

In the Name of Allah,
the Most Compassionate and the Most Merciful

**Islamic Republic of Afghanistan
Afghanistan National Development Strategy
(ANDS)**

**SOCIAL PROTECTION SECTOR STRATEGY
2008 – 2013**

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ABBREVIATIONS

ANDS	Afghanistan National Development Strategy
AC	Afghanistan Compact
AIHRC	Afghanistan Independent Human Rights Commission
ANA	Afghan National Army
ANDMA	Afghanistan National Disaster Management Authority
ANP	Afghan National Police
ANWP	Afghanistan National Welfare Program
CBN	Cost of Basic Needs
CG	Consultative Group Meeting
CIPE	Center for International Private Enterprise
CS	Civil Servants
CSO	Central Statistics Office
DAB	Da Afghanistan Bank (Central Bank of Afghanistan)
DDP	Department for Disaster Preparedness
EOC	Emergency Operation Centers
FFW	Food For Work Program
HDI	Human Development Index
HIPC	Heavily Indebted Poor Countries
I-ANDS	Interim Afghanistan National Development Strategy
IDPs	Internally Displaced Persons
ILO	International Labor Organization
IMF	International Monetary Fund
ISAF	International Security Assistance Force
JCMB	Joint Coordination and Monitoring Board
MDGs	Millennium Development Goals
MISFA	Microfinance scheme
MoF	Ministry of Finance

MoA	Ministry of Agriculture and Livestok
MOLSAMD	Ministry of Labor, Social Affairs, Martyrs and the Disabled
MoPH	Ministry of Public Health
MoWA	Ministry of Women's Affairs
MRRD	Ministry of Rural Rehabilitation and Development
NATO	North Atlantic Treaty Organization
NGOs	None Governmental Organizations
NRAP	National Rural Accessibility Program
NRVA	National Risk Vulnerability Assessment
NSDP	National Skill Development Program
NSP	National Solidarity Program
PAYG	Pay-as-you-go
PRP	Pension Reform Project
SAARC	South Asian Association for Regional Cooperation
SOEs	State owned enterprises
SPO	Standardized Operational Procedures
UNAMA	United Nations Assistance Mission in Afghanistan
UNHCR	United Nation High Commission for Refugees
UNICEF	United Nations International Children's Emergency Fund
UNIFEM	United Nations Development Fund for Women
UNMACA	United Nations Mine Action Centre for Afghanistan
USAID	United States Agency for International Development
VET	Vocational Education and Training
WB	World Bank
WFP	World Food Program
WG	Working Group
WHO	World Health Organization

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I. SOCIAL PROTECTION SECTOR STRATEGY WITHIN THE ANDS

1. THE ROLE OF THE SOCIAL PROTECTION SECTOR

The Constitution of the Islamic Republic of Afghanistan obliges the Government to “*create prosperous and progressive society based on social justice, protection of human dignity, protection of human rights and realization of democracy and to ensure national unity and equality among all ethnic groups and tribes and to provide for balanced development in all areas of the country*” (Constitution of the Islamic Republic of Afghanistan, Article 6) Furthermore the Constitution of the Islamic Republic of Afghanistan guarantees to the Afghan citizens that: “*the State shall take necessary measures for regulating medical services and financial support to descendants of martyred, lost or disabled and handicapped individuals in accordance with the provisions of law. The State guarantees the rights of pensioners and renders necessary assistance to needy elders, women without caretakers, and needy orphans in accordance with the provisions of the law*” (Article Fifty-Three).

Given the Constitutional clauses the principal role of the Social Protection Sector Strategy within the ANDS will be to lay down the priority policies for: (a) social protection, (b) pension reform and (c) disaster preparedness in order to (i) support economic growth; (ii) enhance security; (iii) ensure poverty reduction, and (iv) improve social inclusion and equality.

Preservation of human capital will be key contribution of the Social Protection Sector Strategy to the economic growth. Moreover, improved social protection will decrease uncertainty among the vulnerable and encourage them to take risk and get involved in small scale business activities resulting in higher employment and income for the poor and vulnerable.

Apart from low salaries, non-existence of the effective social security in the case of death and injury discourages recruitment into the Afghanistan National Army (ANA) and Afghanistan National Police (ANP). Therefore, improved social protection together with social inclusion of vulnerable and minorities would lead to more stable Afghanistan.

The implementation of the Social Protection Sector Strategy will support the Government’s commitment to achieve important Afghanistan Compact benchmarks and Millennium Development Goals such as:

- to decrease number of people living on less than US\$1 a day and under the poverty line;
- to decrease number of individuals who suffer from hunger and number of underweight children;
- to improve assistance to meet the special needs of all disabled people, including their integration into society through opportunities for education and gainful employment;
- to increase vocational training and employment among demobilized soldiers, chronically poor women, disabled, drug-addicts and other vulnerable;
- to reduce the number of female-headed households that are chronically poor and to improve access to justice for women victims of violence

II. POVERTY AND RISK VULNERABILITY ANALYSIS

2. POVERTY ASSESSMENT

Seasonality and Poverty

Seasonal variation in household consumption seems to be significant. Food Security Monitoring Survey (FSMS) suggest that household tend to have the richest consumption in summer (after harvest). However, consumption deteriorates during the winter, especially in March.

Source: Understanding Poverty in Afghanistan, Analysis and recommendations using National Risk & Vulnerability Assessment (NRVA) 2005 and Spring 2007, WB, October 30, 2007

The poverty analysis based on the NRVA conducted in 2005 showed that in summer 2005 around *33 percent of the total population lived under the CBN poverty line*. However, the latest survey (Spring 2007) showed that almost every other Afghan, *or 42 percent of the total population, was estimated to be poor and living below*

the CBN poverty line in Spring 2007.

Food poverty has been estimated to be even bigger: around 45 percent of the Afghan population was not able to purchase a basic food basket to provide 2100 calories consumption per day.

