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# Mid-Term Evaluation of Learning for Community Empowerment Program 2 (LCEP2) by USAID

## Final Report

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## ACRONYMS AND ABBREVIATIONS

AED	Academy for Educational Development
ANDS	Afghan National Development Strategy
AOTR	Agreement Officer's Technical Representative
AUE	Afghan University for Education
BDS	Business Development Service
BEAMS	Basic Education Access Management and Support
BMENA	Broader Middle East North Africa
BTE	Breakthrough to English
BTL	Breakthrough to Literacy
CBs	Community Banks
CDC	Community Development Council
CEFE	Competency Based Economies through Formation of Enterprises
CHEA	Central Himalayan Environmental Agency, India
COP	Chief of Party
CRT	Center for Rural Technology, Nepal
CTA	Chief Technical Advisor
CTO	Chief Technical Officer
DCOP	Deputy Chief of Party
DoE	Department of Education
DSA	Daily Subsistence Allowance
DT	District Trainer
EDC	Education Development Center
EGRA	Early Grade Reading Assessment
EMIS	Education Management Information System
ESRA	Education Sector Reform Assistance
GIS	Geographic Information System
GoA	Government of Afghanistan
ICS	Improved Cooking Stove
ID	Institutional Development
IDU	Institutional Development Unit
ILSI	Instructional Leadership and Supervision Initiative
JICA	Japan International Cooperation Agency
JMC	Joint Management Committee
LC	Learning centre
LCEP	Learning for Community Empowerment Programme
LCEP-II	Learning for Community Empowerment Programme-II
LIFE	Literacy Initiative for Empowerment
LOE	Level Of Efforts
LTTI	Literacy Teacher Training Institute
M&E	Monitoring and Evaluation
MD&T	Materials Development and Training
MFI	Micro Finance Institution
MIS	Management Information System
MYIP	Multi - Year Implementation Plan
MoE	Ministry of Education
MoPH	Ministry of Public Health
MOSS	Minimum Operating Safety and Security Standards
MoWA	Ministry of Women's Affairs
MRRD	Ministry of Rural Rehabilitation and Development
MT	Master Trainer

NESP	National Education Strategic Plan
NGO	Non-Governmental Organization
NLC	National Literacy Center
NLD	National Literacy Department
NLP	National Literacy Program
NSDP	National Skills Development Program
NSP	National Solidarity Program
PACE	Partnership for Advancing Community Education
PACE-A	Partnership for Advancing Community Education in Afghanistan
PDC	Provincial Development Committee
PIF	Policy Investment Framework
PMP	Performance Monitoring Plan
PRR	Priority Restructuring Reform
PS	Productive Skills
PSA	Productive Skills Assistant
PSO	Productive Skills Officers
PT	Provincial Trainer
RA	Reporting Assistant
RFP	Request for Proposal
RISE	Radio Instruction to Strengthen Education
RRNT	Rapid Reading and Numeracy Test
SHG	Self Help Group
SHLG	Self Help Learning Group
SO	Social Organizer
SOW	Scope of Work
TL	Team Leader
ToT	Training of Trainers
TSUL	Technical Support Unit for Literacy
TVE	Technical and Vocational Education
UNDP	United Nations Development Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	United Nations High Commission for Refugees
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
VEC	Village Education Committee
VF / VT	Village Facilitator / Village Teacher
WTTI	Women's Teacher Training Institute

# **1. INTRODUCTION**

## **1.1 OVERVIEW – HOW THIS REPORT IS ORGANIZED**

Section One of this document begins with the evaluation purpose and methodology. Section Two includes the executive summary outlining major findings as well as three scenarios for a project restructure.

Sections Three to Nine constitute the body of research. Section Three outlines the major impacts on the direct beneficiaries – those whose livelihood is directly impacted. Sections Four to Seven address the four major goals of the project:

- a. Institutional development (Section Four)
- b. Teaching and learning (Section Five)
- c. Low cost model implementation (Section Six)
- d. Linkages (Section Seven)

Section Eight addresses the two major components of livelihood development – the Productive Skills Training as well as the development of Self Help Learning Groups (SHLGs) and Community Banks. Section Nine addresses overarching management issues.

## **1.2 PURPOSE OF THE EVALUATION**

This evaluation – whose mandate is outlined in Annex 1 “SOW” - was undertaken to:

- Critique the performance to date of the LCEP2 program,
- Assess the assets that the program has developed, and
- Provide UN Habitat and USAID with recommendations on appropriate program changes that would help to lever assets for maximum return

## **1.3 METHODOLOGY OF THE EVALUATION**

1. Review project documentation including Project Description, Project Design, Quarterly and Annual Reports, Financial Reports, PMP plans, and Training Materials
2. Review literature and other project reports relevant to literacy assessment and integrated "literacy - finance - productive skills" models. See the Annex 2 “Documents.”
3. Develop appropriate survey tools. See the Annex 3: “Questionnaires” and “Analysis of” Questionnaires.
4. Do field visits and interviews with appropriate personnel at USAID, UN Habitat Kabul and in the field, National Literacy Center leadership, implementers of similar projects, field stakeholders and beneficiaries including teachers, teacher trainers, community development councils, self-help learning and investment groups, and village education committees. See the Annex 4: “Work Schedule” for details.
5. Undertake financial analysis. This included both comparisons with other relevant Afghanistan literacy projects and the development and analysis of some internal efficiency indicators.

## **2 EXECUTIVE SUMMARY**

### **2.1 OVERVIEW - WHY A PROJECT “RESTRUCTURE” IS ESSENTIAL**

Learning for Community Empowerment Program (LCEP2) is a large scale community-based direct impact development intervention by USAID, to improve the livelihoods of urban and rural populations through an integrated literacy and productive skills program.

The program addresses the issue of illiteracy and a lack of employability skills by promoting a sustainable process of lifelong learning and community economic empowerment. The program contains literacy and numeracy education with vocational and business development skills, while also building financial literacy through savings and investment groups as well as microfinance activities. The Program is intended to serve as a potential model for nation wide integrated literacy and productive skills training in Afghanistan.

In January 2008, UN-HABITAT was selected as the implementing agency for LCEP2 to provide over 312,000 youth and adults in 3,120 communities from 20 provinces with a basic ‘package’ of literacy, productive and business skills, and microfinance over the period of five years from March 2008 to March 2012. USAID is currently negotiating with the Ministry of Education to downsize the project by 600 villages and 9 months because of the Ministry’s inability to keep its commitment to pay for village facilitators starting in year three.

To date LCEP2 has developed and implemented an integrated package of literacy, productive skills and microfinance for the intended target groups. However, despite noticeable achievements, the project has faced a number of challenges with respect to the design and implementation of its different components. These challenges have limited the impact of the project to date. More importantly, difficulties threaten the utility and longevity of some of the project assets overall.

Hence, the Evaluation Team prescribes a number of big picture recommendations which collectively call for a project restructure or downsizing. Three scenarios are presented. They consider likelihood of feasibility, best use of the current assets, opportunities for learning, and potential contribution to the bottom line “livelihoods improvement” objective.

### **2.2 KEY ACCOMPLISHMENT, CHALLENGES AND RECOMMENDATIONS**

#### **2.2.1 Accomplishments and Assets**

- Designed and implemented an integrated training model and its corresponding training methods and materials, one of the first ever in Afghanistan, thus, it has created a significant body of knowledge in integrated models for economic empowerment.
- Reached over 151,521 learners in 1,751 communities, of which 61% are female learners
- Built a significant body of assets – including intellectual capital, institutional strengthening, training capacity, financial capital, cadre of experienced village level trainers (a total of 286 District Trainers and 3,864 Village Facilitators have been trained), and entrepreneurial potential. These assets constitute an enormous potential for enhancing and securing future livelihood in Afghanistan.
- Improved Literacy. Majority of 151,521 learners have gained basic literacy and numeracy skills. In addition, participants are better able to manage personal and family affairs and finances.

- Helped learners to establish a total of 10,455 self-help savings groups with a total of USD773,000 in savings, of which 63% are female groups . These funds are available to support emergency needs and start small businesses.
- Worked closely with CDCs and strengthened the community capacity in delivering and managing development programs.
- Developed Social Capital. Women are more active in communities and involved in leadership. Base knowledge of learners has greatly improved in all aspects of their livelihood. Learning Centers and SHLGs have played a pivotal role in promoting social interactions and decision making processes.
- Accomplished significant theoretical work on specific literacy policy issues such as teacher credentialing and has introduced modest capacity improvements at NCL in terms of planning.

### **2.2.2 Challenges**

- Substantial delays in delivery of training programs by as much as six months compared to the planned delivery targets. Some components such as productive skills or business skills have been minimally delivered or not delivered at all.
- Lack of learner and Village Facilitator assessments to determine base-line training and learning capacity base-line in order to design a more appropriate and applicable model in order to assure high quality training.
- Lack of initial reviews of the model and testing of different modalities of implementing different components on pilot-basis, perhaps due to pressure by stakeholders to rush the program.
- Lack of monitoring, evaluation and quality control measures to detect the issues at the onset of the program and rectify the problems through appropriate solutions and modifications in the design and operational procedures (i.e., lack of an operational manual and monitoring tools).
- Results difficult to quantify due to lack of PMP, few baselines, weak instruments plagued by poor processes and poor and incomplete data.
- NLC is very weak and has been unable to support extensive capacity building.
- LCEP2 relationship with NLC compromised by first moving in and then moving out
- Curriculum is a two year work in progress, whose fluidity is difficult to evaluate and derive lessons learned.
- The integrated model is too complicated, especially its micro-finance component, for the limited capacity of learners and facilitators in rural Afghanistan.
- Productive Skills selection is not grounded in Afghan reality and some participants are misled about the potential for earning income. Also it has not been accompanied by substantive productive skills practical and business skills training.
- SHLGs not empowered to lend due to dogmatic adherence to model.
- Community banks redundant as a lending vehicle due to limitations in regulatory framework and cultural barriers, in addition to lacking microfinance institutions and practices in Afghanistan. Enormous barriers imposed by the UNHabitat corporate office, including complex and time-consuming UN procurement procedures, delay project implementation and recruitment processes. Complex UN security procedures further bring repeated interruptions in day-to-day operations of the project.

### 2.2.3 Recommendations

- Redefine NLC capacity building objectives to remove responsibility for policy change and institutional reform and instead provide modest technical support to respond to specific Ministerial requests coupled with building provincial NLC capacity to plan and monitor.
- “Finalize” curriculum and document use of appropriate models as per possible changes in training recommended for remainder of program
- Rationalize Productive Skills training program. Ensure each skill has a viable local livelihood benefit either in reducing family operating costs or generating an income stream. Consider a more decentralized, district-customized, and business-oriented approach along the line of the NSDP productive skills program. Include practical skills training in the early stages of program implementation.
- Engage the services of local NGOs in community-based productive skills training design and implementation.
- Conduct a business development strategy for all major districts as soon as possible to inform all livelihood generation decisions including productive skills training, apprenticeship training and entrepreneurial start-up supported by SHLG loans
- Focus on SHLGs as the primary method of saving and lending. Build SHLG member capacity to better understand how to minimize risk and maximize turnover. Support replication of small loan start-up case studies.
- Introduce Community Banking only as necessary to provide controls such as those required for interface (loans) from mainstream institutions.
- Undertake basic capacity building among front line UNHabitat staff to build basic data gathering and analysis capability to ensure customer – not the project design – drives the project. Ensure Kabul management drives this process.
- Improve quality-control measures in all sections and all levels
- Introduce immediate performance targets for UNHabitat and program participants to test responsiveness to the above interventions. One such target would be “100% of SHLG capital turned over as loans within six months”
- Hire a change management consultant to implement the recommendations and bring in an evaluation team after three months to monitor that change
- Post-project strategy and action plans need to prepare for each Cohort to define the next steps for the learners graduating from the program

### 2.3 THREE SCENARIOS FOR A PROJECT “RESTRUCTURE”

The LCEP2 program is in effect two independent initiatives. The first and largest is the delivery of integrated training services to community based beneficiaries, which for the purposes of this section we call “direct beneficiary livelihood enhancement”. The second is the support for the NLC and coordination of literacy programming – we call this “institutional capacity building”.

The Evaluation Team believes some hard decisions need to be made about “direct beneficiary livelihood enhancement”. On the continuum of possible choices we have identified three, along with their advantages and risks.

### 2.3.1 Decision One – “Direct Benefit Livelihood Enhancement”

Scenario	Advantages	Risks	Action Plan
<p><b>1. “Downsize LCEP 2”</b></p> <ul style="list-style-type: none"> <li>- keep Literacy and SHLGs</li> <li>- remove PS, BDS, CBs from LCEP</li> <li>- As desired and feasible contract out PS &amp; BDS components and implement them through local NGOs</li> </ul> <p><i>Implications for cohorts</i></p> <ul style="list-style-type: none"> <li>- C1 and C2 do nothing</li> <li>- C3 ???</li> <li>- C4 Literacy and SHLG training</li> </ul>	<ul style="list-style-type: none"> <li>- low risk in terms of unmet deliverables and UN Habitat organizational liabilities</li> <li>- focus on Habitat performance strengths</li> <li>- opportunity for alternative service providers</li> </ul>	<ul style="list-style-type: none"> <li>- possible loss of leverage of existing literacy and savings assets</li> <li>- likely long lead time to development of alternative deliveries, if desired.</li> <li>- potential negative feedback from current/prospective learners/communities</li> </ul>	<ul style="list-style-type: none"> <li>- Immediately stop PS, BDS and CB trainings</li> <li>- Negotiate with UN Habitat on reduction of the budget</li> <li>- Launch PS and BDS training through other contractors - local NGOS</li> <li>- ensure in-house (USAID) has clear understanding of the rationale for PS and BDS training program – contract an independent team to design and launch the BDS/PS</li> <li>- move proactively to strengthen SHLGs (lending – maybe some matching funds and or bank connections)</li> <li>- continue to woo CDCs as main community contact – explore with them how to lever new found community literacy.</li> </ul>

<p><b>2. “Redesign + Pilot”</b></p> <ul style="list-style-type: none"> <li>- redesign curriculum to emphasize literacy and savings as foundation blocks – use PS+BDS+CB in limited cases as appropriate and on pilot basis</li> </ul> <p><i>Implications for cohorts</i></p> <ul style="list-style-type: none"> <li>- C1 and C2 do nothing</li> <li>- C3 could participate in modified pilot</li> <li>- C4 pilots new approach (two approaches outlined)</li> </ul>	<ul style="list-style-type: none"> <li>- opportunity to pilot, redesign and test integrated approach</li> <li>- potentially good learning on alternatives</li> <li>- better leverage of existing assets in terms of getting to goal of enhanced livelihoods</li> </ul>	<ul style="list-style-type: none"> <li>- some risk of inability of UN Habitat to meet new expectations given inability to meet current project expected results</li> <li>- potential negative feedback from current/prospective learners/communities Not true because literacy and SHG would still continue</li> </ul>	<ul style="list-style-type: none"> <li>- UN Habitat must immediately <ul style="list-style-type: none"> <li>1. develop the training materials for BDS component</li> <li>2 redesign and customized the PS component to the actual needs of communities.</li> <li>3 redesign the microfinance component with SHLG TA only - remove the community banks</li> </ul> </li> </ul>
<p><b>3. “Future Directions - UN Habitat 2010 Annual Report”</b></p> <ul style="list-style-type: none"> <li>- engage in massive overall of PS/BDS</li> <li>- liberate SHLGs to loan but continue long term CB focus</li> </ul> <p><i>Implications for cohorts</i></p> <ul style="list-style-type: none"> <li>- C1 and C2 do nothing</li> <li>- C3 ???</li> <li>- C4 “shorter and revised training cycle”</li> </ul>	<ul style="list-style-type: none"> <li>- likely to be the most warmly received by the uncritical community members who sees “downsize” or “pilot” as necessary.</li> </ul>	<ul style="list-style-type: none"> <li>- high likelihood of inability to deliver on PS/BDS overhaul or if delivered to be effective</li> <li>- still too optimistic re CB possibilities</li> <li>- requires enormous culture shift at UN Habitat</li> <li>- Requires good planning and programming for delivery, which is one of the weaknesses of UN Habitat.</li> </ul>	<ul style="list-style-type: none"> <li>- The action plan has prepared by UN Habitat.</li> </ul>

## **Two pilot curriculum approaches for Option 2 “Redesign and Pilot”**

Option 2 is heavily motivated by the desire to take what has been learned about integrated curriculum development and pilot test a new approach. Two slightly different approaches are recommended – they differ only in their rationale for the order of training elements. These two approaches are discussed in Annex 5: “Redesign and Pilot Curriculum Options.”

