the pressure is on for Project Officers to bring new projects to signature, relatively little time and attention is available to ensure that the capacity building objectives of the existing projects, as well as of new ones, are properly addressed.

### ***Scope versus excellence in portfolio composition***

When one compares the concern felt in headquarters, viz. that there are too many TA projects, with the fact that TA projects tend to be *ad hoc* rather than strategic and long term in nature, the question arises as to why it is not possible to reduce the number of TA grants by increasing the size and duration of those that are in fact awarded? One may speculate and suggest that the institution's desire to be seen as a significant actor active on many stages, prevents it from producing a good performance on any one of them, at least in so far as concerns capacity building. A general lack of understanding of the principles of capacity building – and the long term nature of sustainable capacity building efforts – may also apply.

One may also ask the question: What may be the advantage of packaging projects that are patently incomplete in relation to the desired outcomes? On one TA project reviewed, when asked why the project did not incorporate all the elements that would be required to ensure that its outputs produce worthwhile outcomes, the response offered was that at the time the project was formulated the budget available was insufficient.<sup>42</sup> While such an explanation is perfectly plausible, it begs the question as to why, if the administrative resources to handle multiple projects is inadequate, projects are in fact packaged in such a limited fashion?

### ***Managerial accountability***

In July 2001 an ADB Technical Assistance Performance Audit was carried out on Selected Technical Assistance for Strengthening Evaluation Capacity in Developing Member Countries. Among the findings from the audit were the following:

- Building capacity in DMCs is more complex, more difficult, and more time-consuming than had first been envisaged.
- For public sector capacity building to be successful a number of conditions must exist. It was recommended that an assessment should be undertaken to determine whether systemic or underlying problems need to be addressed as a prerequisite to other inputs.
- To ensure ownership and commitment at a high level, future TAs should embody a more thorough preparation process. All key stakeholders should participate in the project formulation and design process.
- The pace of TA implementation to build capacity should be driven by the DMC's sense of ownership and commitment, not by deadlines imposed by the TA implementation schedule.

---

<sup>42</sup> TA-4594-AFG Capacity Building of the Civil Aviation Sector.

- TA designs should include specific features to encourage, facilitate, and formalize the incorporation of evaluation results in decision making.
- If [ADB headquarters] is to manage future TAs to build capability, more attention should be given to the professional and support staff resources and skills required.

The way in which the forgoing recommendations were received and processed is unknown, at least to the writer of the present report. Suffice is to note that the observations contained in the 2001 audit were not unique. A Special Evaluation Study (SES) on Capacity Development Assistance of the Asian Development Bank to the Lao People's Democratic Republic, dated June 2004, contained conclusions very similar, both to those in the Performance Audit as well as those set out in the present review. The Chairperson's Summary of the Development Effectiveness Committee's discussion of the SES, 29 September 2004, contained the following note

Some DEC members considered that the study pointed to a deficiency in professional and technical management in ADB, because necessary adjustments and corrections could have been made either at design or implementation stages but were not. Such questions of internal accountability could have been addressed by the [Lao PDR] study more adequately. If there was an issue of appropriate technical resources or capacity in ADB to plan and supervise the capacity development assistance, then this was an important input to ADB's human resources strategy.

According to informants with long experience of decision making processes at ADB headquarters, there is a deep resistance to considering changes of the kind here recommended. To quote verbatim the words of one informant

It's the Peter Principle at work; the people at the top just don't care.

One hopes that this kind of observation is far from the truth. Certainly, all indications from ADB's Board members suggest that capacity building is a high priority for the organization. A more likely explanation for any failure to act on problems resides in the difficulty of knowing how best to proceed to bring about the kind of changes in capacity that are desired; the objectives are clear but the methods are not.

It must be acknowledged that acting on the kind of recommendations put forward in this review, echoed in the two reports mentioned above, would require a significant shift in the intellectual framework underpinning ADB's work. It would also require a substantial re-tooling of the organization to deliver on its commitment to build capacity. At the very least, existing personnel must be able to look to a permanent body of capacity building specialists who are familiar with CB technology, and who can advise and give support at least at the project design stage, if not also during project implementation. Without such a shift in priorities and the allocation of the necessary resources, it is doubtful that the organization can continue to claim that it is working towards its avowed ends.

## **Summary of Recommendations**

### ***TA project planning***

1. ADB is encouraged to better acquaint itself with the wide range of issues relevant to capacity building and to take these into account when planning CB interventions. Social and institutional support structures have a powerful impact on the outcomes of any TA project, particularly those aiming to build capacity. These factors must be given due consideration in project design. .
2. A model of capacity building is presented that takes into account organisational competence and effectiveness, individual capabilities, and the political, social and

economic environment within which the organization and individuals operate. In preparing TA projects, each of the issues described in the model should be analysed from the point of view of the strengths, weaknesses, opportunities and threats (SWOT) that they present. This will make it easier to identify both the needs and opportunities for intervention.

3. Projects aiming to build capacity must be designed and managed according to certain principles, specifically those having to do with the process by which the projects are designed as well as their content. ADB is encouraged to pay greater attention to ensuring that the processes used conforms to best practice and is less influenced by internal pressures and constraints.
4. The professional incentive structure for ADB's Project Officers should be reviewed and, if necessary, adjusted to ensure that sufficient time and attention is given to the issue of whether a particular project is relevant to development needs and the prevailing circumstances, whether it is a priority for the executing agency, and whether it is capable of being implemented to effect genuine capacity building.
5. ADB Project Officers must avoid ventriloquising requests from Government for the setting up of projects. While offers of assistance are perfectly legitimate, care should be taken to ensure that the executing agency both understands and genuinely wants the intervention that is being proposed.
6. In designing and managing technical assistance projects, ADB should encourage a greater degree of shared "ownership" by concerned stakeholders. This includes primarily the cooperating Ministries or other government units. Where appropriate, the participation of provincial bodies and /or local non-governmental organisations should also be considered. In the design phase sufficient resources should be allocated to allow adequate consultation and dialogue with all stakeholders, including as necessary those outside of the capital.
7. Capacity building objectives should be defined in terms of outcomes to be achieved rather than inputs to be provided. Greater attention should be paid to costs and to achieving cost-effectiveness from the technical cooperation activities.
8. TA inputs should focus on the creation of adequate institutional arrangements and the development of work practices. Clarifying institutional functions, structure, roles, responsibilities and reporting lines will permit a better definition of the skills needed to fulfil the organization's mission. This in turn will enable a better definition of the role of TA in capacity building. It will also facilitate application of more technical inputs of the kind that ADB is accustomed to providing.
9. Terms of reference for TA consultants should be drafted taking full account of the project's logical framework. The outcomes expected from the TA inputs and outputs should be described, preferably as patterns of behaviour that the project is expected to produce within the defined target group.
10. A lack of clarity concerning what is expected of the client as a *quid pro quo* for receiving assistance results too often in the waste of resources. When designing TA projects ADB should ensure that all of the principal stakeholders are committed to meet performance standards that are agreed among them. This would include the Ministry of Finance, the executing agency, the TA consultant, and ADB itself.
11. Capacity building projects should be subject to scrutiny by CB specialists to determine whether the objectives are clear, the design internally consistent, and the benchmarks and outcome indicators relevant to both objectives and the operational circumstances. This checking should be done in workshops alongside the responsible ADB officials and

their government counterparts. This would require ADB to recruit and support additional CB expertise at the Regional Department (and preferably the Resident Mission) level.

12. *Aide memoires* resulting from ADB missions should be translated into the appropriate local language before being presented to Government officials. This is particularly important at stages prior to approval of the final design of capacity building TA projects.