Estimates of poverty headcount rates and the food insecurity index in Spring 2007

	Food poverty	CBN poverty	Food insecurity index
Spring 2007			
Kuchi	40	45	39
Rural	45	45	39
Urban	41	27	37
National	45	42	39

Source: The World Bank based on Spring 2007 survey

Poverty is more widespread among the rural poor and Kuchis. However, latest studies on the urban livelihoods indicate rising poverty among the urban poor. According to the NRVA 2005, a large number of people (20 percent of population) were concentrated close to the poverty line indicating high vulnerability. Even small shocks to consumption could result in further poverty increases. Moreover, any shocks to consumption would be unevenly spread out and the poorest would be affected the most.

2.1. MAJOR POVERTY CORRELATES

Level of education, literacy and income generation activity of the head of the household is correlated to the level of poverty. The higher the education the lower is the poverty. The households involved in trade and services are better of than those involved in agriculture and animal husbandry.

Seasonality: according the WB analysis based on the NRVA 2005 the consumption of the poor is the highest in summer while in winter drops significantly leading to high vulnerability of the poorest.

Cost of Basic Needs (CBN) – see ANDS Poverty Profile

According to the NRVA 2005, a 25 percent upward shift in the poverty line (from 593 to 741 Afs per month per person) could bring as many as 53 percent of population into poverty while a 25 percent downward shift would reduce the poverty rate to only 14 percent.

Asset ownership, crop diversification and access to pastures: ownership over land and livestock is associated with lower incidents of poverty. The families that cultivate irrigated land are much better off than those that cultivate the rain-fed land. Diversified crop production towards grapes, melons, fruit trees, and nuts is closely associated with a higher level of income as opposed to production of wheat only. Urban families without home ownership allocate large amounts of their income to pay rent reducing the food and non food consumption. Lately, lack of the access to traditional summer pastures for Kuchiss (due to wars, crime and conflict with settled population), drives many of them into poverty.

Remoteness: access to major roads leads to lower poverty as it allows for much higher participation in market activities. According to the WB analysis based on NRVA 2005 incidents of poverty are lower in areas that are close to main roads (Ring Road).

Larger households, female headedness and disability: poverty rate is higher among larger households. Having a female or disabled as a head (or member) of family is often associated with poverty.

Natural disasters: Afghanistan’s population is highly vulnerable to natural disasters. Loss of harvest due to droughts and assets due to floods and earthquakes is acute and exacerbates the problem of food security, malnutrition and displacement of population resulting in higher poverty and migrations..

2.2. MAJOR PATTERNS OF INEQUALITY

Consumption inequality

According to the WB estimates (based on the NRVA 2005) the bottom 10 percent of the population accounts for only around 4 percent of total consumption while the top 1 percent of population participates in almost 4 percent of total consumption.

Share of total consumption	
Group	Share of total consumption (%)
Bottom 10 %	3.6
Bottom 30 %	15.6
Top 30%	47.8
Top 10%	21.1
Top 1%	3.5
Source: NRVA 2005, staff estimation	

Regional disparity in povertyThe poverty headcount rates of provinces vary from around 10 percent to more than 70 percent. Poverty is more severe in the Northeast, Central Highlands. The entire provinces like Dai Kundi represents large pockets of poverty.

Rural, Kuchi and urban disparities

The World Bank analysis based on the NRVA 2005 indicates a significant disparity in poverty between the rural and Kuchi on one side, and urban populations on the other side. Around 45 percent of rural and Kuchi population appear to be poor as opposed to 27 percent of those who live in urban areas. However, recent studies on urban livelihood indicated rising poverty among urban population. This appears to be correlated with growing migration of rural poor and returnees into cities.

Gender inequality

³ According to the WB analysis based on NRVA 2005 more than 70 percent of households in Afghanistan are engaged in agriculture livestock activities.

⁴ Understanding Poverty in Afghanistan, Analysis and recommendations using National Risk & Vulnerability Assessment (NRVA) 2005 and Spring 2007, WB, October 30, 200

⁵ Urban Livelihoods in Afghanistan, Jo Beall and Stefan Cshutte, August 2006

The vast majority of women do not participate in economic activities making them highly dependable on their husbands or families. Despite this women, especially in rural areas, actively contribute to the family income by being engaged in agriculture and livestock activities. Nevertheless, the gender gap remains large: the literacy rate among women is much lower (19%) than for men (40%). Net primary enrolment rate for girls (6-9) is around 21 percent while much higher for the boys (28%). Due to a lack of education and employment female household headedness is closely correlated with the high incidents of poverty.

3. RISK VULNERABILITY ASSESSMENT

3.1. ECONOMIC RISKS

The broad age groups analysis of the Afghan population reveals that Afghanistan has one of the largest child populations and the smallest proportion of working age populations in the world. In 2005 child dependency ratio was 8.95 persons per 10 working age persons and old-age dependency ratio was 0.76 persons per 10 working age persons. Therefore, the total age dependency ratio was 9.71 persons per 10 working age population indicating high vulnerability of Afghan families (each working age person needs to support one non-working).

Almost 40 percent of the Afghan adult population is unemployed. Due to low salaries, even a large number of the employed fall into category of “*working poor*”. This is even more characteristic for women whose salaries are even lower. According to UNICEF poverty, lack of educational opportunities and the demand for cheap labor are helping to fuel the prevalence of *child labor* across Afghanistan. Nearly one quarter of Afghan children between the ages of seven and 14 are working, and the problem is worst in rural areas.

3.2. HEALTH RISKS

Afghanistan has one of the lowest *life expectancies* in the world. In 2002, life expectancy was 44 years for Afghan women and 45 years for Afghan men. Top ten causes of death are related to perinatal conditions. Thus, unlike in most developing countries, life expectancy of women is shorter than for men. This could be attributed to *early age pregnancy and to frequent pregnancies*, as well as to poor access to health care services. Afghan women suffer from one of the highest maternal mortality rate in the world. Overall maternal mortality rate is estimated at 1,600 to 1,900 deaths per 100,000 live births. Afghanistan has a very high *infant mortality rate*, which is

⁶ Working age group is 15-64 years.