### **2.3.1 Decision Two – “Institutional Capacity Building”**

The Evaluation Team sees prognosis for “Institutional capacity building” as much more black and white. Future plans should be driven by the Minister’s stated opinion – corroborated by LCEP2 Institutional Analysis- that NLC ability to absorb such efforts is weak and LCEP is not a high NLC priority. Hence, we recommend that capacity building for the NLC should be very focused in terms of:

- Responding to needs articulated by the Deputy Minister with on-going assistance from a LCEP2 IDU member with a focus on planning as well as monitoring and evaluation
- Field based capacity building of VFs who may eventually be employed by the MoE
- Strengthening provincial and district literacy training capabilities in the area of monitoring and evaluation
- LCEP2-NLC plan to leverage/transfer the project assets at the end of the project

The new donor (including USAID) priority for direct support to the Afghan government provides an incentive for LCEP2 to think creatively about ministerial capacity building.

### 3. PROJECT IMPACT

The bottom line of this project is “livelihood improvement” for the project beneficiaries. There has been significant social impact (especially for women), learning and literacy skills development, productive skills acquisition, and enterprise creation or enhancement. All four are related in their contribution to “livelihood improvement”.

**Social Impact for Women:** Beyond the achievements of reading and writing capability, as evidenced by student capacities to demonstrably read text and answer computational questions, the energy of empowerment among participants is palpable. Clustered together, women excitedly read stories aloud and offer solicited responses to the Village Facilitator. Women make class attendance a priority despite the demands of work and family. Children are rarely a deterrent, as learners bring toddlers and newborns to class as needed. The nurturing environment facilitated by learners’ support of one another and the Village Facilitators allows this dynamic to occur.

Women questioned on the impact of the classes offered anecdotes on the joys of now being able to read important documents and teach their children skills. One woman shared a story of how she no longer enters men’s restrooms in hospitals because she couldn’t read the signs. Another woman proudly exclaimed that she would never again mistakenly burn family property documents because she couldn’t read them. Another woman explained:

*I can read the sign on the bus and signboard. I can help my child in reading her schoolbooks! Before, I sold the diary products and I didn’t know the value of that. But now, I can make a right calculation of the sales. Also, before LCEP I didn’t know [the] calendar and didn’t know when ‘TEACHER DAY’ is. Now, I know. I learned [the] clock now also! I know time management and time value (Zainulabidin LC/ Cohort 1/ October 19, 2010).*

Some women have even assumed strong leadership roles within the CDC, working on par with their male counterparts. Teachers have been equally impacted, expressing desires for further development of their professional skills. The aptitude of some Village Facilitators was radiant, as they navigated student-centered learning with confidence and controlled assertion. Utility of created teaching aids also demonstrated to critically assess what improvements to the learning center are needed to enrich the learning experience. With minimal education at program commencement, women now feel empowered to pursue competitive goals. As stories reflect an immense diversity of impact, it is clear the lives of many women, in a particularly patriarchal society, are forever changed.

It is important to note that the project design targeted high female participation rates in order to maximize this social impact. Females comprise 55.6% of Village Facilitators. Women’s literacy centers make up 60.4% of the total.

**Literacy and Learning Progress.** The Cohort 1 learners, preparing to complete the program, have clearly demonstrated during our field visits they have achieved a significant level of literacy in the LCEP2 program. Both Cohort 1 learners and those from Cohort 2 who are one year into the program demonstrated good reading and writing skills to the field evaluators. In addition, through training of self-help learner groups and community banks they achieved planning, organization, documentation and recording skills as well as some limited accounting skills.

**Economic and Livelihood Improvement.** The results from productive skills training are not as tangible as those from literacy. Although some theoretical productive skills training have been conducted and some learners have been able to scale up their existing businesses, they are still at the preliminary stage and hard to assess since minimal practical skills trainings have been conducted and very few businesses have been established based on the productive skills training. Nevertheless, some learners expressed improvements in their knowledge and skills related to agriculture, irrigation, poultry and fish farms.

As a result of SHLG and Community Banks training, the participants have developed good knowledge of self-governance, organizational, planning, team work, and some accounting skills. In some communities the self-help groups have actually started their own business by investing their savings as a set-up capital for these businesses, but the number of these success stories is very limited.

There is significant anecdotal evidence of increased entrepreneurial activity. In Herat, for example, strong coordination efforts by the CDC have facilitated new business developments for 15 women. Contracts in Herat city were established to allow women to produce clothes. Materials are provided at no cost to the women who then earn profit for number of items produced. Other Herat ventures, supported by loan disbursements of community banks, include a Broom Factory and flower making classes for girls. Teachers have been hired to help 11 girls learn to make ornaments. In Bamyian, one female learner started a very successful tomato paste business, with contracts to companies as far as Kabul.

Annex 6: “Case Studies - Success Stories!” provides examples of entrepreneurial activity startup or enhancement as a result of this project. While the number so far is likely small, these success stories can be used to help motivate others to develop startups. The opportunity is enormous given the amount of lending capital available through SHLGs and the entrepreneurial spirit in its membership.

## **4. ASSESSMENT OF OBJECTIVE TWO – INSTITUTIONAL DEVELOPMENT**

### **4.1 OVERVIEW AND GOAL OF OBJECTIVE TWO**

The program description describes LCEP2 as “the lead effort to establish and begin roll-out of the community-based component of the new National Literacy Program (NLP).” LCEP2 has responsibilities for building the “capacity of the Ministry of Education to enable individuals and their communities to develop functional literacy and numeracy, stimulate growth in their local economies, and strengthen social and political capital.”

### **4.2 ACTIVITIES**

A wide range of activities have been completed since the project’s inception. They have focused on an institutional analysis of the National Literacy Center, developing ongoing linkages between the project and the NLC, developing literacy teacher credentialing and certification guidelines, providing professional development for NLC staff, supporting the Broader Middle East North Africa (BMENA) initiatives, supporting NLC interface with other donors, and supporting the development of grade 4 equivalency standards.

#### **4.2.1 INSTITUTIONAL ANALYSIS OF THE NLC’S EXISTING ASSETS, POLICIES, PLANS AND CAPABILITIES**

During this program year the IDU conducted an analysis of the National Literacy Center in relation to needs and requirements identified at the national, provincial and district levels. It is expected that the analysis will enable the NLC to take capacity building measures for its staff, as well as put it in a better position to take responsibility for the management of LCEP2 type activities.

*An Institutional Analysis of the National Literacy Center* was completed in July 2010. Since inception in 2008, LCEP2 has been trying to increase the capacity of NLC by implementing wide range of activities. The specific objectives of this study included:

- Identification and review of existing policies that guide the activities of NLC
- Identification and review of plans that are in place in NLC
- Identification and review of the assets/potentials that NLC already possess
- Review of the organizational structure of NLC
- Identification and review of existing capabilities of different units of NLC
- Recommend measures for making NLC more effective and functional

This was a research-based study on NLC based upon an extensive document review, observations and analysis of interview data. The study analyzed NLC from resources, capacity and sustainability perspectives. Data for this study was collected over a period of more than a year, and a total of 17 professionals in Kabul were interviewed. Some professionals were interviewed more than once when additional information was deemed necessary. These professionals represented NLC as well as other literacy actors in Afghanistan. In addition, three Focus Group Discussions were organized at the field level where 20 LCEP2 and NLC field staff participated.

All units of NLC together with their responsibilities were reviewed and analyzed, challenges were identified and various recommendations were suggested. A major recommendation of

the report is the proposal for a restructuring of NLC and accordingly a new organogram was proposed.

Unit chiefs and the CoP of LCEP2 have reviewed the draft of the study report. Pending translation of the report into local languages, a copy has been submitted to the Deputy Minister for Literacy for review and comments. While the report is being translated the IDU is organizing a workshop for NLC to share the findings and exploring ways forward.

#### **4.2.2 COLLABORATIVE PLANNING BETWEEN THE NLC AND LCEP2.**

A *LCEP2 -NLC Strategic Partnership Plan for 2010-2013* was also developed. This multi-year strategic planning document is a result of the commitment of LCEP2 towards strengthening the capacity of NLC. This plan may also be seen as a strategic extension of the annual partnership operational plan presently being implemented. While the activities in both the plans remain similar, this planning document focused more on strategies. The plan outlines how LCEP2 and NLC will work together to achieve the shared interests. It describes the strategies to be followed in order to implement the activities mentioned in this document.

While IDU is responsible for facilitation and implementation of all these activities, they are collaborative in nature, and will require direct and indirect inputs from other units of LCEP2 as well as occasional external help for successful implementation. Seeking external assistance from agencies having unique skills, experience and expertise will be particularly helpful for training in areas related to their skills and experience.

To build a stronger partnership between UNHabitat and NLC the IDU has worked to establish Joint Management Committees at the central, provincial and district levels. These meet on a monthly basis and address key issues. The national level committee had its first meeting June 2009. In the meeting members approved terms of reference and a Committee reporting template for the national, provincial and district level meetings. The Provincial Education Director chairs the provincial level meetings; the District Education Director chairs the District level meetings. See the Annex 7 “Joint Management Committee Members”.

The IDU has conducted regular weekly meetings with the Deputy Minister with responsibility for the NLC. IDU personnel update the Deputy Minister on program activities and discuss issues. The Deputy Minister’s wishes regarding LCEP2 are communicated back to the Program Management Team.

A core function of the IDU is to encourage LCEP2 Provincial and District teams to develop healthy partnerships with the NLC provincial and district staffs. In this, the monthly coordination meetings have been instrumental. The program has now developed a functioning partnership with NLC personnel and other literacy agents in the various locations.

Following changes in NLC’s organogram, early in 2009 the IDU helped in identifying additional personnel to join the Literacy Training Support Unit. Key officials now work together with UN-Habitat personnel and, in the process, become better acquainted with the LCEP2 approach. In summary, in terms of collaboration with the NLC:

- Joint committee meetings are taking place on a monthly basis. Senior officials including all NLC directors and all counterpart staff from LCEP2 attend these meetings.

- Consultation is occurring at provincial levels periodically. IDU is trying to ensure that meetings at provincial levels are also taking place in all provinces and on a regular basis. NLC is now considering LCEP2 as a resource and periodically asking ID Unit to develop various technical documents.
- In response to NLC requests the IDU has developed several project proposals, country paper and workshop proposals for NLC.

#### **4.2.3 DEVELOP POLICIES, STANDARDS FOR TEACHER CERTIFICATION AND ACCREDITATION**

Two working groups were formed for this activity. These groups included members from various literacy agencies of Afghanistan. One group focused on processes related to the selection of quality facilitators while the other group focused on professional development of facilitators. Over the last one and a half years a series of documents were developed through intensive consultation among various literacy actors in Afghanistan. These included job descriptions for facilitators, selection criteria of facilitators, facilitator standards, facilitator credentialing system, facilitators need assessment and a facilitator guide. NLC training department meanwhile approved the credentialing system proposed by the working group. The system is awaiting MoE's final approval.

Facilitator credentialing and accreditation is a complex task, more so in a country like Afghanistan. The country lacks qualified people to work as literacy facilitators as well as competent agencies to look after professional development and certification of literacy facilitators. NLC has little information and control over the chaotic literacy activities in the country, and it is extremely difficult to develop an effective facilitator credentialing and accreditation system. The fact that NLC wants a career path for literacy facilitators implies major government commitments. This has significant policy and financial implications. The IDU is developing a technical paper that will identify the remaining responsibilities of LCEP2 and NLC, help development of a work plan, and guide NLC towards a facilitator credentialing/accreditation system.

In summary the IDU facilitated the formation of a Teachers Credentials Working Group comprising personnel from the MoE Literacy Department and other key stakeholders. With the participation of this group the following has been achieved:

- Finalized terms of reference, national selection criteria and a model for the recruitment of literacy teachers /facilitators.
- Developed a registration form, training manual and evaluation form for village facilitators.
- Finalized a Literacy Teachers Training Institute concept paper.
- Developed a proposal for a Literacy Teachers Training Institute and shared this with stakeholders.
- Reviewed existing accreditation policies, systems, and career pathways (ongoing).
- Determined policies, goals, recruitment, assessment and certification components; teacher career pathways (in progress).
- Conducted a one-day workshop for stakeholders and senior Literacy Department personnel to identify the attributes of a literacy teacher/ facilitator. Developed a learner assessment and certification system for LCEP2 learners.

#### **4.2.4 GRADE 4 EQUIVALENCY**

NLC recently approved the LCEP2 program as grade 4 compliant. A certificate for learners awarding them grade 4 equivalency was also approved by NLC. A proposal was sent to the ministry of education for final approval. Senior NLC staff and the deputy minister have on several occasions given assurance that MoE-approval is expected.