### ***Project implementation***

13. Baseline surveys on CB projects should describe the actual patterns of behaviour visible at the commencement of the project. A gap analysis and intervention strategy can then be derived, based on a comparison of the actual with the desired end state.
14. In capacity building projects the emphasis should be shifted from the preparation of written material – strategies, action plans, guidelines and job descriptions, etc., to working with groups of Afghan nationals to enable them to prepare such material for themselves. The quality of the resulting outputs will not be as sophisticated as one might expect from the TA consultants themselves, but what comes out of the process will be understood by those who need it, and the process itself will build capacity. By this means there will be a greater chance that the output will be acted upon and that the results of the TA will be sustainable. The present approach for ADB's current capacity building TAs in Afghanistan is deficient in all of these respects.
15. All training that is delivered through ADB projects should be supported by a training needs analysis. This may be carried out before or during the training input. In the latter case the training design should be sufficiently flexible so as to allow modifications in light of the further needs that are identified.
16. To secure value for money from training, it is important that the management and culture of the beneficiary organisation(s) be assessed and addressed. In the absence of an integrated approach to capacity building it is unlikely that training on its own will bring about the necessary changes.
17. ADB should take greater care to ensure continuity of communications with stakeholders in the field, especially in the case that ADB personnel are rotated out of their posts. Arrangements for handover may need to be reviewed to ensure a thorough understanding of the CB dimensions within the project portfolio.

### ***Strategic issues relating to capacity building***

18. To be more effective in building capacity, ADB must be ready to address the full complexity of the situation in which it intervenes. The emphasis must be on developing functioning operational processes within the executing agency, rather than on producing outputs as more conventionally defined. This means demonstrating and fostering the formation of an organizational culture that values effectiveness and efficiency. While more specific technical inputs be required, these are likely to be secondary to the matter of creating functioning institutions.
19. Provision of technical assistance should be related to the goals and bench marks set out in the Afghanistan National Development Strategy (ANDS) and to the goals and objectives (where extant) of individual Ministries and other executing agencies. It should also be linked to progress made with other reform efforts, particularly the Public Administration Priority Reform and Restructuring (PRR) programme and Pay and Grading Reform.

20. ADB is encouraged to take a longer-term perspective on the need for capacity building than is customary within the context of most TA projects. The period for which the TA is assigned should be related to the complexity of the situation and an analysis of the tasks that are required to achieve the agreed outcomes. A capacity building project worthy of the name is unlikely to have a duration of less than three years.
21. The AFRM Country Partnership Strategy should make provision for the setting of long-term capacity building goals with measurable indicators of success. The goals and indicators will need to be based on a gap analysis carried out in each sector and in each of the individual government institutions with which it works.
22. Care should be taken to define the meaning of the “partnership” element in the AFRM’s Country Partnership Strategy. Whatever the intention behind the phrase, it would be a mistake to believe that partnerships do not or should not carry conditions, with benefits and obligations on both sides. These should be spelled out and justified on the basis of the need for accountability between partners in any enterprise.
23. In Afghanistan, capacity building and capacity substitution are complementary approaches but should not be confused. Substituting missing capacity within government by importing TA may constitute a worthwhile investment for the short or medium term. The activity should not, however, be regarded as capacity building unless the TA consultant has specific and measurable CB objectives in his /her terms of reference.
24. For the purpose of building capacity long term, emphasis should be placed on identifying a significant number of young professionals, recruiting, training, supervising and mentoring them so that, in 10 or 15 years time, they will be able to provide the leadership that Afghanistan needs to progress. Such an approach could be developed at the level of individual ministries, implemented through a university, and /or set up with the assistance of a consortium of NGOs and other stakeholders.
25. To provide an institutional base for long term work in capacity building, it is recommended that each concerned Ministry be encouraged and assisted to establish a *Centre of Excellence* (otherwise a Training Centre) that would be responsible for staff development through all of its departments. Such a Centre should be linked to a proper HRM function, and would serve as a powerhouse for the organizing of workshops, short courses, self-study and e-learning programmes for the ministry’s personnel. Several such Centres could be linked together for mutual support and encouragement and the provision of high quality TA.
26. ADB is encouraged to consider engaging the services of suitable international and national NGOs to provide capacity building services in Afghanistan. Certain NGOs have considerable experience of this type of work, although some adaptation to the organisational culture of such organizations would be required.
27. Consideration should be given to reducing the number of TA grants by increasing the size and duration of those that are awarded. The opportunity may also be taken to ensure that projects are packaged with the complete range of interventions – and corresponding budgetary allocations – sufficient to allow them to produce worthwhile outcomes. TA projects with limited or partial outputs should be avoided. The processing of larger and longer-term capacity-building TA projects has implications for the way ADB currently plans and budgets for TA (i.e. on an annual cycle, against fixed country ceilings).
28. ADB should coordinate more closely with other donor organization, especially when considering the setting up of TA activities in individual Ministries or other government units. There is need for a more planned, comprehensive and better coordinated

approach to capacity building as supported by the international donor community. In particular, ADB should take pains to ensure that its TA consultants coordinate both their inputs and their intervention styles with TA provided from other sources.

29. ADB should consider taking a more forceful leadership role in its key sectors by drawing attention to the link between TA for capacity building and the need for institutional development. This would provide useful approach to more effective donor coordination.
30. A systematic overview is needed to identify the main bottlenecks on capacity and on capacity development in each sector receiving assistance. Any such overview should be organized in concert with other development partners. A strategic approach should pay due attention to needs at the sub-national level, something not yet widely practiced in Afghanistan.
31. Where ADB seeks to support an individual department or unit within a ministry, it should make sure that the changes that it helps to introduce will be supported by other departments within the same ministry.
32. Government should be provided with assistance to enable it to establish and maintain a register of all TA being provided, planned and approved within the country. The register should show the exact institutional location of each TA consultant, the outputs and outcomes expected, and the inputs (including financing and timing) committed by the executing agency and the donor, as well as the approach being adopted by the TA contractor.

### ***Supporting measures***

33. ADB should provide mandatory training on capacity building to its Project Officers and other personnel involved in the formulation of projects. The training should include an overview of the various meanings and dimensions of CB, a review of the usual obstacles to achieving it, and practice in the formulation and phrasing of ADB CB objectives and performance criteria.
34. To foster a better understanding of capacity building within the organization and on its CB projects, ADB should consider appointing a staff of CB specialists available to train and advise ADB personnel and their TA consultants in the field.
35. To the extent that it affects the prospects for capacity building, ADB's practices in recruiting, contracting and supervising consultants deserve a thorough investigation. More attention needs to be given to the drafting of project objectives and of terms of reference so that capacity building outcomes are clearly defined and supported by objectively verifiable indicators.
36. Better monitoring of TA contractors is recommended, especially in relation to CB objectives. This will require the development of a conceptual framework and practical arrangements that encourage performance while facilitating an adaptive approach to the task. The incentive structure for consulting firms and individual consultants should be adjusted to require a committed but flexible approach to the promotion of capacity.
37. ADB may consider commissioning the preparation of a series of generic outcome indicators for capacity building that could be applicable in a wide variety of public service contexts. These should include indicators or outcomes as well as of outputs. For specific projects the generic models would need to be adapted and further detailed.