⁷ According to the NRVA 2003, *wage ratios (women/men)* are 51 percent for planting, 61 percent for harvesting, and 50 percent for other farm work. In the case of non-farm activities, the wages paid to women for making handicrafts is only 41 percent of men’s wage, and for weaving, the ratio is 53 percent.

⁸ Women And Men In Afghanistan: A handbook on baseline statistics on gender, MoWA, August 2007

⁹ Women and Men in Afghanistan: A handbook on baseline statistics on gender

placed at 140 per 1,000 live births in 2003 . The *infant mortality rate under 5* is also high: in 2003 it ranged around 230 per 1,000 live births.

3.3. NATURAL RISKS

Afghanistan is highly vulnerable to natural disasters. Faced with them, many vulnerable activate immediate coping strategies: the assets are sold, including land and livestock, children are taken out of school to work, many pre-pubescent girls are married off and many young men migrate in search for work.

3.4. SECURITY RISKS

The ongoing conflict leads to loss of lives and assets, forces people to migrate driving them into poverty. Afghanistan is one of the most heavily land-mined countries. Each month, landmines killed or injured an average of 61 persons in 2006 (two persons per day). Half of the injured or killed are under the age of 18 and 90% of them are men.

3.5. LIFE-CYCLE RISKS

Despite forbidding legislation around 57% of girls are married before the age of sixteen. . The NRVA 2005 suggests that several thousands of girls in Afghanistan were married as early as 10 years old. *Early marriage* of girls, and consequently, *early pregnancy*, puts women in a high risk. Widespread poverty and non-existence of effective safety nets and pension system makes elders also highly vulnerable.

3.6. SOCIAL RISKS

According to a study conducted by UNIFEM , out of the 1,327 registered cases of violence against women 30.7% were related to physical violence. The UNIFEM study also reports that a majority of the violence (82%) were committed by family members. Forced *child labor* and *underage marriage* qualifies as an act of violence against children.

3.7. ENVIRONMENTAL RISKS AND SEASONALITY

The people's dependence on natural resources has increased with rising poverty resulting in serious devastation of the environment. The areas covered by forest have been seriously depleted. This adversely affects soil stability weakening the flood protection. The NRVA has identified a clear link between poverty and seasonality. Household's consumption is higher in summer months while deteriorates in winter and early spring.

4. MOST VULNERABLE GROUPS

Families with large number of small children

¹⁰ Afghanistan MDG Report 2005, UNICEF estimate.

¹¹ Afghanistan MDG Report 2005, UNICEF estimate.

¹² UN OCHA Integrated Regional Information Network (IRIN), Afghanistan, quoted by Interim National Action Plan for the Women of Afghanistan (I-NAPWA), March 2006.

¹³ UNIFEM, May 2006, Uncounted and Discounted: A secondary data research project on violence against women in Afghanistan.

The broad age groups analysis of the Afghan population reveals that Afghanistan has one of the largest child populations and the smallest proportion of working age . According to the NRVA 2005 size of family is correlated with poverty.

Children

Afghanistan has one of the highest infant mortality rates under 5: in 2003 it ranged around 230 per 1,000 live births.

“Both boys and girls have no chance after Class Six, girls cannot go to the district schools, and boys must work in the fields. Only if you are rich, your children will have a chance.” Male respondent, Yosef Village, Badakhshan.

Source: APPPA, Preliminary Findings, November 2007

Female Headed Households

According to MoWA the female-headedness is correlated to poverty. A significant number of female-headed households do not have any able-earning member and are highly vulnerable to economic shocks.

Disabled

According to Handicap International there are around 800,000 disabled people in Afghanistan. The unemployment rate among them is almost 90 percent. The NRVA 2005 indicates that around 14 percent of rural households have a disabled family member, and that majority of these families are poor.

Internally Displaced Persons (IDPs) and Returnees

Afghanistan has large internally displaced population (IDP). Due to insecurity, natural disasters and forceful repatriation most of the IDPs and returnees migrate to cities increasing the urban poverty.

Extremely vulnerable urban poor and unemployed

Growing migrations to cities, job insecurity, indebtedness and collapse of traditional safety nets pushes many urban households into poverty leading to higher number of homeless, elders and mentally imperiled without family support. Afghanistan has a large unemployed population. According to the Afghanistan Central Statistic Office (CSO) around 40 percent of the working age people are unemployed.

¹⁴ Working age group is 15-64 years.

¹⁵ Afghanistan MDG Report 2005, UNICEF estimate.

III. CURRENT STATE OF THE SOCIAL PROTECTION SECTOR IN AFGHANISTAN

5. SOCIAL PROTECTION SYSTEM

The existing Social Protection System has improved since 2002 significantly. However, it is still far from being sufficient to respond to: (i) the short-term requirements of the poor; (ii) the necessity to develop effective risk management and prevention system, and (iii) the need to establish efficient mechanism for risk mitigation and coping.

5.1. TARGETING

A rough estimate shows that half of the Afghan population (12 million) requires Government support. However, in 2006 only around 2.5 million people benefited from social protection arrangements.

Afghan population covered by some of the public and market arrangements for

social protection in 2006 ¹⁶	
Martyrs' families	224 850
Disabled	87 717
Orphans	10 500
Children enrolled in kindergartens	25 000
Pensioners	54 000
Public works and skill development	1 750 000
Microfinance	340 000
Total	2 492 067

Source: MOLSM and ANDS

The current social protection interventions cover several groups: (1) martyr's families, (2) disabled with war-related disability, (3) orphans and children enrolled in kindergartens, (4) victims of natural disasters, (5) pensioners, and (6) unemployed.

5.2. EXISTING SOCIAL RISK MANAGEMENT ARRANGEMENTS

All three traditional categories for social risk management exist within the Afghanistan's Social Protection System: informal arrangements, market-based and public arrangements.

5.2.1. Informal arrangements

Afghanistan survives because people do not operate only as individuals; they also operate as members of network; a salary does not feed your immediate family, it supports an entire group of people to whom you have obligations. Those in work share with those without, remittances from those lucky enough to have gone overseas keep entire villages from starvation.