A working group comprising members from LCEP2 and NLC developed grade 4 competencies, and reviewed the curriculum and materials of LCEP2 program. The working group recommended some suggestions. Based on the suggestions, LCEP2 revised its materials. The working group reviewed the revisions and recommended LCEP2 program as grade 4 compliant. After further review, NLC agreed to include the revised curriculum into the NLC curriculum system. The curriculum department of NLC approved the curriculum and materials of LCEP2 program as grade 4 compliant and sent a proposal to the ministry of education for final approval.

#### **4.2.5 PROFESSIONAL DEVELOPMENT OF NLC STAFF**

As exemplified above, most of the activities undertaken by the IDU have been undertaken together with NLC personnel. This is part of a strategy for capacity building. Additionally, IDU facilitated travel for six NLC personnel on a study visit to Nepal, where the focus was productive skills training and micro-finance. Six UN Habitat personnel accompanied the six NLC staffers. After returning to Kabul the NLC team shared its experiences with the remaining NLC staff in Kabul. Workers in the Community Learning Centers and the vocational training sections of NLC also benefited.

A series of workshops for the NLC staff have been proposed for the remainder of the project. These include sessions on the meaning and definitions of literacy, how to conduct research, curriculum and materials development, social mobilization, proposal writing, gender awareness, planning, monitoring and evaluation. Beyond this, a training needs assessment is scheduled shortly.

#### **4.2.6 SUPPORT THE BROADER MIDDLE EAST NORTH AFRICA (BMENA) INITIATIVES AND COLLABORATION WITH UNESCO**

The IDU assisted NLC in the development of a draft project proposal entitled “Sharing Resources and Experiences to Promote Literacy: The Literacy Hub for the Broader Middle East and North Africa region”. The proposal aims to enhance resource and experience sharing on literacy among the BMENA countries.

IDU conducted regular meetings with UNESCO and UNICEF representatives with the aim of promoting a coordinated approach to planning and implementation of activities. LCEP2 overlaps with UNESCO activities in four provinces: Balkh, Bamyan, Ghor and Nangarhar. On behalf of the LCEP2 the IDU participated as a member of the Steering Committee of Literacy Initiative for Empowerment. Through its monthly meetings, LIFE provides recommendations regarding the professional development of the NLC personnel. Presentations were made to acquaint the LIFE partners with the LCEP2 micro-finance and productive skills components, as well as explain how this was integrated with training in literacy.

### 4.3 FINDINGS

**Minimal NLC Involvement** Multiple challenges have emerged in terms of strengthening the institutional framework and building capacities of the Ministry of Education. A large number of activities have been initiated in an attempt to engage the interest and commitment of NLC. In certain technical areas progress has definitely been made. Overall, however, LCEP2 has remained a program managed and executed by UN Habitat directly, with minimal active involvement on the part of NLC.

**Engagement Undermined** A number of factors have undermined prospects of Government's engagement with LCEP2. First, a change in Minister at the end 2009 resulted in a downgrading of the priority awarded to adult literacy as compared to basic education for children. This shift in emphasis appears to explain the fact that Ministry of Education has not been able to honor its obligation to pick up salary costs of the Village Facilitators. Secondly, USAID regulations and the direct execution modality adopted by UN Habitat has not allowed for benefits to be paid to NLC officials. At the same time, the program's very modest contributions to the work of the NLC in terms of hardware has not equated to the type or volume of assistance provided by other donors. In particular, contributions from UNESCO, UNICEF and JICA have been possibly more substantial to NLC.

**Limited View** NLC's view of its responsibilities does not encompass work in the area of productive skills, micro-finance, or business development. The NLC's more limited and traditional view of its role in the adult literacy field has made it very difficult for LCEP2 to obtain prominence. This problem has been made more acute by the fact that LCEP2 has itself had challenges in delivering an integrated model.

**Limited Capacity** The NLC's organizational capacity remains extremely limited. Aging human resources, inadequate education of personnel, a traditional mentality, absence of managerial skills, an almost complete lack of English language capabilities, lack of appreciation of literacy programs elsewhere in the world, unclear and overlapping responsibilities of officials, have all conspired to make the task of institution building exceedingly difficult. The absence of a political will to change the situation is perhaps the overriding constraint.

**Refocus assistance to NLC** As suggested by both the LCEP2 ID unit and Deputy Minister the focus for LCEP2 NLC Institutional Capacity Building efforts for the remainder of the project should be on: **a.** accreditation and credentialing of literary teachers, **b.** developing a Professional Development Plan for NLC staff, **c.** developing an LCEP2 transition Plan in collaboration with NLC, **d.** providing planning and monitoring and evaluation training in consultation with M&E, **e.** developing learner assessment strategies in consultation with the LCEP2 Materials and Development unit and **f.** field staff capacity building in consultation with the field implementation unit (FIU).

It is not envisioned or expected that the ID unit will provide assistance in the development of a Literacy Teacher Training Institute (LTTI) or design a research and Policy Unit within NLC. In addition, given time constraints, the ID unit will reduce efforts to build linkages with LCEP2 and other literacy agencies and donors.

**Value of Professional Development Unidentified** Activities provided by LCEP2 for NLC has included training workshops, field visits and study tours in the areas of gender awareness,

monitoring and evaluation, micro finance, productive skills, program implementation and material development. A total of 209 person/days of orientation and training were provided to NLC in the last 18 months. IDU developed various workshop plans on areas requested by NLC but could not organize these activities mostly due to time constraints and occasionally due to security constraints. At present an assessment has not been done, and it is difficult to accurately document how these activities have assisted relevant NLC staff members' professional performance.

**“Move-Out”** LCEP2 collaboration with the NLC has been hampered by the move of the project from NLC headquarters to UNHabitat. This has significantly diminished capacity building efforts. Ongoing consultation between key counterparts is infrequent.

**Limited Ownership** The program design calls for LCEP2 to ensure that NLC trainers be qualified to support the National Literacy Program at provincial and district levels. From the beginning, NLC materials developers and trainers have been encouraged to participate in the program's materials development and training process, both at national level and in the provinces. However, as these officials have not been provided with salary supplements or any other incentives their commitment is limited. There is a limited sense of ownership of the LCEP model.

**Transfer Planning** In terms of *progress on a transition plan* of LCEP2 to NLC at the completion of the projects the IDU has identified services, systems and some strategies that are central for the transfer process. They are in the process of determining priorities and articulating reasonable expectations given numerous constraints. The IDU organized a number of inter-unit brain-storming sessions on the sustainability of LCEP-2 initiatives. The IDU is planning to receive more inputs from other LCEP2 units regarding transfer needs. It is expected that the IDU will develop a comprehensive transfer plan within the next six months.

**Additional Interests** Following the completion of LCEP2, NLC is unlikely to have the capacity and resources to expand and implement a program like LCEP2. It should be noted that as a long-established government department, the NLC has its own plans and interests. These include the development a Literacy Teacher Training Institute which is not part of the LCEP2 mandate. Developing a research and policy capacity unit may also be beyond the scope of the project.

#### 4.4 RECOMMENDATIONS

- **Station** an LCEP2 staff person in the NLC who could respond to Ministry demands and devote an appropriate amount of time to work with the Deputy Minister on his priorities.
- **Develop** counterpart relationships with the local IDU staff.
- **Develop** a feasibility study regarding the establishment of a National Literacy Trust Fund.
- **Continue collaborative field visits** to enable provincial literacy departments fulfill the mandate of local monitoring and coordination; assure learners are the first priority.
- **Continue to include DoE literacy officials** in training sessions building the capacity of the DoE teams to undertake M&E.

- **Continue to support the NLC** on facilitator credentialing and accreditation.
- **Assist the NLC** in supporting a professional development and performance appraisal instrument for its technical and professional staff.
- **Assist NLC** in developing low cost literacy models.
- **Complete** the series of planned workshops for professional NLC staff
- **Invest** in its Village Facilitators as a potential cadre of NLC master trainers given their classroom experience and community support.
- **Modify** the existing student assessment instrument by responding to data and process challenges outlined in the literacy assessment by sampling of student activity books
- **Scale back** the wide range IDU activities and focus on those of highest priority and likelihood of implementation. This may include limited involvement in support of training and research structures or the development of Literacy Teacher Training Center. Priorities as suggested in the findings.
- **Limit** LCEP 2 activities for UNESCO support and NLC donor interface
- **Help develop** a project transition plan noting the LCEP2 assets developed in the learning communities and local delivery mechanisms.

## 5 ASSESSMENT OF OBJECTIVE TWO – TEACHING AND LEARNING

This analysis of the teaching and learning objective of LCEP2 focuses on three components:

- Curriculum and Materials,
- Learner Assessment, and
- Trainer Training

### 5.1 CURRICULUM AND MATERIALS

#### 5.1.1 OVERVIEW OF THE CURRICULUM AND TRAINING MODEL

The strategic goal of LCEP2 is to “improve livelihoods in targeted communities through activities in integrated development- focused literacy, numeracy, life skills learning and economic empowerment.”<sup>1</sup> Accordingly, LCEP2 curriculum and materials integrate skills of reading, writing, and numeracy (literacy) within the delivery framework of productive skills concepts and application. Productive skills refer variously to “occupational, vocational, and business development skills and/or training” which stimulate local economies as well as strengthen social and political capital.<sup>2</sup> The LCEP2 package encompasses a progressive five-phase development strategy, over 24 months, designated to build foundational skills for learners and achieve the strategic goal of improved livelihood.

<b>The 24 month Integrated Model</b>	
Phase 1 (3 months):	Community Mobilization - to introduce the program to the communities and mobilize them to establish and support learning centers.
Phase 2 (6 months):	Basic literacy, savings, and business skills package;
Phase 3 (6 months):	Intermediate focused literacy, savings and investments and business skills package
Phase 4 (6 months):	Accompanied literacy, savings and investment and specific productive business/enterprise information and vocational training package
Phase 5 (3 months):	Sustainability - literacy, savings, investment and productive skills training with on-going support for establishing enterprises focusing on linkages.

Phases two, three, and four encapsulate the crux of curriculum and materials development output.

Phase 2 incorporates 24 chapters, comprised of 6 lessons each. Chapter topics range to include approaches to an empowering learning process, Islamic financing principles, savings groups, community banking, and small business practices. Classes within this Phase meet for 2 hours/ 6 days a week.

Phase 3 incorporates 8 chapters, comprised of 6 lessons each. According, to the original curriculum design for this stage, chapter topics spanned issues in two main categories:

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<sup>1</sup> Refer to Draft Program Description, LCEP2009

<sup>2</sup> Ibid.

productive skills (theory & practical) and microfinance. Productive skills topics in this phase introduced theory relating to backyard poultry, button mushroom cultivation, improved cooking stove, and solar dryer development. The original project implementation plan for this phase consisted of 2-hours/2 days theoretical instruction and 2-hours/4days a week practical application (hands-on skills development).<sup>3</sup> The Village Facilitator alternates instruction with a Productive Skills expert (PSA) throughout the week.

Phase 4 of the original project design incorporates an independent learning model. Learners are expected to spend 2-hours/2 day theoretical instruction and 2-hours/4 day in practical application.

The Materials Development & Training (MD&T) Unit is responsible for design of all learner, teacher, and training materials accordingly. A total of 24 people comprise this talented team: sixteen (16) material developers, four (4) translators, (1) graphic design artist, one (1) layout artist, one (1) MD&T Coordinator, and one (1) MD&T Advisor. As needed, MD&T collaborates with the Microfinance and Productive Skills Units for input on lesson plans and assessments.

Overall, the main distinction between the basic and intermediate stage is a shift in lesson plan from a general “overview to a more detailed and deeper description, discussion, writing and calculation” exploring topics related to productive skills selected.<sup>4</sup> Transition between Phases 3 and Phases 4 reflects graduation to a more individualized, self-paced, workplan. The goal at that juncture is a sustainable plan for literacy and productive skills, post LCEP2 completion.

### **5.1.2 ACHIEVEMENTS**

**Phase 2 & 3 Curriculum.** LCEP2 has successfully met its target in developing an integrated curriculum for life and productive skills as well as classroom support materials and teaching guides. Village Facilitators are supplied with teaching kits including lesson plans, flash cards, an alphabet book, a stationary kit and supplementary materials. Learners are provided a learner workbook, an assessment book (Phase 2), and a stationary kit.

Phase 2 materials are particularly strong in guiding teachers through explicit instruction.<sup>5</sup> The experiences of this Phase are relatively standardized with lesson plans clearly specifying objectives in terms of learner knowledge gain and encapsulating a range of student-centered activities for the VF to employ during the two-hour lesson block. Teachers begin each lesson recalling themes from the previous lesson, soliciting feedback from students through question-oriented exercises. Diverse teaching strategies are outlined to include cooperative

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<sup>3</sup> Program Description, UN-HABITAT, LCEP2, 30 November 2007, pg. 15

<sup>4</sup> Program Description, UN-HABITAT, LCEP2, 30 November 2007, pg. 15

<sup>5</sup> Explicit instruction refers to teacher capacity to direct learners’ attention toward specific areas in a highly structured environment. Teachers are expected clearly articulate what skills are being taught, and follow a instructional approach involving explanation, demonstration, and practice.

learning strategies, use of semantic organizers, oral reading, collective summarization, repetition and multiple exposures to words. Lesson plan activities are followed by direction for the VFs to summarize, evaluate, and provide a homework assignment. Overall, the materials are highly applicable to learners' daily life tasks and challenges, allowing opportunity to draw upon personal experiences as a resource and rich reservoir for interactive learning. Moreover, student achievement in literacy was demonstrable through interactions during field visits, throughout 40 communities. In many instances, students spontaneously asked to read passages or execute calculations were able to perform accurately.

**4<sup>th</sup> Grade Equivalency Standard.** LCEP2 curriculum materials have been certified by NLC as equivalent to 4-grade proficiency, with recent enhancements to the curriculum approved in September 2010. Approval is now pending with the MoE central body.

**Gender Awareness.** The gender unit has made significant strides on building awareness of gender equity, women's rights, human rights, and prevention of gender based violence both internal and external to UNHabitat. Vetting of all materials to ensure reinforcement of positive messages about women's roles in society buttress this effort. Additionally, both male and female gender focal points have been identified at the provincial level and a 10-module gender awareness training provided to partners, including the NLC. Collaborations with the Afghan Women Council further fortify opportunities for women business development overall. The achievement of the LCEP2 program thus far, concerning reach of a 60% female beneficiary target, would not have been possible without the collaboration, strong leadership, gender strategy and championing efforts of the gender advisory unit.