38. In recruiting TA the emphasis should be on identifying consultants capable of extending skilled leadership in support of organizational change and improvement. This requires skills in facilitation and providing mentoring and support to personnel on the job
39. The disbursement of grants to Government and contract payments to TA consultants should be made contingent on adequate reporting on progress concerning agreed CB outcomes, if not also on achievement of the outcomes themselves.
40. ADB's practice of trying to economise on consultant's time by attempting to manage projects itself and splitting contracts between different firms is to be discouraged.
41. To reinforce its ability to supervise capacity building work, AFRM should consider making greater use of its National Officer staff, as well as possibly recruit additional national personnel to its staff. Such personnel will require advanced training in strategy and techniques for building capacity. They should then be tasked to advise and coach TA consultants as well as national counterparts, on how best to manage the CB aspects of any project.
42. As the capacity of AFRM itself increases, consideration should be given to increased delegation of loan, grant, and TA projects to AFRM.
43. The cluster approach to TA projects should avoid clustering projects across different sectors.
44. Project inception, progress and terminal reports should contain a full description of capacity building outputs and outcomes, including a detailed description and analysis of the problems encountered, how they were tackled, and the successes achieved. Failure to include such information in reports should constitute grounds for rejection of the report.
45. ADB project review missions should support a process of continuous reappraisal of the operational environment, the relevance and validity of the objectives being sought, as well as actual progress against agreed objectives. Mission reports providing a superficial or excessively "public relations" view of activities should be rejected out of hand.
46. ADB should carry out an investigation to determine the obstacles to the recruitment of suitable TA consultants within reasonable periods of time. To the extent possible, delays should be minimized and the recruitment processes accelerated. The consultants' working and operating conditions may also need to be reviewed, for example in relation to appropriate levels of remuneration, the use or provision of ADB vehicles, as well as security arrangements.
47. Greater care should be taken to ensure that TA consultants engaged to work in Afghanistan are suited to the working environment. TA consultants to be fielded to Afghanistan also need to be provided with more and better information about actual work conditions.
48. ADB should commission an in-depth study to determine ways in which its headquarters project support services can be improved to provide better back-stopping to TA consultants in the field. In this regard, personnel issues merit particular enquiry. The management of change over arrangements for Project Officers should also be investigated.
49. AFRM should take immediate steps to improve the sorting, organizing and cataloguing of its project files and documents. A computerized registry of project and TA reports also should be developed and maintained.

50. ADB should take further steps to ensure that it is equipped with a suitable learning culture. The mechanisms by which consultants' recommendations are reviewed and acted upon – or not – should be reviewed to ensure that the benefits are properly harvested. Indications are that reports may not receive the attention that they deserve or, at least, that the problems described tend to recur without resolution.

## Annex 1: ADB Capacity Building Projects in Afghanistan 2002-2006

1

**TA 3874-AFG Capacity Building for Reconstruction and Development  
Technical Assistance Grant \$14.5 million. Ongoing**

**Executing agency: various (see below)**

Approved 30 May 2002. Stated 10 July 2002. End date 31 December 2006

The project had 19 components, most of which have been completed.

This cluster technical assistance grant, provided through ADB's Technical Assistance Special Fund (TASF), had 19 components and aimed to strengthen the ability of government ministries and departments to formulate policies and plans as well as to implement projects in a range of sectors. Equipment, computers, and vehicles provided through the grant helped improve the operational capacity of the Government. This Advisory TA included the provision of training. The TA was supplemented by co-financing from Denmark (\$450,000 in 2003 and \$90,000 in 2004) and Australia (\$136,000 in 2002 and \$271,000 in 2004). The sub-components of the project are enumerated, below.

**Components of TA 3874-AFG**

Sub-Cluster	Project	USD	Description
Sub-Cluster 1: Capacity Building for Reconstruction of Agriculture and Natural Resource Management	A. Restructuring of the Ministries of Agriculture, Irrigation and Water Resources, and Rehabilitation and Rural Development	1,000,000	Support the establishment and capacity building of implementation cells in each of the three ministries and in selected provincial offices. Provide a framework for change management and for efficient project management. Aims to develop an efficient and effective public sector institutional framework for the agriculture, water, and natural resource sectors.
	B. Support for Agriculture Sector Strategy, Policy and Planning	2,050,000	Support the formulation of a policy framework in agriculture, natural resource management and rural development. Collect and analyse data; train ministry personnel from central and provincial agencies; carry out specialized studies and field investigations; and build capacity in the planning, implementation, and monitoring areas.
	C. Establishing Environmental Management Capacity	300,000	Train local staff in environmental management; develop a plan for an environmental management institution; organize and analyse data on the status of the environment; give assistance in project planning, guidelines and training on environmental management issues; stem deforestation by developing and demonstrating alternative sources of energy; help in the process of establishing protected parks; plan for the storage and disposal of toxic pesticides.

Sub-Cluster 2: Capacity Building for Rehabilitation and Reconstruction of the Social Sectors	A. Capacity Building for the Ministry of Higher Education	850,000	Develop strategies, policies and procedures for start-up of postsecondary education, including policies on equity, quality and curriculum; develop a plan, two-year budget and financial options and procedures for same; and assess a community college-type system.
	B. Capacity Building for the Ministry of Education	1,150,000	Set up a database for school rehabilitation and construction; provide training in technical and cost estimation, planning, management, and monitoring of rehabilitation and construction of schools; develop policies and guidelines; plan for skills training and assistance for management, implementation, and monitoring
	C. Capacity Building for the Ministry of Public Health	1,200,000	Support for policy formulation, organization of services, communication and supplies; assessment and capacity building for partnership with NGOs; and planning and capacity building for infrastructure development, health zoning, and a study on rationalizing and improving Kabul hospital services.
	D. Capacity Building for the Ministry of Women's Affairs	300,000	Formulate goals, strategies, and action plans to improve the status of women; develop a vision, mission and structure for MoWA; train staff in gender-related issues; lobby for increased women's representation; liaise with NGOs for advocacy, sensitization, and mobilization of women; monitor and disseminate information on gender-related activities; organize national and international workshops and seminars.
Sub-Cluster 3: Capacity Building for Rehabilitation and Reconstruction of the Road Transport and Energy Sectors	A. Capacity Building for Key Infrastructure Agencies Including Support for Feasibility Studies for Road Reconstruction Projects	2,460,000	Review existing institutional structures for the road, transport and civil aviation sub-sectors and recommend organizational setup; review regulatory frameworks; prepare recommendations for policy reforms and institutional effectiveness; identify capacity-building needs; recommend MIS, financial management, auditing and road asset management systems; develop a framework for the resettlement aspects of transport sector projects and train agencies in implementation; build capacities for economic and financial analyses and project implementation; review the potential projects; identify the potential for employment opportunities through labor-intensive construction; and develop technical designs; etc.

	B. Capacity Building for Project Planning in the Transport Sector	840,000	Undertake surveys and data collection; prepare designs and cost estimates; carry out economic and financial analyses of proposed projects.
	C. Development of a Framework and Legislation for Cross-Border Trade	500,000	Develop an understanding of the needs, regulations and issues facing each country in the region; present findings in workshops before representatives from agencies concerned with cross-border transport; prepare an action plan for the implementation of decision.
	D. Capacity Building and Training for the Ministry of Power	700,000	Provide advisory services in technical, commercial, financial, institutional and human resource management; support MoP/DABM in coordination, implementation and monitoring of the repair and reconstruction program; develop O&M systems, investment planning, financial management and tariff policy; advise on organizational restructuring and training; provide office equipment and vehicles.
	E. Study for Power Interconnection for Regional Trade	500,000	Examine the benefits of power interconnection and determine implementation steps; examine issues related to regional interconnection planning.
	F. Assessing Gas Sector Rehabilitation Requirements	300,000	Assess rehabilitation work needed to restore the gas production, processing, transmission and distribution systems; examining the codes and standards adopted for the O&M of the systems and prepare procedures; train personnel in maintaining safety and system integrity.
	G. Establishing Cost-Effective Methods of Petroleum Storage Rehabilitation	200,000	Assess damage to petroleum storage tanks and facilities; prioritize repair works; examine environmental risks, the logistics of moving products from sources to storage; identify a suitable training programme in contract negotiations and the preparation of bid documents.
Sub-Cluster 4: Support for Rebuilding of the Financial Sector	A. Financial Sector Needs and Priorities Assessment	325,000	Review the current status of the sector; profile current central banking functions; identify legislation for the regulation and supervision of financial institutions; review Islamic finance practices; identify baseline data; analyse demand for financial services; identify sources of funds among the community; identify institutions and delivery mechanisms; recommend an approach to service delivery; and recommend conduits that ADB may utilize.