Source: Johnson and Leslie (2004), Islamic Republic of Afghanistan, MDGs Country Report 2005

Like in most developing countries, informal risk management arrangements play the greatest role in protecting the poor and vulnerable. In Afghanistan they are manifested through extended family social networks. The male head of household is the breadwinner responsible to care for the family, which commonly goes beyond his wife and children. Sons are "social security" and parents invest more in their education and skills, which

increases the gender gap.

Most common informal arrangements include:

- **Diversification of income:** the role of agriculture declines and poor households more and more combine farm and non-farm activities to increase income.

¹⁶ The estimate doesn't include number of the beneficiaries of the Afghanistan Red Crescent Society which are being funded by the public funds (out of 2 percent of the trade revenues that are being transferred from the MoF).

¹⁷ There are several arrangements developed to deal with exposure to risks: (i) informal or "self-protection" arrangements most commonly manifested through family and community solidarity; (ii) market based arrangements often manifested through targeted saving, insurance and microfinance, and (iii) public arrangements manifested in the form of public works, targeted transfers etc.

¹⁸ Draft 1: Research on Chronically Poor Women in Afghanistan, Ministry of Women's Affairs, July 2007.

Traditional centrality of agriculture in supporting the poor has declined: in 2003 an estimated 63 percent of Afghan households were involved in agricultural activities, while this number declined to around 47 percent in 2005, reflecting a greater involvement of the rural poor in non-farm to diversify the risks of floods and droughts.

- **Withdrawing the children from school and early marriage of girls:** the need to work and increase income of the family is one of the main reasons for dropping out of school for boys and the girls (after long distance to school and insecurity).
- **Taking short-term loans:** Buying the staple food from shopkeepers on credit is characteristic of urban poor.
- **Migration** to cities or abroad is often utilized as a way to mitigate risks.
- **Remittances** from migrant workers play an important role in supporting poor families.

5.2.2. Existing market based arrangements

With the exception of microfinance, market-based arrangements that target poor, such as community savings or crop insurance, are absent. As of April 2007 around 340,000 people borrowed around US\$76 million from 15 microfinance institutions that have operated in Afghanistan. Around 70 percent of active clients are women. The current repayment rate stands very high at 95 percent, indicating sustainability.

5.2.3. Existing public sector based arrangements

The existing social protection system has developed several (public arrangements) for social risk management:

5.2.3.1. Direct cash transfers

Martyrs' families from previous wars and individuals with only war and land mines related disabilities are entitled to monthly cash transfers that range from US\$3 to US\$10, depending on the number of a martyr's family members and on the level of disability. In 2006 this benefit was paid to 224,850 martyr's families and to 87,717 disabled. The annual amount spent on this was around US\$20 million.

Weaknesses of the current targeted transfers

Importance of the Database Project

The capacity of the MOLSAMD for monitoring has been significantly strengthened with the recent introduction of the Database Project. The aim of this project is to re-register all beneficiaries. In the process of re-registration only in Kabul Province about 20,000 martyrs' families were taken off the list since it was proven that they either did not exist or were ineligible for the benefit.

Source: Activity Report of the MOLSAMD for 2006

Only those martyr's families and individuals with disability from the previous wars (before 2001) are entitled to this benefit. The entitlement is distributed irrespective to the economic situation of the beneficiary and due to this in many cases it doesn't have character of social protection. Thus the current targeted transfers are more *the instrument of expressing the societal solidarity with the victims of the war than the instrument of social protection.* The weak institutional capacity to monitor the

process of evaluating eligibility for cash transfers led to a number of misuses. The Provincial

¹⁹ Report on Economic and Social Rights in Afghanistan, Afghanistan Independent Human Right Commission, May 2006.

Courts have been singled out as the greatest source of corruption. A number of individuals with false documentation were given the entitlement. The benefit is paid quarterly through the banks that are usually situated in the provincial capitals. Given this many poor and eligible martyr's families and disabled are discouraged to apply as the transportation costs exceeds the benefit. This significantly lowers the social protection character of the existing targeted cash transfers, since the poverty in remote areas is the highest.

5.2.3.2. Support to orphanages and kindergartens

In 2006 the MOLSAMD's allocated around US\$ 2.6 million to finance the operating cost of 32 orphanages sheltering around 10,500 orphans. The MOLSAMD is also responsible for operating 365 kindergartens with around 25,000 children enrolled. The social protection character of the kindergartens system is also highly questionable since the enrolled children usually come from the civil servants' and military families which in majority of cases are not vulnerable group.

5.2.3.3. Public works

Public works have played an important role in social risk mitigation. They could be divided into two groups:

- **Cash-for-Work Programs:** The National Solidarity Program (NSP), National Rural Accessibility Program (NRAP), and
- **Food aid Programs:** Food for Work Program (FFW), and Iodized Salt Program

Weakness of the Cash-for-Work Programs

According to NRVA 2005, program participation was very limited among Kuchis, who are one of the most vulnerable groups. Participants from urban areas spent the longest period in the program and received the highest wages. Still the participation rate among the poor has been higher than among non-poor; however, non-poor participants have received higher wages.

The programs were mainly concentrated in central and eastern regions (densely populated). Despite the fact that program implementation has penetrated into many remote areas, it has not been active in Dai Kundi, which is the poorest province. NRVA 2005 also emphasized that information about the possibility to participate in programs has not been very well communicated to the poor. Lack of awareness about the programs was the limiting factor for higher participation of the most vulnerable.

Weaknesses of the Food Aid Programs

Like in the case of the cash-for-work programs, the low participation of the poor was a result of limited knowledge about the possibility to participate in food aid programs. According to NRVA 2005, around 64 percent of interviewed household never heard of the iodized salt programs.

5.2.3.4. Skill development

Education, literacy and skill of the head of the household is directly correlated with poverty. The poverty headcount rate among those households with an illiterate head is 37 percent, compared to only 23 percent among those whose heads can read.

National Skill Development Program (NSDP)

²⁰ Draft Poverty Analysis: Understanding Poverty in Afghanistan, The World Bank, 2006

Since its inauguration in 2004 around 10,000 people have been trained through the NSDP (among them 42 percent of women and around 5 percent of the disabled). Eighty two percent of all trainees managed to find employment. The NSDP target is to provide training for 150,000 unemployed by 2010 of which women should comprise at least 35 percent while the disabled should make minimum 10 percent.