### 5.1.3 FINDINGS

The Evaluation team has undertaken a detailed critique of the curriculum and materials in light of its central importance to the training mission of the project and the value of lessons learned about integrated literacy/livelihood programming for future work in Afghanistan. The detailed critique can be found in the Annex 8 "Curriculum and Materials – Detailed Critique." Eight key areas were addressed.

**Systematic Instruction** The curriculum lacks systematic fluency, its activities are not clearly connected, and learner/VF feedback indicates difficulties with comprehension.

**Numeracy Coverage Weak** The quality and proportion of the numeracy exercises is weak throughout the lesson plans as well as the assessment book as compared with those of reading, writing and problem solving. See Annex 9 and Annex 10, "Curriculum Analysis Chart" and "Assessment Book Analysis" respectively for details.

**Lack of Training** MD&T staff lack adult basic education training to critically analyze and subsequently enhance the delivery of content based upon learner needs. Although LCEP2 staff include Masters and Doctorate holders, as noted by management, most professionals designated as materials developers are without a relevant training in literacy or adult basic education.

**Translations** Designated translators are weak in technical translation. Hence, it is challenging to distinguish between weak original components versus inaccuracy of translation.

**Significant Delays in Program Delivery & Materials** Time constraints, the UNHabitat procurement processes, and shortages of technical expertise have all contributed to significant delays. See the Annex 11, “Cohort Timelines (LC)”

**Organizational Communication** Head office operational units function to a large extent in silos, without clear understanding of the neighboring units’ evolving operations.

**Supplementary Resources Deficient** The lack in provision of supplementary materials in the field threatens to degrade skills acquired following course completion.

**Revisions To Curriculum** The curriculum as a “living document” means varying quality and challenges auditing the learner experience.

#### **5.1.4 Comparisons to Other Programs**

See Appendix 19 “Teaching and Learning Comparisons to PACE A and UNESCO

#### **5.1.5 Recommendations**

- **Guidelines for Effective Literacy Training** Clear criteria for an effective literacy training program should be specified and shared with all relevant training stakeholders. A sample set of criteria based on best practices can be found in the Annex 12 “Guidelines for Good Literacy Programs”
- **Materials Reduction** Decrease in delivery of materials related to SHLGs and Microfinance would improve efficiency. These two areas currently warrant production of more than 15 books. Cost redistribution could equate to provision of supplementary materials, including literature supporting a stronger reinforcement of literacy and numeracy development through rich texts.
- **Updated Curriculum Grid** Considering the evolution of certain phases since commencement of the project, it is appropriate and advisable to update the curriculum grid accordingly. Resources should be expended to ensure translations are made available to meet language proficiencies of all management staff and stakeholders.
- **Formalize an Amendment Approval Process** The CoP should authorize all amendments divergent to the original program description, through a stringent approval process. The Authorization should be logged in hard copy with original signatures of the CoP and DCoP. Copies should be provided monthly to USAID, with submission of the Quarterly Report.

## 5.2 LEARNER ASSESSMENT

### 5.2.1 OVERVIEW

Learner assessment takes place through continuous formative assessment. Literacy and numeracy assessment activities are integrated with the concepts covered in the learning materials. For Phase 2, the Village Facilitator is guided in the marking by four consistent scales associated to the number of errors identified on a page. In the current system, certification of learners takes place once evidence of successful completion of the learner assessment portfolio is achieved. The exact composite of that portfolio remains ambiguous, as of November 1, 2010.

### 5.2.2 ACHIEVEMENTS

**Phase 2:** An assessment book for Phase 2 has been completed.

**Phase 3:** Framework for a grade 4 equivalency assessment is undergoing finalization.

### 5.2.3 FINDINGS

**No MoE Approved Literacy Skills Assessment at the end of Phase 4.** The MD&T and IDU units were unsuccessful in accomplishing this important output as established in the program description.

**Student Activity Book.** The only assessment of student performance successful in achieving measurable data for analysis, thus far, is the student activity book utilized in Phase 2. The book incorporates 48-practice activities. Under its current guidelines for utility, the 48-activity booklet is not an accurate measure of student achievement for a variety of reasons. The Evaluation team undertook a sampling exercise of data from the learner activity books to help identify challenges with this assessment vehicle and critique its usefulness. That sampling exercise is found in the Annex 13 “Activity Book Sampling Exercise”

Firstly, the authors of the assessment guide clearly affirm, “performing these activities does not mean to test learners in [a manner] which they will succeed or fail.” This disclaimer suggests even at inception, based upon possible limitations in Village Facilitator training concerning integrity of assessment/scoring as well as lax guidelines, the tool does not validly certify 4<sup>th</sup> Grade equivalency or comprehensive mastery of a range of topics covered within 18 months.

Secondly, Village Facilitators were not given direction to capture scores accurately at a designated benchmark. Rather, Village Facilitators were allowed to administer the same activity, an infinite number of times, until learners scored a requisite 2 out of 4 possible points. With such latitude, there is limited capacity to assess what students actually learned versus what they potentially memorized. Hence, the assessment book for Phase 2 is better identified as a practice activity book rather than a measure of achievement.

Finally, in examination of a small subset of assessment books retrieved from provinces, teacher error in scoring activities was found in 6 out of 8 copies. Discrepancies include:

- teachers failing to identify and/or record errors accurately;
- several chapters left blank, although VFs cumulative “passing scores” entered; and

- cumulative results forms submitted reflect scores higher than 192 (the maximum sum of 48 subscores from each 4 point activity).

This sample selection of only eight was intentionally small, as each book needed to be translated from Dari to English. Nonetheless, it could be indicative of a larger scale-scoring problem for which additional training guidance and provincial level analysis would enhance accountability. At present, DTs are only required to review 10% of the mark sheets to verify that marking conforms to standard.

**Assessment for Phase 3 Rapidly Evolving.** The month of October 2010 was marked by various evolving assessment possibilities for Phase 3. Following consultation with a monitoring and evaluation specialist, LCEP2 management has scurried to not only improve monitoring records but also finalize a productive skills assessment portfolio before Cohort 1 learners disperse. Due to the ever-changing condition of the instrument, the Evaluation Team has steered clear of drawing any definite analyses on the quality of the document and extensive details are not included in this report. However, it is clear that the MD&T unit and the provincial staff will need substantial support in the coming weeks. Deploying a tool capturing the right indicators and achievement of learners with primarily theoretical knowledge of productive skills and limited application of business developments correlated to skills studied is a difficult task.

**Student Portfolios:** Teachers across provinces devise their own creative assessment activities to monitor student progress, although such information is not synthesized, analyzed and reported at central or provincial level. This phenomenon grew increasingly important for Cohort 1, as assessment books and other materials were not printed and distributed on time. VF constructed activities are consolidated in “*student portfolios*” at the LC level, varying in scope and design between provinces. Intermittent reviews by DTs during weekly site visits are reported as ongoing. VFs assert DTs assess the portfolio data to identify challenges in knowledge gain for learners, as well as proposed interventions as needed. However, DTs claim no guidance from management on utility beyond sporadic review. Furthermore, no records were provided to validate DTs execution of advisement in such cases or analysis of correlated achievement resulting from applied recommendations.

Nonetheless, it is clear the corrected material within the student portfolios serve as a strong progress indicator for monitoring individualized learner development throughout the course of 18 months. The portfolios are incentives for teachers to own and diversify activities buttressing skill development as well as initiate assignments enriching the learning environment. Examples from the field include participatory teaching practices such as group work to help build the needs of less proficient students. Unlike assessment books - sparse of notations other than check marks for the scoring scale - Village Facilitators and learners communicate through the portfolios. Village Facilitators offer clear feedback while students take distinct ownership over the facilitator feedback on activities. In some LCs, learners adorn their corrected work with fanciful decorations highlighting their achievements. The ownership and pride are conspicuous.

#### 5.2.4 Recommendations

- **Develop an MoE Approved Summative Assessment** LCEP2 learners could benefit from taking an annual summative assessment congruent with MoE grade equivalent tests in relevant subject areas. The performance of LCEP2 learners is then easily comparable

against performers in the formal school system. As different cohorts complete their cycle at varying times, arrangements would need to be coordinated with the MoE to adapt a comparable version from the annual year closest in range to the cohorts' completion. For skills covered in LCEP2 beyond the fourth grade curriculum, separate short summative assessments could be administered. For example, an assessment in Phase 3 might solicit data on the social and economic impact of the productive skills taught or microfinance knowledge gained.

- **Revise Guidelines.** The assessment book guidelines should be modified to capture a finite score on initial exercise attempts, and teachers should be given better support/training in developing quality follow-on activities. With concrete measurements of learners' knowledge gain at designated benchmarks, the VF could then work with the DT in identifying interventions as needed or solicit recommendations from central office for increased training or curriculum enhancements. At present, revisions to the curriculum have been based more on "perceived satisfaction" of stakeholders rather than correlation between instructional methodology and curriculum to student achievement. Summarily, application of either a formative or summative assessment demands teachers receive thorough training in the "integrity" of the grading process and refreshers on improving instruction.

It is anticipated the use of more finite measurements may be received in the field as a drastic and perhaps disfavored contrast to operations thus far. The current system prioritizes facilitation of enriched learning environments branded for encouragement and nurturing rather than quantitative achievement. One could argue favorably that learning gains are not captured entirely in any one Phase of the program because the learning philosophy is developmental over the course of 18 months. Nonetheless, an alternative argument would assert that the absence of valid quantitative data compromises the likelihood of achievement-orientated enhancements to instructional methodology as well as curriculum. Both must be espoused to facilitate learner preparedness for improved and sustainable livelihoods. Harmonization of philosophies is achievable, as successful program outcomes are not contingent upon mutual exclusivity.

- **Revised Quality Appraisal Process for VFs** Development of an assessment for Village Facilitators that considers student performance, attendance, and data extant from monitoring by DTs gives VFs incentives for higher performance. This aspect is severely lacking in the current system, as DT interventions and VF development is not captured for analysis or subsequently rewarded. By endorsing a system of accountability that distinguishes high performers from those that merely participated, VFs will have stronger post program professional opportunities as well as marketability for recognition by the MoE. VFs can receive distinguished recognition based upon:
  - DTs feedback (i.e. 'Form C', Chapter Feedback Forms, etc.) synthesized, analyzed in comparison to accreditation criteria established through IDU)
  - VF Attendance
  - Student Performance (# of passing students)

Components of student performance, VF attendance, and ongoing monitoring by DTs can be weighted to deliver a 'quality rating' for VFs totaling 100 possible points. LCEP-2 can determine a VF 'high performance' cut off score. All VFs that attain that score will receive a special 'high performance' certificate. Once the database is created to capture

performance data regularly and systematically, this type of comprehensive assessment reinforces VF quality performance in a manner decentralized and manageable at the provincial level.

- **Decentralize Management:** Micromanaging a project of this size and scope is infeasible. Sustainability is contingent upon coordination of monitoring and evaluation in a decentralized manner. Greater capacity building at the provincial level for analysis must commence.

## 5.3 TRAINER TRAINING

### 5.3.1 OVERVIEW

The training approach for LCEP2 follows a cascade model, beginning with training of Master Trainers from the MD&T unit by the MD&T Coordinator. The Master Trainer (MT) portfolio in this unit includes 12 persons, representing an equal number of men and women. The training by MD&T MTs covered 6 modules between Phase 2 and Phase 3 for Cohort 1, while covering 4 training modules for Cohort 2 & 3 within the same time frame. MTs travel to provinces to conduct six-day trainings with PTs, DTs, and PSAs. Village Facilitators are then trained by DTs and PSAs for 5 days per module. The cycle is repeated every 8 weeks, per eight chapters in the learning books, for a total of 40 scheduled hours training per cycle. Excluding Microfinance and Productive Skills, training days for VFs of Cohort 1 total approximately 30 days, while training for Cohorts 2 & 3 total approximately 20 days. Productive Skills training is not standardized, whereas Microfinance training varies in beneficiary types (i.e. community officers versus PSAs). See the Annex 14 “ToT Timelines”.

The foundational principles guiding the training curriculum are:

- 1) *Integration*
- 2) *Accessibility,*
- 3) *Openness*
- 4) *Flexibility,*
- 5) *Modules*
- 6) *Practical orientation,*
- 7) *Demand-driven*
- 8) *Learner Centered,*
- 9) *Bridge of education and training*
- 10) *Bridge of learning and work.*

### 5.3.2 ACHIEVEMENTS

**Cohort 1 & 3.** Approximately 16,772 female learners and 29,742 male learners have been trained from Cohort 1. From Cohort 3, approximately 38,241 female learners and 27,924 male learners have been trained from Cohort 3. Between the two cohorts, more than 3,025 Village Facilitators have received training. Cohorts 1 & 3 represent training delivered to more than 1,470 communities in Kabul, Parwan, Kapisa, Panshir, Bamyan, Balkh, Nangarhar, Herat, Farah, and Kandahar.

**Cohort 2.** For Cohort 2, approximately 24,387 female learners and 14,455 learners have been trained from Cohort 2. More than 1,128 communities in Helmand, Ghor, Sari Pul, Samangan, Baghlan, Kunduz, Takhar, Laghman, Logar, and Paktika have been delivered training in this cohort. The total Village Facilitators trained for Cohort 2 is 839.

**Field Staff-Cohorts 1, 2, & 3.** In Cohort 1 & 3, a total of 240 PCs, PTs, DMs, M&E Officers, and DTs have received training. For Cohort 2, 138 field staff will receive training.

**Strong Instructional Methodology - Demonstrable Successes in the Field.** On field visits, strong instructional practices were observed. Despite the language limitations of the evaluation team, it was evident that many classes were student-centered and saturated with an engaging energy. Students worked in groups to solve problems and discuss observations in their community. Several students volunteered to do demonstrations related to the lesson, as well as the evaluation team surveys. Most teachers demonstrated good tone and maintained good circulation as much as possible, considering the limited space of the average LC. Students in the back of the classroom were engaged as much as students in the rear. Additionally, many teachers performed exceptionally in adorning the learning space with colorful teaching aids and student work. Graphs were drawn on poster size sheets for visual demonstrations of SHLG and clustering concepts. Learners' drawings of the alphabet and community structures were also included. The complete learning experience seemed an enriching one.