	B. Capacity Building for the Ministry of Finance	400,000	Advise on monetary policy and financial sector regulation, fiscal policy, budgeting, domestic resource mobilization, tax laws, investment incentives, border tax rules and procedures, revenue sharing arrangements between the central and local government, subsidy policy for public enterprises, privatization of public services, the medium-term expenditure framework, the public expenditure framework, and public debt policy.
	C. Approach and Design for Effective Financial Service Delivery	465,000	Study options for establishing and /or upgrading the capacities of local financial institution(s); prepare a business plan, organizational structure and service policies; prepare a capacity building plan; prepare programme and incentives for private financial institutions; and recommend an approach to introducing service delivery in rural and urban areas.
	D. Development of Basic Market Infrastructure	960,000	Review legislative framework and define areas where ADB assistance may be needed; review the status of the public finance operations; prepare plans for the re-establishment of a banking network and determine incentives for foreign banking participation; recommend steps for re-establishing the public accounting system; prepare capacity-building plans for these areas and conduct workshops; prepare an ADB assistance strategy for the sector including capacity-building.

## 2

**TA 3875-AFG Disaster Preparedness and Management Capacity Building  
Technical Assistance Grant \$500,000. Completed**  
**Executing agency: Office of Disaster Preparedness and Line Ministries**  
Approved 30 May 2002. Started 10 July 2002. Completed 31 January 2005

This grant, provided through the TASF, helped strengthen Afghanistan's Office of Disaster Preparedness. Under the grant, an assessment of the institutional environment, technical capacity, and training and equipment needs of the office was completed in October 2002. A basic risk management training course was carried out in Kabul for 30 participants in December 2002 and a high-level awareness and skills development tour was organized for senior officials in January and February 2003. A further training course for selected office staff was held in July 2003 to help extend disaster awareness /management skills to the provinces.

3

**TA 4235-AFG Institutional Strengthening in the Gas Sector**

**Technical Assistance Grant \$750,000. Completed**

**Executing agency: Ministry of Mines and Industry**

Approved 3 December 2003. Started 26 February 2004. Completed 31 March 2006

This grant, made through the TASF, was designed to help the Ministry of Mines and Industry (MMI) develop policies and strategies for sector development, efficient institutional management and human resource development. Key areas of the Ministry's Planning Department were to be strengthened so as to rebuild and develop the gas sub-sector. MMI's capacity was to be enhanced in policy formulation, energy sector assessment, organizational restructuring, and overall sector management and coordination. The TA aimed to develop and strengthen the institutional capability to plan, review, monitor, assess needs, and modernize. Through the TA, Afghan Gas personnel received hands-on training in safety, operation and maintenance, and project management.

4

**TA 4244-AFG Support for Public Administration Reform Program**

**Technical Assistance Grant \$3.4 million. Ongoing**

**Executing agency: Independent Administrative Reform and Civil Service Commission**

Approved 11 December 2003. Started 27 December 2002. End date 31 March 2007

This grant, provided through the TASF, is helping the Government implement its Public Administration Reform (PAR) program so as to enable civil servants function more efficiently and effectively. In particular, the TA aims to strengthen the capacity of the Independent Administrative Reform and Civil Service Commission to perform its functions, improving the performance of government departments, delivering essential services, and helping to institute sound policies for human resource management. The TA aims to establish a mechanism to harmonize and coordinate donor funded projects supporting the PAR program. It is also helping to restructure Afghanistan's emergency and disaster management system per recommendation of the earlier TA 3875-AFG for capacity building in disaster management.

5

**TA 4311-AFG Capacity Building in Agriculture and Natural Resource Management for Programming, Aid Management, and Coordination**

**Technical Assistance Grant \$400,000. Ongoing**

**Executing agency: Ministry of Agriculture and Animal Husbandry, Ministry of Irrigation, Water Resources and Environment, and Ministry of Rural Reconstruction & Development**

Approved 22 December 2003. Started 26 July 2004. End date 31 March 2007

This grant, provided through the TASF, is assisting the Government to strengthen the capacity of the core agriculture and natural resource management (ANRM) sector ministries, viz. the Ministry of Agriculture and Animal Husbandry; the Ministry of Irrigation, Water Resources, and Environment, and the Ministry of Rural Rehabilitation and Development. The project deals in programming, managing and coordinating external assistance. Key technical assistance activities include establishing a secretariat for the ANRM consultative group processes, consulting with development partners and non-government organizations and developing effective sector database on project interventions. Government personnel are also being trained in sector planning and program development, aid coordination and management, and data management. The project's activities will be coordinated through the cluster on Capacity Building for Reconstruction and Development as well as a TA provided through ADB-funded Agriculture Sector Program Loan.

6

**TA 4313-AFG Poverty Assessment and Socioeconomic and Macroeconomic Statistical Capacity Building**

**Technical Assistance Grant \$1.75 million. Ongoing**

**Executing agency: Central Statistics Office**

Approved 26 December 2003. Started 26 January 2004. End date 31 January 2007

This grant, provided through the TASF, is helping the Government to improve the collection and analysis of national statistics. Focusing on the Central Statistics Office and selected line ministries, the TA aims to strengthen systems for gathering data needed by a wide variety of users for monitoring, planning and research purposes. The TA was designed within the framework of a statistical master plan being developed by the Government with support from ADB, the United Kingdom's Department for International Development, the International Monetary Fund, the United Nations Economic and Social Commission for Asia and the Pacific, and World Bank. The TA will help conduct the first comprehensive poverty assessment for Afghanistan; improve national accounts estimates; and collect trade, balance of payments, and fiscal data. It will also update the consumer price index, expanding coverage to six major urban centres, and will review the legal and institutional framework for statistics gathering. Training will be provided for government personnel and new data collection systems will be introduced to help fill major gaps in the national statistics.

**7**

**TA 4334-AFG Capacity Building for Agriculture Policy Reform**

**Technical Assistance Grant \$1 million. Completed**

**Executing agency: Ministry of Agriculture and Animal Husbandry**

Approved 4 May 2004. Started 20 May 2004. Completed 29 September 2006

This grant, financed by the TASF, complements the \$55 million Agriculture Sector Program loan. The grant assists the Government in program coordination and monitoring, development of a comprehensive land policy, as well as establishment of an appropriate institutional framework for land titling and administration. The technical assistance also assesses the human resource needs of the core agriculture sector ministries and institutional options to meet the full spectrum of rural credit needs, improves the efficiency of agricultural commodity markets, and develops procedures for restructuring and divesting state-owned enterprises.