Weaknesses of the skill development programs and the NSDP

There are number of skill development programs in Afghanistan. In most of the cases the NGO develop their own curriculum which is not always in line with standard requirements and the need of the Afghan labor market. The number of the trained individuals is often more important deliverable than the quality. Neither MOLSAMD nor Ministry of Education has the data base about all skill development programs and service providers. Lack of equipment for quality training, and non-existence of the Government accreditation and certification institutions remains serious concerns.

The NSDP is targeting unemployed and underemployed irrespective of their socio and economic situation. Nevertheless, it does provide the opportunity for training to many poor and among them to the disabled and chronically poor women. Another weakness is lack of the labor market analysis. This analysis is an important prerequisite for adjusting the skills program to the needs of the Afghanistan labor market. Finally, the NSDP is faced with number of limitations such as: (a) lack of the instructors to train the trainers; (b) non-existence of unified training materials and curriculum for the entire country; (c) lack of coordination among the vice providers; (d) low capacity of the local service providers and high cost of the international ones; (e) procurement process is complex and lengthy.

5.2.3.5. Other existing formal (public) arrangements:

- **Targeted land distribution:** land (and apartment) distribution for disabled (war-related) and to the martyrs' family is parts of the overall system to support the war survivors.
- **Distribution of humanitarian aid and conditional payments in kind:** according to the WFP reports, through their channels alone, the humanitarian aid reached around 5.2 million people in 2004. is one of the conditional payments in kind. It aims to assist the Government to rebuild the national education system by encouraging school attendance, especially among girls. **Food for training** is another type of conditional payment in kind used as incentive for teachers to embark on training process.
- **Lump-sum payments:** are used to support families who lost their breadwinners in the ongoing war against anti-government groups, civilian victims of conflict and victims of natural disaster. The money is paid from the Emergency Budget for Disastrous Situation (per President's decree).
- **Public subsidies:** the cost of electricity, particularly for consumers in Kabul, has been heavily subsidized by the Government (in 1385/2006 with US\$50 million). The collection of pension contributions has always been weak. In 1385/2006, US\$21 million had to be transferred from the Budget to pay pensions. In both cases, the subsidies appeared to have had larger impact on the non-poor than on the poor (given the low access to electricity for the rural poor).

²¹ In 2006 alone, a total of 6,665 residential land plots were distributed to the disabled and martyrs' families. To date, around 47,000 families and individuals have received this type of benefit.

²² Standard Project Report, WFP, 2006

5.3. INSTITUTIONAL AND LEGISLATIVE FRAMEWORK

The main responsibility for social protection lies with the Ministry of Labor, Social Affairs, Martyrs and Disabled (MOLSAMD). Apart from MOLSAMD, several other ministries and government agencies play an important role in the area of social protection. The most important are: Ministry of Education (MoE), Ministry of Public Health (MoPH), Ministry of Agriculture and Livestock (MoA), Ministry of Rural Rehabilitation and Development (MRRD), Ministry of Women Affairs (MoWA), and Ministry of Urban Development (MoUD)

As all other Afghan ministries, the MOLSAMD is centrally organized. The Ministry's headquarters is situated in Kabul. However, MOLSAMD has already established its provincial departments in all 34 provinces, as well as eleven Provincial Employment Services Centers. Around 8000 civil servants currently work for the Ministry at the national and sub-national level. The legislative framework for the MOLSAMD is based on the Executive Order of the President and on decisions of the Council of Ministers. Social policies and interventions are based on the Law on Rights and Privileges of Martyrs' Families and the Disabled.

5.3.1. Capacity Assessment

In recent years the capacity for social affairs and labor policies has been significantly improved. Several strategies have been prepared, such as: National Strategy for Children "at risk", and National Action Policy for Disability. The work on establishing the data base for martyrs' families and the disabled has been initiated. Preparation for launching the survey to collect more accurate data about martyrs' families and the disabled is at its final stage. A number of the disabled resource centers and orthopedic centers have been built with the help of donors.

Despite progress, the MOLSAMD capacity remains weak, especially at the provincial level and in the following areas: (a) poverty and vulnerability analysis; (b) social risk assessment; (c) targeting; (d) policy making and monitoring, and (e) donor coordination and cooperation with the NGOs. The MOLSAMD's organizational structure appears to be complex and calls for restructuring.

5.4. CONCLUDING REMARKS: WEAKNESSES AND CONSTRAINS OF THE SOCIAL PROTECTION SYSTEM

5.4.1. Weaknesses

Dominance of the informal social risk management arrangements

The basic characteristic of today's Social Protection System in Afghanistan is an over-reliance of the poor and other vulnerable groups on the informal social risk management arrangements as the Afghanistan's poor have developed "self-protecting" arrangements. However, due to decades of war and severe poverty the informal arrangements and extended family networks have weakened making the urban poor even more vulnerable. Community based copying arrangements rarely reaches beyond the rural neighborhoods leading, amongst others, to higher placement of the children in orphanages.

Formal arrangements through public safety nets play a limited role

Around 80 percent of the total official social protection transfers in 1385/2006 (cash transfers and subsidies) have not targeted only the most vulnerable. They were mainly aimed at supporting the war-victims (martyr's families and individuals with war related disability). The public subsidies for

²³ According to MOLSAMD, around 2/3 of children currently placed in the orphanages have at least one living parent.

fuel and pensions have not been targeted at support the poorest. In the past the poor and vulnerable have benefited mainly from the public works and the skills development programs.

The pensions system also plays a limited role in supporting the public safety nets

In 2006 the pension fund provided pensions to around 53,426 pensioners, who are currently coming only from the government administration, public banking, military and security structures.

Market-based arrangements for managing the social risks are least developed

There are no instruments for saving and insurance that would target the poor and vulnerable. The only developed instrument is microfinancing, which has grown in recent years.