### 5.3.3 FINDINGS

**Training Load** Procurement problems caused delays in printing materials and subsequent delivery to the field in the beginning phases of the project. As a result, training was fragmented, and could not occur on an 8-chapter cycle as intended in the original program design. For Cohort 1, Phase 2 materials were provided to VFs and learners in 4-chapter segments, over 40 scheduled hours per training. After TOT 4, materials were available as intended and training cycles resumed an 8-chapter sequence for coverage of Phase 2 (chpts.17-24) as well as Phase 3 (chpts. 1-8). Interestingly enough, the failures in timeliness resulted in valuable feedback from the field asserting the 8-chapter training sequence, eventually implemented, was too overwhelming for the proficiency of Village Facilitators. This greatly compromised transference of information at the base level, as content mastery by Village Facilitators was weak and information to learners diluted. In essence, failures in delivery at program commencement became successes in meeting training needs of Village Facilitator at conclusion.

**Time-On-Task Training Weak In Teaching Methodology** TOT materials were reviewed from various components of the LCEP-2 program, including information related to Phase 2-Basic Skills: Volumes 1 and 2(chpts. 1-8), Productive Skills, and Microfinance formation and federation of Self-Help-Learning Groups. Throughout the material, valuable instructional methodologies are introduced including mechanisms for managing diverse learner needs, learner-centered approaches, active vs. passive learning, theoretical application to life experiences, pre-lesson preparation, classroom management, and assessments. Nonetheless, development for these fundamental components is disproportionate in emphasis by measure of time-on-task as compared with the focus on content mastery and delivery. Program logistics and specific curriculum components are more heavily emphasized in the training materials surveyed than andragogical learning theory or foundational principles to literacy and numeracy development.

Analysis of the data demonstrated significantly less time-on-task hours of training of VFs than suggested in project documents. The reported 40-hours of training per TOT cycle at the VF level is not consistent with calculations drawn from comparisons of PT/DT workshop schedules and session modules. PTs/DTs are normally trained by MD&T Master Trainers for

6 days. Thereafter, PTs/DTs train VFs on the most relevant components to LC operational matters over a 5-day period. Actual time-on-task, over a 6-day period at the PT/DT level, is 33 hrs of 45 scheduled. In essence, time-on-task per day is approximately 5.5 hrs. If VFs receive 1 day less of training per cycle, actual time-on-task for training is only 27.5 hrs.

Using TOT 1 training module (chpts. 1-4), of the 33 time-on-task hrs at the PT/DT level, only 9.5 hrs are dedicated to teaching methodologies specifically. This is nearly equal to the time-on-task dedicated to sample lesson coverage, totaling 7.5 hrs. Moreover, training in teaching methodologies has far fewer time-on-task hours than that which is dedicated to program logistics such as registration, job descriptions and tripartite agreements, which total 13 hrs time-on-task. Emphasis in teaching methodology further decreases in the subsequent training cycle, TOT 2 training module (chpts. 5-8). Of the 33 hrs time-on-tasks, only 7 hrs are dedicated to teaching methodology versus more than 19 hrs dedicated to SHLG formation, savings passbook completion, and sample lesson plan coverage.

Overall, training lacks variety and comprehensive emphasis on diverse teaching methods for the target audience. Broad concepts are introduced, but substantive emphasis on activity variety as well as application practice is weak. Additional innovative literacy strategies such as close reading with text coding<sup>6</sup>, directed reading<sup>7</sup>, or predicting terms<sup>8</sup> could be introduced to help teachers further build important foundational skills in literacy among learners. Furthermore, the TOT Manuals provided to the Evaluation Team reflect a 4-chapter training cycle, which is no longer implemented. Trainings for Cohorts 2 & 3 are executed in 8-chapter cycles, over the same 6-day at the PT/DT level and 5-day period at the VF level. This has grave implications for quality and further dilution of important methodological training. Considering the modest competency of VFs at recruitment, such training is essential for standardization of the learning experience, provision of high quality instruction and strong knowledge gain among beneficiaries.

Additionally, considering eventual delivery of training materials to the MoE, significant reorganization of the training modules is necessary. Currently, the actual timing of several training lesson plans, as noted in the training manual, is inconsistent with the overall workshop training agenda. For example, a training lesson plan will note activities spanning 2.5 hrs while the workshop schedule notes an allotment of only 2 hrs. Consequently, officials newly implementing the training workshop will be left confused and disoriented with staying on task.

**Teacher Qualifications** The VF eligibility requirement for 9<sup>th</sup> grade completion criteria has been relaxed as graduates at this proficiency in less urban environments are difficult to find, Women meeting this qualification are particularly difficult to find, and female beneficiaries remain the majority target audience. Candidates as low as 6<sup>th</sup> grade are recruited. As

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<sup>6</sup> Close Reading with Text Coding refers to an activity in which students look for certain things in a text, then mark the text when those things are found.

<sup>7</sup> Directed Reading refers to a reading comprehension/ critical thinking activity for directing the students' silent reading with comprehension-level questions. Students read with stops, pausing to discuss every few paragraphs.

<sup>8</sup> Predicting Terms refers to a technique for having students try to anticipate the story they are about to read from half dozen terms from a story.

a result, it is imperative initial and refresher trainings are of superior quality to ensure teachers are competent in meeting standards.

**Monitoring and Evaluation** To date, reporting structures have been weak, with scarce expectation of analysis at the provincial level. Performance data on literacy and numeracy skills for Cohorts 1 & 2 were not transmitted back to Kabul until October 2010, a month before completion of Cohort 1. Many inaccuracies in central office records existed.

Additionally, of the six-day training cycle for DTs, PTs, and PSAs, only one day is dedicated to monitoring and evaluation. The remaining five days cover content within the learners' book. Scarce guidance in monitoring, evaluation, and assessment - as well as limited accountability for the 90% of the learners that fall outside the 10% review mandate for DTs - leads to significant errors in scoring and hence failure to capture accurate student data for further analysis. Improved analysis should be prioritized, as it leads to enhanced interventions for all beneficiaries.

#### **5.3.4 Recommendations**

- **Strengthen Techniques in Instructional Methodology.** Considering the weak coverage of diverse instructional approaches supporting solid literacy and numeracy development, in favor of content specific drilling, the learner experience would be significantly enhanced by provision of refresher trainings for Village Facilitators.
- **Improve Monitoring and Evaluation Training.** Both the central office and provincial staff should receive monitoring and evaluation training, to better synthesize and analyze field data on a continuing basis.
- **Improve Reporting Structures.** The data collection forms currently in utility need enhancement to capture more comprehensive data on student orientation and ongoing achievement.

## 6 ASSESSMENT OF OBJECTIVE THREE – “INTEGRATED” AND “LOW COST” MODEL

### 6.1. OVERVIEW OF THE MODEL – ORIGINS AND ULTIMATE DESIGN

#### 6.1.1 THE ORIGINS OF THE DESIGN

According to the Inception Report, March 2008, UNHabitat took a number of measures for the development of a Low-Cost Model as follows:

**Orientation Workshop** A two-day workshop was organized on 17-18 March 2008 for UN-HABITAT Provincial Managers from 10 provinces. Besides providing background information about LCEP-2, the team also discussed the potential for cooperation between LCEP-2 and all the projects being implemented by UNHABITAT in Afghanistan. The team prepared a work plan for each province. Following this the Provincial Managers were asked to organize province and district level orientation workshops.

**Rapid Field Assessment** After the Provincial Managers Workshop, the LCEP-2 senior team visited Baghlan district in Parwan province and discussed the roll-out plan of LCEP-2 with some CDC members and leaders. The CDC members discussed the issues related to LCEP-1 and proposed the following recommendations for the design and implementation of the LCEP-2 project:

*“1- In the proposal UN-HABITAT indicated that four classes will be established in each community totaling 100 learners. It will be very difficult to get 100 learners in the community. Furthermore keeping them interested over the duration of the literacy classes will be next to impossible without clear perception of economic benefits. Therefore, the suggestion is to start with the self-help groups and let the members feel the need for the literacy program as part of their experience to manage the activities of the SHGs. This was clearly the experience of LCEP-1.*

*2- Start with two classes of 25 each (one for female and another for male). Once the people see the economic benefit from the activities of the self-help groups, their participation in literacy classes, their savings activities, start of productive skills activities, the demand for more such activities will hopefully increase. If the components of micro-finance, productive skills, life skills are not integrated in the literacy classes, people will not see the economic benefit of attending the literacy classes.*

*3- Focus on few products or skills for investment, which have ready market, money and technical support. Do not make the mistake of selecting the product, producing and looking for the market.”*

**Preliminary Selection Criteria** The UN-HABITAT Provincial Managers prepared preliminary criteria for the selection of districts and communities for the implementation of LCEP-2 including: relatively safe security situation; implementation of National Solidarity Program (NSP); active women CDCs; the groups should be active; LCEP-2 program should be acceptable to the communities; and teachers available in the community.

**Implementation Modality Options** The UN-HABITAT team considered two modalities of implementation of LCEP-2. The first was starting with the literacy program and continuing with the microfinance and productive skills components. However, in this modality too the team was of the opinion that the activities should be implemented in parallel of each other. The other modality, as suggested by the CDC members in Parwan, was to start with the organization of self-help groups who are provided learning opportunities focusing on microfinance and productive skills. The concern about possible capture of economic benefits and management of the SHG by those members who are already literate must be addressed through other interventions of social audit to keep the process transparent.

### **6.1.2 Development of the Integrated Model**

UN Habitat is blessed with highly experienced and dedicated staff at the provincial level with an excellent local knowledge of communities and working relationship with the CDCs. They have successfully implemented many development programs across Afghanistan for the past 20 years. However, the complexity of an integrated model with new components such as micro-finance and productive skills has posed some challenges to the smooth implementation the of LCEP-2 project, including the development and delivery of training programs, especially in the areas of productive skills and micro-finance.

During the field visits it became evident that the learners found the integrated design too complicated for their capacity. Although the original design of the model allowed consultation of the provincial managers and a Rapid Field Assessment of ONLY one district (Baghlan, Parwan), additional comprehensive surveys and analyses was warranted in light of the complexity of the program. These would have included:

- **A Learner Survey.** This survey was essential to determine the capacity base-line for complex issues such as community banks. This survey should have also investigated the cultural issues at the community level to determine the willingness of Afghan learners to accept the new complex financial issues such as lending money for investment projects.
- **Testing of Different Modalities.** The model and different modalities of the model were not tested on a pilot basis in some selected communities to determine its applicability and viability in the Afghanistan context before being launch at the national level.
- **Bottom-up Approach.** A bottom-up, community-based, decentralized, participatory approach was not used for the development of the model. Rather the model was designed based on a top-down, centralized, approach. A much more participatory approach at the grass-root level was necessary for this implementation.

In the end, LCEP-2 adopted the 24-month five phase model outlined above in Section 5.1.1.

## **6.2 ACHIEVEMENTS**

### **6.2.1 PERFORMANCE**

The Evaluation Team cast a critical eye on the operational and performance data of LCEP-2. The former can be found in the Annex 15 “Detailed Operational Data”. The table below outlines status of the project with respect to the performance indicators stated in the project documents.

#### **Table- Performance Indicators**

<b>Performance Indicator</b>	<b>Status as of September 30, 2010</b>
At least 312,000 NLP learners have achieved functional reading and writing skills in their native language (60% female).	Total planned learner is 242,165 with a total of 132,114 actual learners in Cohorts 1-3, of which 61% are female learners.
At least 60% of all literacy students have achieved reading fluency (defined as reading with understanding achieved at grade IV level).	No literacy assessment for the 4 <sup>th</sup> grade certification has been conducted yet. The 4 <sup>th</sup> grade equivalency is pending approval with the MoE. In addressing compliance issues with the MoE, the curriculum has shifted between Cohorts, meaning the curriculum for Cohorts 1 & 2 will be different from than Cohorts 3 & 4. Unclear what implications this will have on grade 4 certification eligibility for different groups.
At least 60% of communities mobilized in the first three years have replicated the NLP within and/or beyond their own community with reduced external support, expanding the number of NLP participants by at least 25% over the direct target.	The project has not reached its 3 <sup>rd</sup> year yet.
At least 3,120 communities are implementing the NLP.	2,598 communities are participating in the program as of September 30, 2010.
At least 15,000 new SHLGs have formed (at least 40% female), and 1,500 district or regional community banks have federated and are making loans.	A total of 9,666 SHLGs have been formed of which 64% are female groups.
At least 20% of SHLG members are engaged in economic activities for a total of at least 30,000 new economic activities.	A few SHLG group members have started a new economic activity.
At least 20 medium and large NGOs plus UN agencies are NLP-trained and able to expand the NLP with their own funding sources.	20 UNHabitat Provincial offices have been trained, but no NGOs have yet been trained
A demand-driven model of integrated skills development is demonstrated by community-led start-up of learning programs within and between communities.	Integrated productive skills training has been a part of the program.
Communities demonstrate that they can and will support literacy classes with minimal external financial support.	The communities have supported the classes with space, carpeting and in some cases with additional support such as woods for heating during the winter.
A minimum level of external support for ongoing literacy classes and expansion within and among communities has been demonstrated.	The external support has been limited to provision of class supplies, books and stationary to the learners and teacher's salary.
Strong, self-sustaining CDCs and other community institutions have assumed responsibility for continuation and expansion of literacy.	The CDCs are overseeing the progress in learning centers, but will need additional coaching and training for the continuation and expansion of the program.

Other donors and facilitating aid organizations are implementing the NLP on a wide scale.	Other donors are involved.
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### **6.2.2 STRENGTHENED COMMUNITY INSTITUTIONS TO SUPPORT THE NLP**

UNHabitat has a valuable asset of dedicated field staff with excellent experience and working relationship with the CDCs. In 6 provinces visited, the LCEP-2 Evaluation Team observed a close working relationship between the UNHabitat provincial team at all levels and the CDCs' members. This is mainly due to their long-term collaboration through various development programs such as NSP and LCEP-1. In their recent activities with the CDCs, the UN Habitat provincial officers (PMs, PCs, PTs, and DTs) have also assisted the CDCs to develop a good understanding of the integrated literacy programs such as LCEP-2. As a result, in the implementation of LCEP-2, the CDCs have played an active role in the establishment and operation of the learning centers, which in turn has developed their capacity to support the NLP. Other major capacity building activities include:

- CDCs members' participation in the supervision of the learning centers on a regular basis and active engagement with different components of the program, such as SHLGs, community banks, and productive skills training. As a result, many CDC members are also members of the SHLGs and community banks. In addition, they have played an important role in the selection of the appropriate productive skills for their communities.
- Extensive coaching and mentoring by LCEP-2 provincial staff contributed to CDCs assumption of increasing responsibility in management of the program.
- Formation of the Education Committees by the CDC which afforded extensive knowledge gain of planning and organization of the education programs through these committees.
- CDC participation in the Joint Management Committee meetings with governmental bodies and exchange visits among CDCs within their provinces and neighboring provinces.