**8**

**TA 4354-AFG Establishing a Gas Regulatory Framework**

**Technical Assistance Grant \$750,000. Ongoing**

**Executing agency: Ministry of Mines and Industry**

Approved 8 July 2004. Started 21 August 2004. End date 31 December 2006

This grant, provided through the TASF, helps design an effective regulatory system for Afghanistan's gas sub-sector. In addition to a detailed examination of the existing and likely future network, the technical assistance undertakes an analysis of alternative organizational structures. The analysis identifies regulatory system objectives, undertakes a review of best international practice in the sub-sector, develops detailed recommendations on the system required, and provides recommendations for institutional arrangements and an implementation plan.

9

**TA 4415-AFG Kabul Air Quality Management**  
**Technical Assistance Grant \$450,000. Completed**  
**Executing agency: Ministry of Energy and Water**  
Approved 14 October 2004. Started 10 November 2004. End date 30 September 2006

This grant, totally financed by the Government of Denmark, assists the Ministry of Irrigation, Water Resources, and Environment develop a prioritized, phased, and sustainable air quality management (AQM) system for Kabul. In addition to monitoring ambient air quality in Kabul and to cost-effectively reducing emissions to achieve medium- and long-term improvements in air quality, the grant is expected to improve policies and associated legislation. Sustainability will be promoted through selection of appropriate and affordable technologies for sampling and analysis. Local support and ownership will be promoted by communicating data and steps required to improve Kabul's air quality. The AQM system developed through the technical assistance will provide a model that can be replicated in other urban centers in Afghanistan.

10

**TA 4483-AFG Capacity Building in Land Policy and Administration Reform**  
**Technical Assistance Grant \$250,000. Completed**  
**Executing agency: Ministry of Agriculture and Animal Husbandry**  
Approved 15 December 2004. Started 3 April 2005. End date 30 October 2006

This grant, co-financed with the Government of the United Kingdom (\$600,000), sought to assist Afghanistan to establish a national land policy, land titling and registration system, and associated institutional framework for land administration. The aim was to make these cost effective, fair and sustainable. The policy and institutional framework sought to encourage private investment while simultaneously protecting the rights of the poor. Key technical assistance outputs included (i) a map of the existing institutional structure and technical capacity for land administration; (ii) a draft of a comprehensive national land policy; (iii) options for a system of land titling and registration; (iv) an appropriate institutional framework for land administration with improved capacity; and (v) a time-bound action plan for implementing the recommended framework, including the land titling and registration system, land database, and a clearly defined program to address capacity-building needs.

11

**TA 4502-AFG Capacity Building of the Ministry of Finance**  
**Technical Assistance Grant \$960,000. Ongoing**  
**Executing agency: Ministry of Finance**  
Approved 17 December 2004. Started 25 January 2005. End date 31 December 2006

This grant, provided through the TASF, further strengthens the fiscal management capacity of Afghanistan's Ministry of Finance (MOF). The TA helps produce the following outputs: (i) a medium-term expenditure framework, including national priority programs, (ii) organizational reforms in the MOF, (iii) enhanced financial and management accountability of line ministries, and (iv) a mechanism for technical assistance coordination. The TA funds advisors to the Deputy Minister - Finance, the Head of the Budget Unit (on matters related to the formulation, funding and implementation of the national budget) and the Deputy Minister – Administration (on the coordination of donor assistance). The advisors also support the mobilization and management of international revenues, intergovernmental fiscal relationships, while developing the Ministry's human resources, information technology, and financial management systems.

12

**TA 4541-AFG Natural Resources Management and Poverty Reduction**  
**Technical Assistance Grant \$1,785,000. Completed**  
**Executing agency: Ministry of Agriculture and Animal Husbandry**  
Approved 23 December 2004. Started 11 January 2005. End date 30 November 2006

This grant has two interlinked components: a \$975,000 protected areas component financed by the Global Environment Facility and a \$810,000 poverty reduction component financed through the Poverty Reduction Cooperation Fund. In addition to promoting the conservation of global biodiversity in selected protected areas, the TA promoted community development interventions aimed at the reduction of poverty. The TA outputs included (i) promotion of the conservation of natural ecosystems and wildlife resources in selected key protected areas through the development of management plans and rapid biodiversity assessments; (ii) capacity building and institutional strengthening for natural resources and protected areas management; (iii) participatory methods to assess and address the needs of communities; (iv) development and implementation of integrated packages of assistance, including skills training and income-generating activities; (v) pilot-testing assistance that improves food security and access to health and education; and (vi) micro-finance services to support livelihood activities.

13

**TA 4549-AFG Capacity Building for Impact Monitoring and Evaluation**  
**Technical Assistance Grant \$450,000. Ongoing**  
**Executing agency: Ministry of Rural Reconstruction and Development**  
Approved 23 December 2004. Started 17 April 2005. End date 30 June 2007

This grant, provided through the TASF, establishes an institutional capacity in Afghanistan's MRRD to monitor and evaluate the impact of its activities on beneficiaries using participatory methods. The technical assistance is expected to (i) develop a practical method for impact monitoring and evaluation in MRRD, (ii) introduce M&E techniques to be used in the context of the system, and (iii) train MRRD personnel.

14

**TA 4579-AFG Capacity Building for the Power Sector**  
**Technical Assistance Grant \$750,000. Completed**  
**Executing agency: Ministry of Energy and Water**  
Approved 14 April 2005. Started 13 June 2005. End date 30 November 2006

This grant, financed through the TASF, complements the \$50 million Power Transmission and Distribution Project. The TA helped to strengthen the project management, planning, design, implementation, and operation and maintenance capacities of the Ministry of Energy and Water.

15

**TA 4594-AFG Capacity Strengthening of the Civil Aviation Sector**  
**Technical Assistance Grant \$1 million. Ongoing**  
**Executing agency: Ministry of Transport**  
Approved 10 June 2005. Started 30 June 2005. End date 5 April 2007

This grant, funded through the TASF, seeks to upgrade air safety oversight in Afghanistan and help improve financial governance of airport operations. The TA aims to strengthen the capacity of the Ministry of Transport to oversee air safety, particularly in relation to airworthiness control, flight operations inspection, personnel licensing, air operator certification, and accident and incident

investigation. In addition to developing air safety regulatory frameworks and legislation leading to the establishment of an independent civil aviation authority, the TA will help develop a financial management system for the country's airport operations. The TA will also contribute to the development of human resource development plans. This will equip the Ministry and airport personnel with the skills required to carry out air safety oversight and to adopt and maintain an appropriate financial management system.

16

**TA 4637-AFG Capacity Building for Economic Management**

**Technical Assistance Grant \$200,000. Ongoing**

**Executing agency: Ministry of Finance**

Approval 26 August 2005. Started 14 September 2005. End date 31 December 2007

This grant, provided through the TASF, with an additional \$190,000 from the Government of Australia, complements earlier capacity building TAs in the finance sector. It will enable the Government of Afghanistan better assess policy interventions and to link its development policies with expenditure and investment priorities and fiscal policies to improve the effectiveness of public resource management and delivery mechanisms.

17

**TA 4675-AFG Capacity Building for Road Sector Institutions**

**Technical Assistance Grant \$1,000,000. Ongoing**

**Executing agency: Ministry of Public Works**

Approval 31 October 2005. Started 29 March 2006. End date 31 July 2008

This grant, funded through the TASF, will upgrade the road database management and quality control of road works in Afghanistan. The TA will strengthen the capacity of the Ministry of Public Works to (i) develop a road database to collect, store, and retrieve road information; (ii) carry out road surveys; and (iii) operate a material testing laboratory equipped with appropriate testing equipment to conduct material testing.