Poor donor coordination

In most cases, donors and NGOs are trying to fill the gap. They mainly focus on supporting children, disabled and vulnerable women. However, the donor coordination is very poor and the MOLSAMD doesn't have full overview over the implementation of the donor' and the NGOs programs and projects.

Inefficient monitoring framework and misuses in delivering the current cash transfers

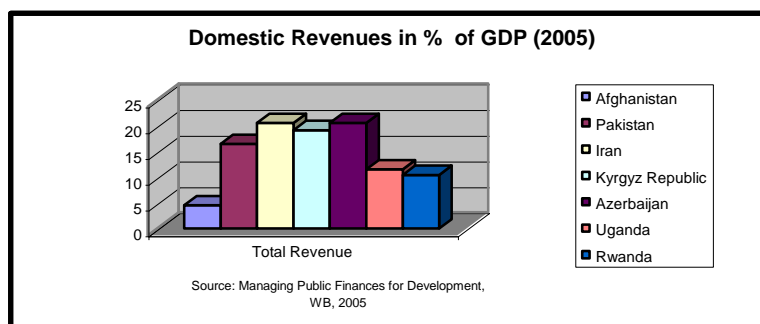
Inefficient application of criteria and weak monitoring led to number of misuses in distributing cash transfers to martyr's families and disabled.

Weak emphasis on supporting urban poor and Kuchis

Most of the donor and public funds are channeled to support rural poor. However, recent studies on the urban livelihoods raise serious concerns over the worsening of the poverty among the urban poor (as result of growing migrations of the rural households and the returnees into cities). Many Kuchi families were forced to settle as they have been denied the rights to use their traditional summer pastures (by the local authorities, crime and growing conflicts with the settled population). This drives many of them into even deeper poverty.

5.4.2. Constrains

Fiscal limitations: low mobilization of domestic revenues and a limited amount of donor funds are serious constraints for meeting the basic needs even to the most vulnerable. Most of the funding for social protection still comes from the donor-managed External Budget.



Social responsibility to care for a large number of war survivors: as a result of past and ongoing wars and military operations, a number of families lost their breadwinners and many become disabled. Therefore, the societal solidarity with the war victims (martyrs' families and the disabled) dominates the existing Social Protection System. In 2006 the number of martyrs families and dis-

²⁴ Donor assistance per capita to Bosnia and Kosovo was twice as higher per capita as Afghanistan (ANDS research)

abled people that benefited from the existing social transfers has reached 280,000. Despite low entitlements this has left very little room to support other vulnerable groups, such as children, elderly, vulnerable women and individuals with non-war related disability.

Culture and tradition: chronically poor women are one of the most vulnerable groups. Due to the culture and tradition effective support to the vulnerable women appeared to be difficult. Despite tremendous progress, the gender gap remains high. Only 12.6 percent of female adults are literate and a very small percent of them are employed.

Security: military operations and anti-government war activities contribute to the rising security risks for the poor and vulnerable. They cause loss of human lives and assets and force the poor households to migrate and withdraw children out of school.

Capacity: the Afghan public administration is undergoing a significant capacity building process. In the case of social protection, low policy making and monitoring capacity remains serious constrain.

6. PENSION SYSTEM: CURRENT SITUATION

6.1. BASIC CHARACTERISTICS

The current pension scheme in Afghanistan is part of the greater set of public safety net arrangements. It operates on the pay-as-you-go (PAYG) basis. The basic characteristics are as follows:

- the benefit is linked to the last pay and years in service: 40% of last wage for 10 years of service, plus 2% for each additional year;
- maximum pension: 100% of last wage;
- no automatic adjustment for inflation;
- insurance against old age, disability, work-related injury or illness and death;
- no benefit adjustment for early retirement.

The pension system is designed to be funded by the pension contributions. However, in practice 80% of the funding comes from budget subsidies. The Government is required to set aside 8% of the employees' salary, and employees must contribute 3% of their pay as pension contribution. In reality, the pension contributions are poorly collected.

The exiting benefit formula is generous by regional and international standards: the average pension replaces approximately 70% of final basic wage. With 40 years of service retiring employees can claim up to 100% of their final basic wage as pension. In the region, only Bangladesh and Sri Lanka have the same or a more generous benefit formula. The whole system is based on manual paper work and the pensioners have to present themselves physically every year to collect their pensions. In 1385 (2006/07) around US\$20 million were paid to 54,393 pensioners. The average pension for civil servant was around US\$25 and for military pensioner around US\$40.

Categories	Registered pensioners	Pensions collected in 1385 (2006)	Total amount paid to pensioners in Afs
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²⁵ Afghanistan Human Development Report, UNDP, 2007

²⁶ WB and the MOLSAMD analysis, 2007

²⁷ Strategy Note on Public Employee Pensions in Afghanistan, MOLSAMD, 2007

			(1 US\$ = 50 Afs)
Civil Pensioners	33,532	19,958	298,480,683
Civil Survivors	14,843	7,855	140,753,419
Military Pensioners	17,916	15,445	490,041,617
Military Survivors	5,783	2,614	76,007,542
Civil & Military Pensioners and their survivors in provinces	11,104	8,500	103,720,000
Total:	83,177	54,392	1,109,003,261

Source: MOLSAMD, 2007

6.2. INSTITUTIONAL AND LEGISLATIVE FRAMEWORK

There are two pension schemes operated by the public sector:

- *Civil Servant and Military Pension Scheme:*
 - covers civil servants, employees of state owned enterprises (SOEs), teachers, military, police and security officers;
 - in 2006 paid 54,392 pensions;
 - operated by Pension Department of MOLSAMD
- *Da Afghanistan Bank Pension Scheme (DAB):*
 - covers employees of the public banking sector;
 - in 2006 paid around 3000 pensioners;
 - operated by the Pension Unit of DAB

The legislative framework for the Civil Servant and Military Pension Scheme is based on the pension legislation. However, from the legislative point of view the process of collecting the pension contributions and the role of the Pension Department is ambiguous. The legislative status of the Da Afghanistan Bank Pension Scheme is not clear. The current legislation doesn't envisage establishment of the pension schemes for the private sector employees.