### **6.2.3 DEVELOPMENT OF A STRATEGY FOR REPLICATION OF LEARNING ACTIVITIES**

The project has encouraged the NLC provincial offices to work closely with the LCEP-2 project. In 6 provinces visited, the LCEP 2 Evaluation Team observed a close working relationship between the UN Habitat provincial management teams and the provincial NLC directors. Through the monthly provincial coordination meetings of literacy projects the stakeholders learn from each other's experiences and gain knowledge of replicating learning activities. This should help all key players to develop a strategy for replication of activities. Again, this approach has to be a bottom-up, customized, approach designed at the district and provincial level. Learning has also been encouraged through learners' ability to bring materials home and share new concepts with their family members. As a result, and the broader community is involved in the learning process, increasing further demand for the program.

As of September 30, 2010, the project did not provide any sub-grants to small, medium or large local NGOs to expand the NLP beyond the project's regions of operations based on

criteria agreed upon by the MoE and USAID. In addition, the project has not trained any of the 20 medium to large NGOs in the NLP approach to serve as potential implementers of an expanded NLP program. However, this has been mainly due to the restrictive UN procurement procedures that has drastically curtailed the ability of the project to engage the services of local NGOs.

Additionally, the absence of engagement by local NGOs in the LCEP-2 program implementation can also be attributed to a lack of local NGO expertise in such areas as micro-finance - despite efforts from project personnel to identify said expertise. Two NGOs from Nepal and India were engaged - Nepal Center for Rural Technology (CRT) and India Central Himalayan Environmental Agency (CHEA). They trained master trainers for productive skills for 2 months. Some members of the project team along with officers of the Literacy Department conducted a study tour to Nepal in April of 2009 and reviewed a number of success stories in Nepal.

### **6.3 COST ANALYSIS - INTERNAL EFFICIENCY**

To determine the cost-effectiveness of the low-cost model, a number of questions were posed to evaluate the project's internal approach and efficiency. The detailed analysis of these questions can be found in the Annex 16 "Cost Analysis – Internal Efficiency"

#### **6.3.1 PROGRAM INQUIRIES**

##### **Is it a low cost system for production of training materials?**

A number of cost saving measures were introduced but at least three types of training books are excessive and voluminous.

##### **Is it a low cost system for ToT training and expansion of the number of teachers?**

Costs such as logistics, accommodation, food and transportation are under control. Cost sharing with other UN Habitat projects is also in effect.

##### **Is it a low cost system for delivery of training programs (operating cost)? What cost-sharing methods have been introduced?**

Good community cost sharing and economical approach to outreach.

##### **What is the Impact of Procurement Procedures on cost-effectiveness?**

Very high procurement costs both direct and opportunity

#### **6.3.2 HOW WERE LESSONS LEARNED APPLIED TO SUBSEQUENT COHORTS TO IMPROVE COST-EFFECTIVENESS?**

The lessons learned and applied in subsequent Cohorts include:

- Mobilization for a new cohort should be well defined, timed and structured;
- Staffing needs should be planned and hired well in advance before mobilization started;

- Learning materials, village facilitator guide book and training should be completed and available before mobilization started;
- Procurement planning should be in place well in advance before the start of operation in the new Cohorts; and,
- Staffing ratios should be adjusted further at district and provincial levels, increasing the number of learning centers per DT.

One option currently under consideration is to discuss with the CDCs/SHLG to identify the VFs who are willing to work in lieu of in-kind contributions from learners and CDCs. These female and male facilitators who reside in the village could then become the focal point of all the activities in the community.

Also, as the CDCs and its committee will gain experience in supervising and monitoring the literacy classes, SHLGs activities and productive skills trainings, the role and the number of DTs can be reduced. VFs will become the change agents in the communities and facilitate the process of closer, effective and efficient technical support to the communities.

#### **6.4 COST ANALYSIS – BUDGET, EXPENDITURES AND UNIT COST ANALYSIS**

**6.4.1 Overall Review of Budget and Expenditures.** The total USAID funded budget for LCEP 2 program is US\$48,351,941, of which a total of UD\$22,858,230 has been spent by June 30, 2010. See the Annex 17 “LCEP 2 Financial Data”. A review of the budget shows that the Personnel with 44%, Other Direct with 21%, and Supplies with 16%, or a cumulative total of 81%, are the highest spending categories. On the other hand a review of the expenditures as of the end of June 2010 indicates that Equipment budget has been all spent but a 4% balance. The other cost categories such as Personnel and Travel are at about 50% of the budgeted amount. However, Contractual cost category remains highly under-spent with only 3% of the budgeted amount utilized as of June 30, 2010. This is indicative of the lack of interest in engaging the services of local NGOs in LCEP 2 program (attributed to complicated UN procurement procedures).

**6.4.2 Planned and Actual Cost Per Learner.** During the evaluation period, the LCEP II Evaluation Team repeatedly requested from UN Habitat to provide the Evaluation Team with the financial data on the actual cost per learner and per learner/month as well as the cost breakdown by major cost categories such as training materials, supplies, equipment, personnel, and transportation by cohort. Unfortunately, to date, November 12, 2010, the LCEP II has not received this information. However, the Evaluation Team received the general Financial Report as of the end of June 2010, the list of equipment and average salary of key positions. As a result, the Evaluation Team developed the below methodology to estimate the actual cost. However, the calculation is subject to UN Habitat verification of the operational and financial base data and agreement with the methodology as the Evaluation Team has yet to receive this information from UN Habitat.

**Planned Cost Per Learner.** According to the original target of training 312,000 learners with a total of US\$48,351,941, the planned cost per learner was about \$154.97, or \$6.46 per learner/month for the 24-month training program.

**Actual Cost Per Learner.** As discussed above, the Evaluation Team developed the following methodology for the calculation of the actual cost per learner:

### **A. Calculation of Total Training Months**

Duration of Training for each Cohort. Define the number of months for mobilization and actual training for each cohort. Here the data is based on the information received from UN Habitat on the training start date of each Cohort and a three month mobilization period. For example if the start date for Cohort 1 is September 2008, then the total training period for Cohort 1 is 21, this plus mobilization period of 3 month comes to a total of 24 months of training period for Cohort 1, regardless of whether or not the training is fully completed or the Cohort 1 still needs a sustainability period of 3 months. What is important is that how many months the learners have actually been under training. Given this methodology, as shown in the table below, the actual training months for cohorts have been calculated.

**Table - Total Actual Training Period by Cohort**

<b>Cohort</b>	<b>Training Start Date</b>	<b>Mobilization Period</b>	<b>Total Months as of June 30, 2010</b>	<b>Total Months</b>
1	Sept. 2008	3	21	24
2	May 2009	3	14	17
3	Dec. 2009	3	7	10

### **B. Total Number of Actual Learners**

The total number of actual learners are the number of learners actually registered in the program, it is not the total number of planned learners less dropped outs. The Evaluation Team also requested the total number of drop outs from the total number of actual learners registered and this has been shown in Annex 15 “Detailed Operational Data”. It should be noted that in some learning centers it was not possible to gather the standard 25 learners for each class and some of these registered learners also left the class in the middle of the program. As a result, these drop outs are included in the total number of actual learners registered because it is difficult to determine at what stage of the program they left the learning centers.

### **C. Calculation of Total Learner Months**

After the determination of the above factors, for each cohort the total number of Actual Training Months is multiplied by the total number of Actual Learners to determine the total learner months for each cohort and then these figures have been added up to determine the total of learner months for the entire program.

### **D. Calculation of Cost per Learner/Month**

Finally the total Actual Expenditures (UD\$22,858,230) as of the end of June 2010 is divided by the total number of Actual Learner Months obtained through the above methodology. As shown in the table below, the actual cost per learner/month is estimated at \$9.37, or 45% higher than the planned figure of \$6.46. Accordingly, the actual cost per learner for the 24-month training program is estimated at \$224.99, which is \$70 higher than the planned cost of \$154.97 per learner. Again, this is irrelevant of what stage of training each cohort is currently operating in, it is merely calculated based on the actual expenditures and total number of actual training months and actual number of learners to date. Obviously, the cost per learner/month, due the size of the project, has a huge impact on the budget and the current actual cost of \$9.37 per learner/month (if it stands after data verification by UN Habitat) would mean that the total expenditures (UD\$22,858,230) exceeds the total planned budget of

\$15,751 418 (i.e, 2,438,300 actual learner months multiply by the planned cost of \$6.46 per learner/month) resulting in an overspent of about US\$7 million (again, this is subject to verification of all operational and financial data by UN Habitat).

Another way to analyze cost-effectiveness and efficiency of the program is that according to the original planned budget, the total budget of US\$48,351,941 should cover a total of 7,488,000 learner months (312,000 learners multiply by 24 months), whereas the actual expenditures of UD\$22,858,230 has covered a total of 2,438,300 actual learner months as of the end of June 2010. This means that while almost half of the budget has been (47%), only 33% of the total planned learner months have been covered as of the end of June 2010.

**Table 4 - Actual Cost per Learner/Month and per Learner**

Cohort	Training Month	Actual Total Learners	Total Learner Month	(%)	Estimated Actual Cost	Cost per Learner Month	Cost Per Learner
1	24	46,514	1,116,336	46%	10,465,269	9.37	224.99
2	17	38,842	660,314	27%	6,190,218	9.37	159.37
3	10	66,165	661,650	27%	6,202,743	9.37	93.75
Total			<b>2,438,300</b>		<b>22,858,230</b>		

It should be noted that the difference between the planned and actual figures is partly due to the fact that the total planned learners of 179,600 learners for Cohorts 1-3 was never materialized and it was reduced to a total of 152,521 actual learners (i.e. actual learners registered including any future drop outs, this is the figure requested from and provided by UN Habitat). Of course, the higher the number of learners the lower the average cost per learner and if the total number of planned learners had actually registered in Cohorts 1-3 the cost per learner/month would have dropped from \$9.37 to \$8.76 per learner/month. Accordingly, this would have also reduced the actual cost per learner for the 24 months learning period from \$224.99.68 to \$210.58. In addition if UN Habitat provide information on additional months of the actual training period as of the end of June 2010 this also could increase the total number of actual training months and reduce the cost per learner/month.

**6.4.3 Comparative Analysis with other Literacy Projects.** For the purpose of a comparative financial analysis, we selected UNESCO’s ELA. Although ELA is not a full-fledged integrated program like LCEP 2 it has some features similar to LCEP 2 program such as a literacy component for youth/adult above 15 years old (60% female) for a period of 9 months and a separate productive skills component for a selected group of learners for a period of 3-9 months. The productive skills component is separately funded and mainly operated through local NGOs, following the same model as the NSDP productive skills training program.

**Cost per learner** Analysis of the ELA budget data - see the Annex 18 “ELA Financial Data” - provides some unit costs that can be compared with those of LCEP 2 program. Based on a total ELA budget of US\$34 million for training 600,000 learners for a period of nine months the planned cost per learner is UD\$56.67, and the cost per learner/month (a more accurate indicator for comparative analysis) is \$6.30, which is interestingly very close to the

planned LCEP 2 cost per learner/month of \$6.46. It appears that in the budget planning of both ELA and LCEP 2 the base cost applied was from similar best-practices models. Also, the LCEP 2 program's cost per learner/month is expected to be higher than that of ELA since LCEP 2 requires additional training materials and TOT programs for productive, business skills and microfinance components.

However, the comparison of the actual costs tells a different story. Whereas the ELA actual cost per learner/month is within the planned budget, the LCEP 2 actual cost per learner/month is about 45% higher than the planned budget (again, this is subject to verification of all operational and financial data by UN Habitat as we have not received the requested financial data from UN Habitat to date). The table below summarizes these findings:

**Table 5 – Cost per Learner for ELA and LCEP 2 Programs**

<b>Program</b>	<b>Planned Cost per Learner/Mon</b>	<b>Planned Cost per Learner</b>	<b>Actual Cost per Learner/Mon</b>	<b>Actual Cost per Learner</b>	<b>(%) Diff</b>
<b>ELA</b>	\$6.30	\$56.67	\$6.30	\$56.67	0%
<b>LCEP 2</b>	\$6.46	\$154.97	\$9.37	\$224.99	45%

**Cost of Training Materials.** Unfortunately we have not been able to obtain the cost of training materials from UN Habitat and were unable to calculate the cost of training materials per learner, but this figure is available from ELA and it is about \$5.51 per learner including textbooks, stationary and other school supplies. However, in LCEP 2 there is a budgetary provision to distribute a package of notebook, pencil, eraser, sharpener, ruler, etc worth \$4.78 per learner (excluding textbooks).

Obviously the cost of the training materials in LCEP 2 program is very high due to the excessiveness of the training materials especially for SHG and Microfinance components, a total of 15 books. If we assume only \$1 cost per book, for a total of 250,000 learners in the program the cost of these 15 books would be about US\$3.75 million. It is strongly recommended that the number of these books be cut to only 3 books and thereby sharply reducing the training materials cost for the remainder of the project.

**Staffing Cost.** The LCEP 2 staffing cost is generally higher than that of ELA for similar positions. This together with cost of training materials partly explains why the LCEP 2 actual cost per learner is higher than that of planned figure, as opposed to the ELA actual cost per learner which is within the planned figure, especially that both programs had very close cost base-line of about \$6.50 per learner/month for their budget planning. As shown in the table below in general the staffing cost in ELA is much lower than of LCEP 2 for key positions. However, it should be pointed that in some positions in LCEP 2, such as Provincial Coordinator or District Manager, the UN Habitat provincial officers have additional responsibilities for other UN Habitat projects such as NSP. We don't know if that is the case with the ELA officers in the similar positions. Also, for the Village Facilitators (VFs) it should be noted that each VF in ELA only teaches one class of 25 learners, whereas in LCEP 2, each VF teaches two classes of 25 learners each.

**Table 6 - Staffing Cost for LCEP 2 and ELA Programs**

<b>Position</b>	<b>Average Monthly Salary LCEP 2</b>	<b>Average Monthly Salary ELA</b>
Provincial Coordinator	1153	600
District Manager	1089	450
District Trainer	473	300
Village Facilitator	110	88

As discussed above, the high cost of both training materials and staff have partly contributed to the higher cost per learner for LCEP 2 relative to the planned cost per learner. One reason for the lower staffing cost for ELA is that UNESCO originally implemented ELA through NLC where unit costs are lower.