18

**TA 4699-AFG Building the Capacity of the Ministry of Commerce for Trade and Transit Facilitation**

**Technical Assistance Grant \$400,000. Ongoing**

**Executing agency: Ministry of Commerce**

Approved 24 November 2005. Started 14 September 2005. End date 31 December 2007

This grant, funded through the TASF, will enhance the capacity of MoC in transit and trade facilitation, with emphasis on negotiating and implementing transit agreements. The TA will also strengthen the Ministry's strategic planning and policy coordination capability in its border operations.

19

**TA 4716-AFG Capacity Development for Irrigation and Water Resources**

**Technical Assistance Grant \$755,000. Ongoing**

**Executing agency: Ministry of Energy and Water**

Approved 7 December 2005. Started 30 March 2006. End date 31 August 2007

This grant, funded through TASF, will improve the effectiveness of the Irrigation Department, firstly through enhanced management support for ongoing operations and, secondly, capacity development for integrated water resources management (IWRM) and core organizational functions. The TA will enhance the Department's effectiveness through capacity development in (i) strategic and investment planning; (ii) project and program development and evaluation; (iii) budgeting and financial management; (iv) management; (v) IWRM; and (vi) management of shared water resources. The aim is to ensure the most efficient and effective use of Departmental resources and investments for the achievement of development benefits. The TA will also facilitate the Department's participation in regional cooperation activities for the management of shared water resources. Afghanistan is expected to participate in trans-boundary policy dialogue, agreements, and pilot management studies. The TA will include a comprehensive capacity needs assessment and long-term capacity development program with defined components and activities for external support.

## 20

### **TA 4758-AFG Capacity Building for Regional Cooperation Technical Assistance Grant \$400,000.**

**Executing agency: Ministry of Foreign Affairs**

Approved 22 December 2005. Started 14 February 2006. End date 28 February 2007

This grant, funded through the TASF, will strengthen the capacity for regional cooperation within the Ministry of Foreign Affairs (MoFA) so that it can assume a greater role and responsibilities in planning, implementing, and coordinating overall regional cooperation. The main outputs envisaged are (i) a capacity-building assessment plan, (ii) the establishment and functioning of a regional cooperation unit within MoFA, (iii) the training of national officials involved in regional cooperation, and (iv) the creation of technical working groups to pursue the goals of the 2005 Kabul International Conference on Regional Economic Cooperation.

## **Annex 2: Case Review of Capacity Building Technical Assistance Provided to the Ministry of Finance by ADB<sup>43</sup>**

AFRM regards the Afghan Ministry of Finance as one of its most important clients. Since 2002 there have been three capacity building TA projects supported by ADB:

- TA-3874-AFG Capacity Building for Reconstruction and Development Technical Assistance Grant, Cluster 4b – Capacity Building for the Ministry of Finance, approved 30 May 2002
- TA-4502-AFG Technical Assistance to the Islamic Republic of Afghanistan for the Capacity Building of the Ministry of Finance, approved 17 December 2004; and
- TA-4637-AFG Technical Assistance to Afghanistan for Capacity Building for Economic Management (Co-financed by the Government of Australia), approved 26 August 2005.

These projects are summarized as follows:

**TA-3874-AFG** The original allocation from ADB to this project was USD 400,000. With a contribution of USD 407,000 from AusAID and supplemental transfers of unused funds from other projects, the total allocation was USD 1,865,857. During the course of implementation the project provided 122.5 person-months of consultant time.

As the MoF has wide-ranging needs and demands, maximum flexibility was allowed in the consultants' terms of reference. This proved helpful in enabling the consultants to assist the Minister and to complement the activities of advisers provided by the United States Treasury, USAID, World Bank, the IMF and DFID.

Working with support from development partners, ADB TA consultants provided the core team that prepared the way for the Berlin Conference, April 2004. For this the key report *Securing Afghanistan's Future: Accomplishments and the Strategic Path Forward* was prepared. The advisors helped the Minister manage MoF's relationships with the international financial institutions and, in March 2004, were prominent in the negotiations conducted between the Government and IMF on a programme to maintain macro-economic stability, strengthen Afghanistan's capacity to implement policies, improve the statistical database, and implement the reform agenda.

The advisors developed a reform strategy and plan for the budget and operation of the Treasury; devoted time to budget preparation and to coordinating inputs from funding agencies; led the establishment of local consultative groups covering key sectors; and assumed key roles in producing the FY 2003-2005 integrated operational and development budgets. Two Deputy Ministers and a Chief of Staff were provided with capacity building support on policy making and management of the Ministry.

**TA-4502-AFG** The capacity building component of this project can be summarized as follows<sup>44</sup>

- Strengthen the fiscal management capacity of MoF, such that Afghan personnel could, by December 2005, fulfil 50 percent of the competencies outlined in their job descriptions;

---

<sup>43</sup> The case study is more superficial than intended, due in part to the difficulty of accessing information concerning the projects and in part for want of sufficient time to carry out an adequate evaluation of the information that was available.

<sup>44</sup> Adapted from the Technical Assistance Framework (January 2005 – June 2006).

- Carry out organizational reforms so that, by August 2005, MoF had a human resources strategy approved and in place;
- All MoF departments restructured by June 2005 under the priority reform and restructuring process (PRR);
- Train line ministries' personnel in activity-based budget preparation; and
- Conduct an HR survey to identify priority objectives.

**TA-4637-AFG** This TA defined its capacity building outcomes as follows:

- The MoF has the capacity to effectively analyze fiscal policy trends, so that
- A multi-year perspective is integrated in fiscal planning, expenditure policy making and budget; and that
- The fiscal implications of priorities in the National Development Strategy are considered.

Outputs were defined in terms of the Ministry of Finance regularly

- Conducting general budget year and medium-term fiscal trend analyses;
- Conducting fiscal sustainability analyses of government policies and reforms;
- Conducting analyses of provincial budget allocations in relation to social equity and efficiency concerns;
- Reviewing and monitoring policy actions associated with benchmarks under programme lending modalities; and
- Ensuring a flow of information to Parliament and other stakeholders on fiscal issues.

The planned capacity building activities included

- Developing a training methodology and training plan for FPU, including a time-bound action plan by end 2005;
- Conducting training for staff of the FPU and, as required, for staff of the Budget Department and line ministries; and
- Familiarizing FPU personnel with ideas and bases for calculating outcomes, outputs and activities of programmes by June 2006.

### **Operational Factors**

So far as concerns the work of the TA consultants assigned to work with Ministry of Finance, in the early phase of the reporting period, 2002-2003, the Ministry's core function had not yet been defined. The political situation was unsettled and none of the Government's ministries were equipped to handle capacity building activities as usually understood. Only in a few locations within government was there recognition of the need for reform. For these reasons, at this time very little institutional strengthening was possible.

In the post-conflict environment that prevailed, the work of the TA consultants was determined largely by the exigencies of the moment, a great deal of time being spent in discussions with the Minister and his entourage about how to proceed. In this context it was fortunate that its project planning ADB included a relatively large allocation of unassigned consultant-months, so as to provide the flexibility that was necessary to cope with an evolving situation.

The key challenges were to strengthen the public financial management system through modernization and reducing the opportunities for corruption, while putting in place a system that could manage the large amounts of donor resources that were being committed. This had to be done in such a way as to legitimize the Government's institutions while providing effective policies. Given the limited human resources available, working towards these goals required careful sequencing. Improvisation and problem-solving had to take place in a situation where there were few models available on how to set about some of the reform tasks. The ADB TA-3874-AFG provided support to the strategic design and management of this process.