6.3. CAPACITY ASSESSMENT

Capacity of the Pension Department within MOLSAMD requires a significant strengthening. The overall capacity of the staff remains extremely weak as no training of any sort has been provided to them. New recruits to the department informally learn the job from their seniors. Many of the staff lack motivation as archaic methods/systems are in place and no innovations seem to be in the offing. The existing pension manual was written in year 1353/1974 and no systemic revision has ever taken place. The Pension Department also requires lots of investment in information technology.

6.4. CONCLUDING REMARKS: WEAKNESSES AND CONSTRAINS

Fiscal limitations

The employees' pension contributions constitute a small part (20 percent) of the revenues while government agencies (employers) provide even smaller amounts. Thus, the direct budget allocations on the needs basis provide the major source of funding.

There are generous norms in place for giving benefits to the survivors of the pensioner, for employees who retire on grounds of disability and for making payments to survivors of employees who die while in service. The pension payments are not indexed to inflation. This results in the pensions losing their value and in arbitrary increases in the pensions due to pensioners' protests. Given the complicated system, many pensioners do not make an appearance for years. Instead, some of them present themselves after several years and submit their consolidated claim. This leads to accumulation of arrears and upsets the budget prepared by the MoF .

The number of pensioners is likely going to increase, as well as the number of public employees (especially the number of teachers and military personnel). Approximately 83,177 pensioners are registered, of whom 54,392 collected their pensions in 1385. A growing number of the past pensioners came out to claim their benefits after a benefit increase in 1382. Moreover, the existing civil service is relatively old and many civil servants will start retiring soon. Finally, the Pay and Grading reforms are being implemented: these reforms will result in a substantial salary and pensions hike leading to higher number of pensions paid, which will make the whole system even more fiscally unsustainable.

Till 1382/2003, the pension amount used to be so meager that most pensioners in the provinces were often of the view that it was not worth the time and money to follow up their case in Kabul. After the introduction of the rank-specific pensions in 1382 (2003) the pension has become more attractive. However, many old pensioners are not yet aware of the change in the rules. Some of them have died and their families do not follow up the case for family pensions.

Source: MLSAMD, 2007

Unclear institutional and legislative framework

The collection of pension contributions and operation of the entitlements are disconnected. The Pension Department does not control the process of contribution collection. Instead, the MoF administers it and the Pension Department receives very poor information about it.

Poor record-keeping system and application procedures

The Pension Department does not track records the insured employees until the claim for pension benefit is filed. The individuals apply for pension only with the documents certified by their employers, which could lead to many misuses. A lack of a computerized database hampers efforts to make future expenditure projections.

Lack of the capacity of the Pension Department and the Ministry of Finance

Compliance enforcement of pension contribution is weak. Other revenues (tax, customs) remain priority for collection. Lack of the clear rules for application procedure, non-existence of the centralized data base of personal records of employees, poor record keeping and weak infrastructure are serious constraints for the Pension Department.

7. DISASTER PREPAREDNESS OF AFGHANISTAN TODAY

²⁸ WB and MOLSAMD analysis, 2007

Afghanistan is vulnerable to natural disasters causing losses to lives, livelihoods and property. In recent history, natural disasters have led to social shocks, such as food insecurity and population exodus. In the Afghanistan's context disaster preparedness is an important part of the social risk management system.

7.1. HAZARD PROFILE

From 1970 to 2000 the country has experienced 57 large scale disasters with estimated number of killed at 19,630 and affected at 3,361,178. In the Hindukush Mountains the earthquakes of magnitude near to 4 degrees (Richter Scale) occur every week or two. The main river in Afghanistan, Amu Darya causes the floods almost every year. Afghanistan is often a victim of droughts: according to the ADB, the localized droughts occur almost every three to five years. Extreme winters often cause the loss of human lives. Periodical locust attacks damage harvests.

Vulnerability to natural disasters could be broadly categorized in four categories

- Geological: earthquakes,
- Hydro-meteorological: droughts, floods, landslides, avalanches, sandstorms,
- Technological: chemical and industrial accidents, fires, building collapse, air, road accidents,
- Biological: epidemics, pest attacks

7.2. INSTITUTIONAL AND LEGISLATIVE FRAMEWORK

The main responsibility for disaster preparedness lies with the Afghanistan National Disaster Management Authority (ANDMA) which main responsibilities are as follows:

- coordinate the Government's response to disasters and to provide policy making,
- ensure that the line ministries and provinces will develop its own disaster preparedness plans,
- monitor situation through the National Emergency Operation Center

The institutional arrangement includes the National Commission for Emergency and Disaster Management consisting of key (lead) ministries such as: the Ministry of Agriculture, Ministry of Interior, MRRD, Ministry of Energy and Water, Ministry of Public Health and Ministry of Defense. However, broader membership of the National Commission includes 22 ministries, as well as the Afghan Red Crescent Society, province governors, municipal mayors and international agencies. The ANDMA acts as the Secretariat for the National Commission, which is chaired by the President.

The Emergency Budget for Disastrous Situation has been established to provide quick response. The Budget is managed by the President and on the annual basis it totals around US\$15 million. Although the Budget is reserved only for disaster situations, in the past the lump sum payments have often been made to the families of the killed soldiers and civilians.

7.3. CAPACITY ASSESSMENT

The capacity of the ANDMA has been significantly improved in the last few years. A five-year Disaster Risk Reduction Program was developed with the help of the UNDP. The National Emergency Operation Center was strengthened as well as coordination with the line ministries and

²⁹ Afghanistan, National Disaster Management Plan, Transitional Islamic State of Afghanistan, December 2003

key donors. However, despite progress there is still a big capacity gap in terms of both human and physical capital. The communication system requires lots of investments. A number of laws will need to be adjusted to strengthen the ANDMA's coordination responsibilities, especially in (i) monitoring and evaluating preparedness of the line ministries; (ii) developing the capacities for preparedness at the sub-national level, and (iii) establishing standardized operational procedures.