### **6.5 CHALLENGES**

- Lack of learner and village facilitator assessments to determine learning capacity baseline in order to design a more appropriate and applicable model to assure high quality training. The integrated model is too complicated, especially its micro-finance component, for the limited capacity of learners in rural Afghanistan.
- Lack of initial reviews of the model and testing of different modalities of implementing different components on pilot-basis, perhaps due to pressure by stakeholders to rush the program.
- Lack of a business development strategy review at both provincial and district levels to determine the strategies for determining new income-generating economic activities as opposed to only productive skills development, which in turn would have introduced productive skills with economic viability. It is therefore not surprising to see that in some districts the self-help groups are investing their savings in the economic activities other than the 14 selected productive skills. Also, the productive skills training has not been accompanied by productive skills practical and business skills training.
- Lack of business skills training. This component of the project has not taken off yet and no training materials have been developed or produced for this component of the project.
- Excessiveness and impracticality of the Community Bank component. The project's banking component model involves a complicated system including a complex accounting system and a huge amount of paper work through 15 books.
- Lack of monitoring, evaluation and quality control measures to detect the issues at the onset of the program and rectify the problems through appropriate solutions and modifications in the design and operational procedures. (i.e., lack of an operational manual and monitoring tools).

- The actual cost per learner as of the end of June 2010 is higher than the planned cost per learner. Due to the size of the project this has significant implications and could end in possible budget overruns.

## 6.6 RECOMMENDATIONS

- Rationalize Productive Skills training program. Ensure each skill has a viable local livelihood benefit either in reducing family operating costs or generating an income stream. Consider a more decentralized, district-customized, and business-oriented approach along the line the NSDP productive skills program. Include practical skills training in the early stages of program implementation
- Conduct a business development strategy for all major districts as soon as possible to inform all livelihood generation decisions including productive skills training, apprenticeship training and entrepreneurial start-up supported by SHLG loans. In the development of the training materials for the productive skills training program the emphasis has been on the existing productive skills/home skills. For the integrated model to work, especially in terms of micro-financing lending for business development (new economic activities or expansion of the current economic activity), the productive skills training must become a stepping stone for income generating businesses in order to enable the micro-finance borrowers to repay the loans from their earnings.

Therefore, a comprehensive study must be conducted to identify economically viable productive skills including the new skills that do not exist in the districts and communities. Different districts may select different economic sectors and activities as their priority for productive skills training. While one district selects agriculture productive skills (e.g., Zafaran production) as its priority another district may select livestock development as its priority. In sum this study is more than a simple market survey and takes into account important economic factors (i.e., available resources and technologies) for skills development in each region.

- Engage the services of local NGOs in community-based productive skills programming.
- Focus on SHLGs as primary method of saving and lending. Build SHLG member capacity to better understand how to minimize risk and maximize turnover. Support replication of small loan start-up case studies. Apply the lessons learned for designing appropriate modifications
- Design a simple business skill module and implement it in conjunction with the productive skills training
- Immediate measures need to be taken to reduce the cost per learner, these includes reducing expenditures for staffing cost and training materials (reducing the number of books for SHGs and community banks). Other cost categories need to be reviewed for possible cost-saving measures as well
- The project needs to improve financial system for conducting unit cost analysis for all cost categories to monitor expenditures closely and enhance efficiency.
- Down-size or redesign the integrated model to make it more effective and efficient.

## **7 ASSESSMENT OF OBJECTIVE FOUR – “ENHANCE LCEP2 IMPACT THROUGH LINKAGES WITH OTHER NATIONAL LITERACY AND PRODUCTIVE SKILLS PROGRAM ACTORS”**

### **7.1 OVERVIEW AND GOAL OF OBJECTIVE FOUR**

The program description charges LCEP to “share information, promote joint planning, and establish linkages with other literacy-related initiatives, particularly USAID projects that will contribute to the expected outcomes and results of LCEP2.” It also instructs LCEP to “promote establishment of a forum where all literacy actors including GOA, donors, and key executing agencies can meet regularly to coordinate work on the NLP.”

### **7.2 ACTIVITIES**

LCEP2 made a number of attempts over the course of its first two years to meet with other literacy implementers. In the summer of 2010 LCEP2 convened meetings with five different USAID education projects and concluded on the basis of those meetings that there was little interest or value in collaboration – the 2010 annual report in fact outlines potential “harm”. Based on this conclusion LCEP2 decided to freeze linkage activity.

LCEP2 has been active in the support of LIFE – the Literacy Initiative for Empowerment – as the NLCs coordinating framework for policy, advocacy and capacity building for literacy in Afghanistan. Specifically LCEP2 has taken a lead role on the following initiatives as per the 2010 LIFE Action Plan:

- Development of Afghanistan National Qualification Framework Ensuring Adult Literacy and NFE
- Establishment of Literacy Teachers Training Institute (LTTI)
- Accreditation and Certification of Literacy Learners
- Accreditation and Certification of Literacy Learners

There is no evidence of linkage activity with productive skills and microfinance players except for tentative initiatives with NSDP by virtue of a \$1.5M World Bank award to NSDP to support LCEP2 in business development training.

### **7.3 FINDINGS**

The literacy lens of this objective – which is the only one elaborated in the program description above and in the LCEP2 workplans or annual reports – is a challenging one vis-a-vis the fundamental “livelihood empowerment” objective of the LCEP2 program.

The barriers to linkage activities are numerous and were highlighted by each of the Literacy directors we encountered at both the national and provincial levels. These include:

- each program has different goals, modus operandi, and accountabilities
- the incentive component is very divisive
- the donors hold the purse strings – they will operate the way they want to or leave

USAID is quoted as saying to LCEP2 “We made the introductions and we expected you to take the leadership” vis-a-vis collaboration with other groups.” There is no evidence that USAID projects or other literacy projects are highly incentivized to meet and collaborate.

The productive skills lens of this objective – mentioned only in the objective title and nowhere in the program description – is on the other hand very appropriate to the core business of the LCEP2 program. As discussed elsewhere, productive skills training is ideally based on an assessment of local opportunities and delivered by locals who are expert in both local economy and training. The NSDP and LCEP2 have a loose partnership based on a \$1.5M grant to NSDP from the World Bank to support business development training with LCEP. That training is just now getting started with the selection of Kewayan as the deliverer of the training – both NSDP and LCEP2 stated that the other party had significant responsibility for the lengthy delay.

#### **7.4 RECOMMENDATIONS**

- **Remove the expectation** of literacy linkage facilitation from the workplan.
- **Continue to support LIFE** by sharing information and outputs, as well as hosting LIFE in the provinces as appropriate. Rationalize LCEP capabilities vis a vis its four current responsibilities on the LIFE 2010 Action Plan – as discussed above in Institutional Development.
- **Make LCEP2 more accountable** for its Productive Skills Linkages - include milestones in the agreement with NSDP and perhaps even a critique of that participation by NSDP.

## **8 LIVELIHOOD ACTIVITIES REVIEW – SKILLS, SAVINGS AND LENDING**

### **8.1 SKILLS - PRODUCTIVE SKILLS, APPRENTICESHIPS AND BUSINESS DEVELOPMENT SKILLS**

#### **8.1.1 OVERVIEW**

Productive Skills (PS), Apprenticeships and Business Development Skills (BDS) are envisioned in the program design as the

#### **8.1.2 ACTIVITIES**

Productive Skills training has recently got under way due to delays in materials productions.

Apprenticeship training is underway in Kabul. Many applications from CDCs in Balkh and Herat are soon to be approved by UNHabitat.

The business skills component of the project has not taken off yet and no training materials have been developed or produced for this component of the project. Instead, NSDP is launching the first batch of training involving the training of some 1,500 LCEP2 master trainers in business skills through a local NGO called Kaweyan Business Develop Group. The training will then cascade down such that these master trainers in turn will train DTs, and subsequently the DTs will train VFs.

Training in these three areas is significantly behind schedule and has been identified by UNHabitat in the 2010 annual report as the most glaring shortfall vis-a-vis the overall program.

#### **8.1.3 FIELD OBSERVATIONS**

Visits in Kabul province observed a significant number of learners (predominantly women) in various stages of productive skill/ apprenticeship training programmes such as tailoring, embroidery, beautician, school bag making etc. The women express enthusiasm and indicated high motivation to start their own business/shop after completion of the training.

Visits in Kabul also observed a black-smith apprenticeship program at a well established business manufacturing steel gates. A number of the trainees – over 70% women - expressed their enthusiasm to continue as with the company on completion of the training.

A glaring example of a poorly chosen skill was observed in Balkh. Coal Making is being taught in an area lacking the necessary inputs (wood). The technical feasibility and economic viability of char coal production on a small business scale has been not been assessed. If any trainees attempt to undertake Coal Making as an income generating activity it is very likely to fail and push the entrepreneur to further poverty.

#### **8.1.4 FINDINGS**

**Productive Skills Selection.** Deficiencies in strategy toward solicitation of ideas, as well as subsequent selection of productive skills, led to challenges in applicability among learners. Aspects of advisements from LCEP 1 stakeholders to “focus on few products or skills for

investment, which have a ready market, money and technical support”<sup>9</sup> grew increasingly opaque as LCEP2 units struggled to establish a diverse productive skills curriculum. Pressures in delays and staff shortages further compromised judgment. While the 14 productive skills selected reflect consideration of the immense needs for rural Afghans, particularly women, scrutiny over availability of technical support weakened. Firstly, vague feedback from district producers, sellers and consumers lacking specific focus areas for skills development resulted in greater reliability on input from foreign consultants from India and Nepal. The Central Himalayan Environmental Association (CHEA) and Centre for Rural Technology (CRT) teams refined a selection of agricultural skills as well as introduced new technologies. However, the contextual appropriateness of all skills in Afghanistan has proved questionable.

While the sectors remained appropriate, the selection of the “product” to be promoted in the community was sequentially disordered in relation to key LCEP 1 recommendations supporting:

- exploration of market demand,
- assurance of technical backstopping capability,
- money for investment, and finally
- production promotion.

In practice, promoted products became a contingency for availability of technical support. Thus, the range of skills selected in certain communities, such as *Char Coal Production* (See the Annex 6 “Case Studies – Success Stories”) proved infeasible to execute due to scarcity of resources such as wood in the immediate vicinity.

**Productive Skills Impact on MD+T** The selection of some erroneous skills impacted the load and subsequent productivity of the MD&T unit. The skills selected were exhaustive and totaled far more than a “few...skills for investment”<sup>10</sup>, but rather 14 areas. The *Training Skill* to “reinforce skills, knowledge and attitude for conducting training/methods, designing and management of a training event” was entirely dismissed by MD&T as inappropriate for learners at a fourth grade proficiency. The informational content provided by CHEA and CRT to MD&T for development of materials concerning the remaining skills was too technical for comprehension and required translation to more simplified English. Thereafter, the simplified version was translated into Dari. In order for materials to undergo review by the advisory committee, it was then translated a third time back into English. The delays in translation resulted in delivery delays of all teacher and students workbooks in the 13 skills. Approximately 5 months after completion of the February 2010 training, Cohort 1 received productive skills material in August 2010. Training of field staff by Master Trainers occurred within two weeks of CHEA/CRT training. The outcome was minimal time for MD&T to produce quality training materials.

### **Limitation of the Productive Skills Component**

In addition to the design limitations discussed, linkages to the private sector, small businesses at the provincial and district levels, and potential for new businesses, should have been

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<sup>9</sup> Inception Report, UN-HABITAT, LCEP2, 31 March 2008, pg.9

<sup>10</sup> Ibid.

considered in the design of the productive skills component. In sum the following measures would have strengthened this component:

- A business development strategy review at both provincial and district levels should have been conducted in collaborations with local NGOs private sector to determine the strategies for private sector development as opposed to only productive skills development, which in turn would have introduced productive skills with economic viability. It is therefore not surprising to see that in some districts the self-help groups are investing their savings in the businesses other than the 14 selected productive skills.
- Establish linkages between learning centers and small businesses at the provincial and district levels, and potential for new businesses, have been not been considered in the design of the project.
- Practical skills training should have been included in the curriculum in the early stage of program implementation. During the field visits, many learners expressed their preference for this type of training over the SHG and community bank training.

#### **8.1.5 RECOMMENDATIONS**

- **Modify** the productive skills component of the project by:
  - a. considering a more decentralized, district-customized, and business-oriented approach along the lines; and,
  - b. including practical skills training in the early stages of program implementation.
- **Conduct business development strategy** reviews at the provincial and district levels.
- **Establish linkages** between the LCEP2 project and private Sector.
- **Design** a simple business skill module and implement it in conjunction with the productive skills training.

#### **8.2 SAVINGS AND LENDING – SELF HELP LEARNING GROUPS (SHLG) AND COMMUNITY BANKS (CB)**

##### **8.2.1 AN OVERVIEW OF THE MICRO-FINANCE COMPONENT – THE PROJECT DESIGN:**

The project originally envisaged the creation of approximately 16000 SHLGs. With an anticipated average membership of 12 per SHLG the total members would be 212000.

3,120 community banks (CBs) would be established each of which would consist of 4 to 6 savings and credit groups (SHLGs) formed in a single village. The goal was to have 60% of the groups be female.

Starting with small loans, the groups would be encouraged to lend to members for activities that bring rapid returns. Members would understand that they have easy access to credit to meet their both emergency and longer term livelihood needs and at the same time that turnover of their savings (lending) would make the group capital grow through service charges.

Depending on the performance of the community banks during the first six months of operations they could qualify for a capital grant equivalent to their operational capital as an incentive to expand their credit activities. The criteria to qualify for the grant would be regular savings by members, amount of capital revolved as loans and economic opportunities created for its members. The project had originally allocated USD\$3.6 m for the provision of these grants. In the longer term, community banks would be federated by district and by province so that branches would have access to more capital. The Community Bank branches would be motivated to expand to other communities by their own efforts when they become self-sustaining institutions.

The project design envisioned three levels of impact – these are paraphrased as:

**Microeconomic:** A community bank that provides appropriate savings and credit services to small-scale farmers and small entrepreneurs, including a growing number of women, makes an important contribution to the enhancement of revenue-generating activities and thereby reduces poverty within the community.

**Macroeconomic:** The establishment of viable community banks helps to diversify and increase the outreach of the financial sector to more remote areas of Afghanistan and to poorer segments of the population who do not have any access to credit. A positive contribution to the reduction of underemployment in rural areas is expected.

**Socio-cultural:** Effectively and efficiently managed community banks allow members to use their productive potential and self-help capacities in a better way. Individual initiative and responsibility are particularly important. Women will assume a role of increasing importance in the development of community banks. Access to financial services improves the financial situation of women and strengthens their influence within the family.