The work proceeded in phases. First, systems, policies and programmes had to be designed that facilitated the flow of international resources. Without such resources no capacity building would have been possible. Second, capacity building and change management strategies and mechanisms were developed for adoption within the Ministry, including identifying the early TA needs.

As time progressed there was a movement away from the direct management of issues by TA consultants to recruiting, coaching and supporting Afghan officials so that they could make their own decisions. By early 2004 the Afghan management team within the MoF had assumed full responsibility for the affairs of the Ministry, and the TA consultants shifted to a more supportive and coaching role. To this extent, the process of capacity building can be considered a success.

To 2004, with six major donor institutions trying to assist the MoF, there was considerable overlap in the provision of technical assistance. Among those involved were consultants and advisors fielded by US AID, World Bank, UNDP, DFID, the EU and ADB. Consulting companies and Individual consultants had to work out how to cooperate with the other actors - or not - as they saw fit. From a reading of reports it would appear that in fact a considerable amount of cooperation did take place. For the development of a strategic plan in 2004, the principal tasks to be performed within the Ministry were divided up between the different donor institutions in a more coordinated fashion but cooperation across boundaries did appear to continue.

In as much as ADB was not and is not the only organization providing technical assistance to Ministry of Finance, it proves difficult to disentangle the effects of the ADB TA projects from those of its development partners. At the time of writing, November 2006, there were eight international TA consultants engaged within the Ministry. Only one of these was funded under an ADB grant.

## **Successes**

The Ministry of Finance has played a central role in establishing the legitimacy of the Interim Government. The Ministry acted as a conduit for billions of dollars of aid and quickly acquired credibility through sound planning and budgeting operations. In this, the ADB assisted alongside other development partners.

At the commencement of operations in 2002, the country had almost no administrative infrastructure. The priority was to attract the right personnel for key positions. Individuals, including a relatively high proportion of women (compared to other ministries in Afghanistan) were selected on the basis of their integrity and potential for leadership and management.

By the end of 2006 this cadre has been built into a competent workforce that may be regarded as second to none within the government system.

One of the most successful capacity building activities supported by ADB in Ministry of Finance was that provided under TA-4502-AFG for the building of a medium term fiscal framework and a macro-fiscal policy. A senior advisor took up his assignment June 2005 and continues to the time of writing. His principal responsibility was the establishment of a Fiscal Policy Unit. The FPU was staffed with three analysts; two having master's degrees in economics and the third a bachelor's degree in information management systems. All three appointees were possessed of a background in analytical techniques.

Success has been attributed to the fact that in the discharge of his duties the advisor was somewhat unusual, in that he insisted that all tasks that he undertook be accompanied by one or other of his national counterparts. The emphasis was very much on training on-the-job. In addition, by drawing on the resources of partner institutions such as the World Bank and TA consultants in other projects, several short training courses were mounted.<sup>45</sup> In addition, the advisor provided a range of advisory services in support of the Minister.

After five years of effort other notable successes for the Ministry of Finance are the formulation of a policies and an overarching five year plan (May 2005); agreement on an organizational structure; the setting up of budget processes; and the carrying out of capacity building. The extent to which capacity has been built is not documented, although it is clear that many functions that were initially performed by international TA consultants are now being discharged by young Afghan nationals.

A key determinant of success in MoF has been the strong leadership exercised by both of the Ministers who occupied the post, with able support from their Deputies. Quality of leadership has been demonstrated in a number of ways. First, the international donor community has been inspired to support the strengthening of the Ministry of Finance in a way that it has been possible with few other government ministries.<sup>46</sup>

Secondly, the Minister's ability to provide a safe working environment that resisted political interference – against calls to appoint unsuitable individuals for example – is often cited as an important reason why the Ministry has been able to attract and retain capable personnel. A commitment on the part of the Minister to select on merit and husband the available human resources is another manifestation the desire to build a competent institution directed and staffed by Afghan nationals.

Another factor helping to secure capacity for the MoF was that donors were able and willing to provide remuneration to selected civil individuals serving in a variety of posts. UNDP was the major contributor, at one time supporting approximately 50 of the Ministry's personnel. Under TA-4502-AFG, ADB also provided salaries for the work of national personnel in the Fiscal Policy Unit, as described above.

Although the MoF has found it difficult to guarantee continued salaries to the personnel who have been engaged as local consultants, it has nevertheless agreed to do so. This may be seen as an acknowledgement of the realities of the marketplace in an environment where the work of the civil service in general is constrained by official (Civil Service Commission) unwillingness to pay salaries that are attractive to qualified individuals. Given the high levels of achievement that resulted within the Ministry, ADB may wish to consider this kind of measure as an attractive institution-building option.

---

<sup>45</sup> Report of the Principal Advisor and Advisor on Fiscal Affairs to The Deputy Minister for Finance, Ministry of Finance, submitted to ADB for the period 21 June – 30 September 2005.

<sup>46</sup> The other exceptions are the Ministry of Rural Rehabilitation and Development and the Ministry of Public Health.

On occasions overseas training formed a part of ADB's investment in capacity building for the Ministry. A group of 10 officials from MoF attended a two-week training programme in India, and one person was supported with travel funds to attend a training at the IMF Regional Training Centre in Beirut.

A MoF Training and Development Department has been established. In June 2006 the Department was reported to be doing good work with assistance from a TA consultant engaged under the project TA-4502-AFG. Activities at that time included arranging for a one-month training of 220 *Mustofiat* Managers from 34 provinces, for which a local training company was engaged. An External Training Programme Committee was formed and played an important role in encouraging a culture of learning within the Ministry. A strategic plan for the Department was developed with substantial input from the staff, resulting in significant ownership of the intentions laid out.

### **Difficulties**

In the early period 2002-2004, in many cases it was difficult for the government to find suitable national counterparts with whom the international TA consultants could work. This obviously limited the amount of capacity building that could take place. On the project TA-4502 –AFG this type of problem continued well into 2006, but with time and with the return to Afghanistan of a greater number of Afghan émigrés and graduate students, the scale of this problem has slowly diminished.

The project TA-4502-AFG included an analysis of the legal and judicial system in Afghanistan. In this, a problem was identified with ADB's approach to capacity building. Whereas ADB saw the nature of the task as being one of developing improved systems for the drafting of new laws, etc., the TA consultants felt that the issues to be confronted were more a matter of the competence of individual officials and the willingness – or lack thereof - of the relevant authorities to replace those whose presence was seen as an obstacle to reform.

An important political problem with which the Ministry of Finance has to cope is the low rate of budgetary disbursement compared to the volume of funds that has been committed by the international community. Whereas the London Conference yielded a committed of USD 10.5 billion to be spent over five years (approximately USD 2 billion per year) the actual rate of disbursement is averaging some USD 800,000 per annum.

There is a feeling within the Ministry that the low rate of disbursement is due in large measure to inadequate technical assistance, both in terms of quantity and quality. On the quantity side it is estimated that currently the international community spends annually between USD 400 million and 550 million on TA, equal to 16 – 22 per cent of the country's development budget (USD 2.5 billion). In relation to the operating budget the ratio is merely 0.4 per cent (USD 3 million for TA compared to an operating budget of USD 850 million<sup>47</sup>).

On the quality side, in the judgement of both the Deputy Minister of Finance and the most senior TA consultant working within the Ministry, the quality of TA consultants that have been made available to assist the Ministry is less than satisfactory. Both informants independently assessed the proportion of satisfactory consultants at slight more than 50 per cent. Problems have had to do with inadequate qualifications and /or experience; inadequate execution of feasibility studies; lack of or poorly done economic and financial analysis; lack of attention to implementation bottlenecks; inadequate advice in relation to procurement; and consultants being insufficiently pro-active in relation to the Ministry's needs. In the early days especially, there was a relative high turnover of consultants. Such cases were not however peculiar to those fielded by ADB.