## 8.2.2 ANALYTICAL FINDINGS FROM THE PROGRESS REPORTS (TO AUG 2010)

### SHLGs – Number and Membership

	Female	Male	Total
<i>No of SHLGs</i>	5722	3159	8881
<i>No of SHLG members</i>	65504	36881	102385
<i>Avg no members per SHLG</i>	11	11	11

### SHLGs - Savings

	Female	Male	Total
<i>Total Savings</i>	24.89M	13.43	38.32

Savings (Afs)	Cohort 1	Cphort 2	Cohort 3	All Cohorts
<i>Savings SHLG</i>	4598	6454	1949	4315
<i>Savings per member</i>	441	542	166	374

### Community Banks – Number and Membership

	Female	Male	Joint	Total
<i>Cohort-1</i>	118	182	106	406
<i>Cohort-2</i>	66	125	37	228
<b>Total</b>	<b>184</b>	<b>307</b>	<b>143</b>	<b>634</b>

	Female	Male	Total
<i>SHLGs affiliated with CBs</i>	4967	3915	8881
<i>SHLG members affiliated</i>	31551	22848	54399

### Community Banks - Savings

	Female	Male	Total
<i>Total Savings</i>	11.6	5.5	17.1

### 8.2.3 FINDINGS FROM THE FIELD VISITS

**Most of SHLGs Visited are Functioning Well** It is interesting to note that Female SHLGs are functioning better as compared to that of Male ones. This is substantiated by a more cohesive and democratic interaction with Female groups, and the fact that only Female SHLGs have taken the initiative to lend money to their members.

**Strong Book Management** SHLGs seem to be properly maintaining their books of accounts

**Limited Agenda** SHLG meeting agendas seem to be limited to savings. The agenda could be broadened to include social, cultural, economic, health issues consistent with the successful experience in other countries.

**Emergency Support Needs** Members of SHLGs revealed that most members have experienced at least one emergency need of financial support from the saving of their SHLGs.

**Innovation** A few of the SHLGs have initiated lending to their members without waiting for Community Banks. It is observed that these SHLGs are functioning relatively stronger than the vast majority who are yet to take up lending.

**Business Venture Momentum** A small number of SHLG members in Balkh and Nangarhar have received loans from their SHLGs and they are doing their own tiny but profitable ventures in diverse domains such as Bee-keeping, Poultry, Embroidery, Bread Making etc. This demonstrates that SHLGs have potential to play a key role in meeting the credit needs of communities.

**SHLG Lending** While there are no records of SHLG lending (consistent with it being outside the design and discouraged by the implementer) we estimate that perhaps 5% of SHLGs are currently loaning to members based on the number of loans in the SHLGs with whom we interacted.

**Fund Circulation Limited** Nearly 100% of the cumulative savings in both the banks and the SHLGs are not in circulation as loans. Members have expressed impatience given the potential for a significant 2% interest per month as return on their savings.

**Long Wait Times** It is also reported that long waiting times for loans by members is adversely affecting the functioning of SHLGs.

**Funding Needs Extend Beyond Productive Skills** UNHabitat continually repeated the line that “lending will proceed after members undergo productive skill training” when it is clear that there is significant demand for SHLG loans unrelated to the acquisition of specific productive skills taught in the LCEP2 Program.

**Limited Lending** Of the 12 Community Banks visited, only three Community Banks have started lending.

- One has loaned Afs 50400 to a single member against the total saving of Afs 60500.
- One has loaned Afs 27000 to three members against the total saving of Afs 78000. Members reported a “lack of capacity to manage lending transactions.”
- One has loaned Afs 150000 to a single non member against the total saving of Afs 165000. This seems contrary to the very purpose of organizing SHLGs and Community Banks which is to benefit members in times of emergency and/or as start up capital for livelihood enhancement. On investigation it appears that this loan has indeed been repaid with a handsome interest.

**System Complexity** Feedback on the project’s banking component model reveals a complicated system including a complex accounting system and a huge amount of paper work through 15 books.

**Service Delivery Failing** Feedback during interaction with project beneficiaries revealed that Community Banks have failed in delivering the goods for which they are established.

**No Financial Backing** Not a single Community Bank has as yet authorisation from Central Bank (i.e. Regulator) to undertake banking activities.

**Framework Missing** The broader policy framework for lending - by SHLGs or Community Banks are missing at the field level. These include such guidelines as ceilings on loan amount, service charges/interest rate, periodicity etc. In the absence of such a framework ill informed lending decisions can take place which are highly risky and detrimental to the very existence of the lending group.

**Institutional Maturity Infeasible** The project period of 24 months is too short for institutions to maintain maturity. There is urgent need for a strong exit policy to support them after project cycle.

#### **8.2.4 MAJOR CHALLENGES FACING THE VIABILITY OF COMMUNITY BANKS.**

While the SHLGs have been formed in a timely manner and are demonstrating the potential to meet community needs, the operation of community banks as a savings and lending institution faces some major challenges:

- Cultural barriers and negative attitudes towards confederation of SHLGs, and the desire to keep savings within the village.

- Lack of adequate legal framework to regularize the linkages between a community managed micro-finance initiative and commercial banks.
- The negative attitude and lack of willingness of commercial banks in supporting community managed micro finance. This is in contrast to India and Bangladesh where commercial banks are supporting micro-finance initiatives.
- This results in the inability for the banks to mobilize other sources of funds. The result will be a small capital base which will not grow as fast as the needs of the borrowing community.

### **8.2.5 RECOMMENDATIONS**

**Focus on strengthening SHLGs** as they are effectively working as tools for literacy, empowerment and also means of rural micro-enterprises.

**Give SHLGs freedom** and encouragement to start loaning to their members from day one. First emergency needs and then productive ventures should be prioritized. Rework the accounts register of SHLGs to include details of individual member loans to enable SHGLs to start loaning from day one.

**Find outside support** to further lever SHGs. To start with the project could for example provide matching grants in proportion to SHLG savings with ceiling say Afs 2000 per SHLG.

**Discontinue the notion** that Community Banks are the prime lending vehicle

**Simplify CB training program materials** from their “accountant level” complexity.

**Community Banks should be instigated** as SHG Federations with broader responsibilities for intervention including linkages, marketing support and networking, value and branding to products, training and skill up-gradation, availability of new and efficient technology for business scale up.

**Provide the broader policy framework** for SHLG lending - such as loan ceilings, loaning procedures, simplified documentation, maintenance of books of accounts, service charges/ interest rate, periodicity. For example, “individual member shall be allowed to borrow more than 5 times his/ her own savings.

**Encourage SHLGs to open bank accounts** in nearby bank branch thereby gaining some interest for savings not circulating as loans.

**Initiate dialogue** with the formal banking system to negotiate an interface with SHLGs and help formulate some lending model by banks to SHGs. For examples, “banks may grant loans up to four times of savings of an SHLG.”

**Delink productive skill/ apprenticeship training** from lending - it is a major bottleneck in promoting tiny and petty micro-enterprises by members of SHLGs.

**Orientate** UN-HABITAT field staff to their role as facilitators and not supervisors of the SHLGs. Promote open minds and flexibility. Field visits by senior project functionaries from Kabul will help.

**Set targets for SHLG loaning** for which both Habitat and the SHLGs are accountable.

**Promote and seek replicated success stories** (with appropriate flexibility) across the country.

**Expand the SHLG meeting agenda** to allow more discussion on social and cultural issues. Rework the proceedings register of SHLGs to ensure details of the discussions with decisions taken are adequately recorded for further follow up.

**Provide support** of at least one additional year for SHLGs beyond the 24 months currently given to each cohort.

**Create the exit policy** to hand over the assets created (institutional, human, social) to communities for sustainability.

**Promote cross pollination** of ideas by enable SHLGs to visit each other as well as similar projects in other countries like India, Nepal, and Bangladesh on exposure visits.

**Immediately develop tracking system** for SHLG lending.

## 9. ASSESSMENT OF PROJECT MANAGEMENT

### 9.1 OVERVIEW

The LCEP2 project management – that is the organization responsible for design and delivery - is a complex machine which in fact consists of four layers. At the top is corporate UN Habitat which is a rather rigid bureaucracy whose cumbersome and time consuming procedures have contributed to significant delays in the project. The focus of LCEP2 country management is the LCEP2 team in Kabul which is a team of diverse technical strengths and reasonable management capability but in significant need of professional development and more field exposure. The UN Habitat provincial offices are staffed by experienced UN Habitat and NGO workers who have a strong history in their local communities but seem burdened by a too rigid adherence to the original project design which has some glaring flaws. The local Community Development Centres – while not part of the paid management nor present in the formal organization - are a critical piece of design and delivery at the community level.

### 9.2 KEY FINDINGS

#### 9.2.1 Corporate UNHabitat

**Procurement** The UN procurement processes are bureaucratic and stifling. According to institutional regulations; maximum allowance per contract is \$70,000. Between contracts a 15-day waiting period is required. The result is segmented material orders deficient in meeting the timely delivery needs. Limitations for competitive bidding impacts the cadre of available distributors with capacity to produce large quantities of curriculum material expeditiously. The distributors used thus far have varied in quality, and significant delays of materials development have resulted in abrupt shifts in implementation strategy for trainers and learners. Cohorts 1 and 2 have absorbed the most adverse impacts, with delays as great as 6 months between Phases.

**Recruitment** The UN Habitat recruiting process is painfully slow. A study of select recruitments indicates six-month lead time. The result has been a lack of appropriate in house expertise and lengthy waiting for said expertise to arrive, which has also contributed to delays.

**Security Protocol** Security is a legitimate concern for any organization working in Afghanistan. In areas such as Kandahar, learners are farther behind than counterparts in other provinces due to problems providing both materials and training. For example, in one delivery attempt of materials to Kandahar, books were confiscated and burned by the Taliban as a social intimidation tactic. In another scenario in Herat, 3 UN Habitat workers were kidnapped in the field and returned only after several hours of negotiations between the provincial Program Manager and the community. These occurrences are distractions from the valuable efforts of dedicated staff at various levels.

UN Habitat however has a much more rigid protocol than most implementers resulting in numerous lockdown days, and restriction on ex-pat travel. This has significantly interrupted access of important groups to the field. Vehicle markings also make Habitat employees more vulnerable which impacts the aforementioned protocol.

**HR Policy** UN Habitat has a number of policy challenges which compromise the quality of national staff employee. It allocates no money for professional development of its staff. Salaries are not the most competitive. Termination is very difficult.

**Dependent Systems:** Financial management is handled by UN Habitat – only the country director and the UN Habitat finance manager have unfettered access to "the numbers" for UN Habitat projects. This prevents LCEP management from exercising real-time control over decision-making

### 9.2.2 LCEP2 Management Kabul

**Staff competency and Culture** There is clearly a sense of commitment to the work and the country among LCEP2 staff. They speak with passion about the issues and were eager to share their views and concerns with the Evaluation team.

There is a complex set of capacity challenges. This dynamic is underscored by a number of factors:

- cultural attitudes toward learning (negative) and patronage (the old connected guy beats the young unconnected one)
- a clique of colleagues that has worked together for a while - one of whom is now the boss – may be compromised in its motivation and expectations.
- the lack of experience of most employees with the demands and responsibilities of a modern organization

**Staff Training** LCEP2 Kabul management has acknowledged the challenges around staff competence and despite the corporate limitations on professional development has undertaken in house English training and inspired a number of senior managers to be part of a facilitated online management training program for which the participants actually pay!

**Communications** Reporting lines between Kabul and the field are fuzzy - not clear or redundant. The inability of the organization to produce a current org chart at the outset of the evaluation was disturbing.

**M&E:** This function has not held up well to the evaluator's inspection. While performance and financial data does exist the process of procuring it has been difficult. Numbers are different depending on the source. Two years into the project the PMP has yet to be approved – this reflects poorly on the management's commitment to reporting.

**Stakeholder relations.** LCEP2 started off very strong in its relationship with the NLC by going to great lengths to establish a physical presence there. The security motivated decision to move a year later seems to have soured the relationship and one gets the impression that the Deputy Minister is not focused on LCEP2 nor any transition of its capabilities to the NLC.

### 9.2.3 PROVINCIAL OFFICES

Provincial management and staff in the sites visited constitute tight and reasonably well focussed frontline delivery vehicles. They command excellent respect in the community.

They respond well to beneficiary requests for support and are highly visible in the beneficiary community. Some of the institutional dynamics observed above impact the provinces as well – the following need to be emphasized:

**Partnership Building** LCEP has clearly established good partnership in the field. It has negotiated workable arrangement with the CDCs to share responsibility for LCEP implementation. It has the respect of the Provincial Departments of Education and hosts the LIFE meetings in Herat.

**Analytical Capability** The lack of any local analysis of data surprised the evaluation team. As a result, provincial staff are unable to either assess program progress or make any sound judgement about alternatives which might improve the program. This actually manifested itself as a rather dogmatic defence of the program status quo even when it was clear that certain things were not working (the Charcoal productive skills training in the land of no wood). UN Habitat DCoP Helali acknowledged this problem and pointed out that the corporate and head office culture contribute significantly to a “follow don’t think for yourself” attitude. He shows good leadership in accepting responsibility – he now needs to take charge of a well orchestrated and systematic attitude shift to “customer is king”.

#### 9.2.4 CDCs

The CDCs must be viewed as part of the management process as they are the focal point of community leadership on mobilising and support LCEP2. For the most part they seem to have fulfilled their part of the LCEP2 agreement. The CDCs could be a more powerful implementing partner if stronger analytical skills were present.

### 9.3 KEY RECOMMENDATIONS

**More Responsibility** The bottom line for LCEP2 management is that it needs to take more responsibility for development of a well functioning implementing organization, oversight of the deliverables, and responding to the challenges that the program design, the institutional constraints and the difficulties of walking the uncharted course of integrated literacy/skills/microfinance programming present.

**Lessen Constraints** Mitigate expeditiously the institutional constraints of corporate UN Habitat as they are responsible for significant delays and contribute to a compromised organization and culture. Some hardball negotiation may be in order.

**Elevate Expectations** Clean the house by setting standards that begin to elevate expectations to those of a “modern organization”. Collectively the CoP and DCoP possess the knowledge needed to do this – they need to demonstrate the will.

**Program Overhaul** Rationalize the house by undertaking an appropriate program overhaul as described in the executive summary recommendations. Whatever course is taken will require a realignment of skills.

**Improved Decision Making** Model thoughtful analysis and proactive decision making for the provincial offices. UN Habitat's biggest competitive edge vis-a-vis other implementers is the strength of its local representation.

**Dialogue** Dialogue more actively with stakeholders- particularly NLC and USAID. These stakeholders can make better decisions when informed in a timely manner.

#### 9.4 MANAGEMENT 2011

To its credit the LCEP2 management has clearly articulated these challenges and outlined possible responses in its 2010 annual report. That is a good first step. Now it must be prepared to make some tough choices.