---

<sup>47</sup> USD 500 million plus a grant of USD 350 million.

In October 2006 the MoF decided to establish a TA and Reform Monitoring Unit. In April of this year an Afghan national was hired to work as a consultant with the Unit. An ADB international TA consultant engaged under project TA-4502-AFG assists the appointee to collect data, including on the effectiveness of TA in the Ministry. In June 2006 a report was prepared regarding the expatriate and Afghan TA consultants who had been engaged. It is intended that this information will be used to manage and plan for TA more effectively than in the past.

A view strongly held within the MoF, particularly within the Budget Department, is that the providers of Technical Assistance, including but not limited to those furnished by ADB, do not communicate adequately either with the line ministries with which they are working or intending to work, or with the Ministry of Finance - that has overall responsibility for project execution.

During the period when the security situation in Kabul appeared to be deteriorating, May – October 2006, it was found difficult to set up a training project for Ministry employees in the techniques to be used for internal audit. An international company that won a competitive bid to provide the required training services declined finally to field personnel. Alternative provision was made by engaging the services of a local training company. Although perhaps not as in-depth as might otherwise have been possible, this offering was nevertheless enjoyed and appreciated by the participants.

### **Lessons Learned from the Case Report<sup>48</sup>**

From the ADB's experience working with the Ministry of Finance in Afghanistan during the period 2002-2005, some key lessons on capacity building have emerged.

The necessary conditions for the effective use of TA include that

- The consultant or advisor have clear reporting lines to an Afghan manager or counterpart;
- Clear timelines and handover strategies be delineated;
- Clear terms of reference and goals be delineated; and that
- Individual TA performance and the project as a whole be evaluated on the basis of whether skills are in fact transferred to the counterpart(s).

Some of the TA projects in Afghanistan did not meet these criteria. While the aspiration of capacity transfer was built into the project documents, in practice the lack of incentives and monitoring arrangements, coupled with the intense pressure in a post-conflict situation to do, and to save time rather than teach, meant that it happened only rarely. This was true especially in the early part of the reporting period.

A critical ingredient was the existence of both leadership and management skills within the Afghan management team. Without them, the TA and the government side would probably have managed to keep the *status quo* alive but not necessarily effect the complex changes that were required. Afghan leadership started from the top and then, through the management team, percolated down to produce a sense of solidarity and a dedication to public service and reform that was remarkable and quite unusual.

Capacity building is best achieved through doing rather than being taught. It was through the discipline of having to formulate and implement policies, and learn rapidly from the

---

<sup>48</sup> This section draws on the work of Clare Lockhart, *Report on the financial and economic issues facing Afghanistan during the Bonn process*, May 2005.

lessons ensuing, that the leadership team was able to hone its skills. The pressure of having to perform complex tasks provided the driving force necessary to acquire the skills to discharge them. Having highly paid consultants tell people what to do in the abstract tended to de-motivate the counterparts. It was essential that the Afghan leadership felt empowered to lead and manage, with the international TA playing a supportive and guiding role.

Some of the best solutions for building capacity lay in the introduction of system changes rather than in technical assistance *per se*. In such situations TA could be useful for helping in the search for mechanisms and best practices, rather than for doing or teaching. For example, it was in partnership with Iran that many potential solutions to problems in the Treasury were found. This approach can be likened to a twinning model rather than the more didactic one conventionally understood.

### **ANNEX 3: Persons Providing Information (by Interview and Written Submission)**

#### Asian Development Bank Staff

Mr. Brian Fawcett	Country Director	AFRM
Mr. Joji Tokeshi	Deputy Country Director	AFRM
Mr. Grant Curtis	Senior Country Specialist	AFRM
Ms Michaela Prokop	Economist	AFRM
Mr. Rafi Fazil	Economics Officer	AFRM
Mr. Gul Ahmad Kamali	Project Implementation Officer	AFRM
Mr. Mohiuddin Alamgir	Staff Consultant	AFRM
Mr. Per O. Bastoe	Principal Results Management Specialist	ADB Manila

#### ADB TA and Staff Consultants

Mr. Pachampet Sundaram	TA Consultant	IARCSC
Ms Ann McLean	TA Consultant	TA-4461
Mr. John Carr	Team Leader	TA-4594
Mr. Stefan Schuette	Team Leader	TA-4483
Mr. Mohammad Yasin Safar	Land Administration Specialist	TA-4483
Mr. Tony Wood	Consultant	TA-4461
Ms Vickie A. Sigman	Training Specialist	TA-4696
Mr. Trevor Bull	Institutional & Policy Specialist	TA-4579
Mr. G.R.Singal	Project Management Expert	TA-3874
Mr. Les Clark	Consultant	TA-4541
Mr. Masud Karim	Manager	TA-4415
Mr. Gil M. Soria	Consultant PIU	TA-3874

#### Development Partners

Eng. Ehsan U. Nawabi	Senior Transport Advisor	USAID /MPW
Mr. Oriakhel Assadullah	Organization /Training Specialist	UNOPS/MPW
Mr. Asif Ali Zaidi	Programme Manager	UNEP
Ms Sarah Hearn	Governance Adviser	DFID

Mr. Mark Beard	Staff Member	World Bank
Ms Ranjana	Staff Member	World Bank
Mr. Nigel Coulson	Senior Public Sector Specialist	World Bank
Mr. Stephan Massing	Programme Officer	UNDP
Mr. Pir Mohammad Azizi	Advisor	IRD /USAID <sup>49</sup>

#### Government of Afghanistan Staff

Mr. John Jedryk	Institutional CB Advisor	Ministry of Finance
Mr. Tony Preston Stanley	Financial Adviser	Ministry of Education
Mr. A. Salek	Advisor to the Minister	Ministry of Public Works
Mr. Raz Md. Alami	Technical Deputy Minister	Ministry of Transport
Mr. Ahmad Masood Kamal	Finance Director	MRRD
Mr. Adbul Rafur	Advisor to the Minister	Ministry of Agriculture
Mr. Hairan Gullagan	Director, Planning Dept	Ministry Energy & Water
Eng Mohammad Hashim	Technical Engineer, PIU	Ministry Energy & Water
Mr. Abdul Rashid Fakhri	Acting President General	Central Statistics Office
Mr. Esmatullah Ramzi	Technical Advisor to the PG	Central Statistics Office
Mr. Mohammad Ibrahim	Acting President, National Accounts	Central Statistics Office
Mr. Vilay Soulatha	Multisectoral Statistics Adviser	Central Statistics Office
Mr. Wahidullah Shahrani	Deputy Minister for Finance	Ministry of Finance
Mr. Allan Kelly	(Former) Advisor	Ministry of Finance
Mr. Paul Banerjee	Advisor on Fiscal Affairs	Ministry of Finance
Ms Ghazaal Habibyar	Aid Coordination Officer	Ministry of Finance
Mr. Ab. Jamil Hares	Focal Point, MoPW, MoT	Ministry of Finance
Mr. Saleem Kundozi	Focal Point, Agriculture Sector	Ministry of Finance
Mr. Modh. Waheedetaba	Focal Point, Ministry of Mines	Ministry of Finance
Mr. Baryalai Parsa	Focal Point, Energy & Water Sector	Ministry of Finance

---

<sup>49</sup> Formerly Deputy Minister for Irrigation, Ministry of Irrigation, Water Resources and Environment.