7.4. CONCLUDING REMARKS: WEAKNESSES AND CONSTRAINS

Fiscal limitations: like in other sectors, low mobilization of domestic revenues and insufficient donor assistance is a serious constraint for building an effective disaster preparedness and response mechanism. Most interventions are funded from the Emergency Budget for Disastrous Situation. However, as afore-mentioned often the funds are used to fund other needs outside of disaster preparedness activities.

Weak inter-ministerial coordination: key for successful disaster preparedness and response is effective coordination of the Government's agencies at the national and the sub-national level. The ANDMA coordination role has been undermined by the weak response from the line ministries. Moreover, ANDMA's risk assessments and recommendations for disaster preparedness have not been followed to the large extent.

Low capacity and insufficient equipment: the ANDMA requires a significant capacity building as well as investment in its infrastructure and equipment.

Lack of the storage facilities: one of the major problems for improving disaster preparedness and response is lack of the storages throughout the country. This is one of the major reasons for less effective disaster response of the involved aid agencies.

Security: the security situation has a significant adverse impact on the ANDMA's activities as in the case of the recent floods in Uruzgan, Helmand and Zabul provinces.

³⁰ According to the ANDMA's authorities, some important infrastructure, such as schools, has been built in risky areas.

³¹ Strategy of the Office for Disaster Preparedness (DDP), April 2007

IV. SOCIAL PROTECTION SECTOR: STRATEGIC POLICY FRAMEWORK

Strategy for the Social Protection Sector aims to develop the Government's strategic policy framework for the welfare and pension reform and disaster preparedness. It complements Education, Health, Agriculture and Rural Development Sector Strategies which implementation will be also key to poverty reduction.

8. STRATEGIC VISION

The strategic vision of the Social Protection Sector is to decrease vulnerability of the large number of the Afghans and to help the poor to climb out of poverty. It is also to empower the poor and make their voices heard -- to decrease inequality, especially among the women, and to enhance social inclusion of neglected such as the minorities and disabled.

Most of the Afghans are young and many of them children. The vision of the Social Protection Sector is Afghanistan free of harmful child labor and the country "free of any oppression, discrimination and violence and based on the rule of law, social justice, protection of human rights and dignity." It is also about strengthening of the national solidarity with those who lost their beloved or sacrificed their bodies and health to defend the freedom and the unity of Afghanistan.

The Social Protection Sector Strategy aims to support implementation of the AC benchmarks and MDGs and the country's "Vision 2020" which "collectively reflects Afghanistan's aspirations for its people of reducing poverty and hunger, providing universal primary education, reducing child mortality, improving maternal health, combating diseases, promoting gender equality, ensuring environmental sustainability and enhancing personal security".

Ultimate vision of Afghanistan's Social Protection Sector is to build the country of social justice in line with the

8.1. STRATEGIC GOALS AND OBJECTIVES

The strategic goal of the Social Protection Sector Strategy is to (a) support economic growth by improving human capital accumulation and (b) to support stability of the country by reducing poverty and increasing social inclusion.

8.2. PRIORITY POLICIES

The priority policies for implementation of the sector's vision, goals and objectives will be:

- to ensure equitable growth distribution
- to maintain macroeconomic stability and increase mobilization of domestic revenues
- to build fiscally affordable social protection system
- to build fiscally sustainable pension system
- to improve disaster preparedness and response
- to enhance aid coordination
- to strengthen the capacity and institutional framework of the Social Protection Sector

8.3. TARGETS/EXPECTED RESULTS

The implementation the Social Protection Sector Strategy will aim to achieve the following targets in line with the Afghanistan Compact and MDGs:

- by end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent per year;
- by end-2010, and in line with the MDGs, the proportion of people living on less than US\$1 a day will decrease by 3 percent per year;
- by end-2010 the proportion of people who suffer from hunger will decrease by 5 percent per year;
- by end-2012/13 prevalence of underweight children under five in urban and rural areas will decrease by 2 percent per year;
- by end-2012/13 proportion of the population below minimum level of dietary energy consumption in urban and rural areas will decrease by 2 percent per year;
- by end-2010, the number of female-headed households that are chronically poor will be reduced by 20 percent and their employment rate will increase by 20 percent;
- by end-2010 increased assistance will be provided to meet the special needs of all disabled people, including their integration into society through opportunities for education and gainful employment;
- by end-2010 the skill development trainings will be provided for 150,000 unemployed of which women will comprise at least 35 percent and the disabled will comprise minimum 10 percent;
- by end-2012/13 the government will employ 3 % of disabled persons within its administration;

- by end-2012/13 the government will employ 20 % of women within its administration;
- by end-2010 the number of treated drug users will increase by 20 percent;
- by 2012/13 the pension reform will be implemented;
- by end-2010 an effective system of disaster preparedness will be in place;
- by end-2010 an effective system of disaster response will be in place.

8.4. EXPECTED OUTCOMES

Implementation of the Social Protection Sector's strategic vision, objectives and priority policies will lead to the visible progress in supporting the implementation of the following major outcomes:

- poverty and vulnerability reduction
- improved social inclusion
 - women
 - disabled
 - drug addicts
 - minorities (Kuchi)
- lower infant and maternal mortality
- reduction in harmful child labor
- reduction in drug demand within the country
- reduction in vulnerability to natural disasters
- improved aid effectiveness

9. SOCIAL PROTECTION SYSTEM

9.1. NEEDS ASSESSMENT

An agenda for social protection (welfare) reform is challenging: it ranges from the need to support those who are already vulnerable to strengthening risk prevention, mitigation and coping mechanism. Recent poverty estimates show that around 12 million of Afghans require Government assistance. They are either poor or concentrated very close to the poverty line and vulnerable to falling into poverty. A rough calculation shows that the Government would require annually around **US\$2 billion** just to keep the poorest and most vulnerable above the poverty line.

9.2. GOALS AND OBJECTIVES

A main objective of the welfare reform is to (a) support preservation of the human capital; (b) enhance poverty and vulnerability reduction, and (c) increase social inclusion.

9.3. PRINCIPLES FOR WELFARE REFORM

Enhancing fiscal sustainability by focusing on the most vulnerable

³² NRVA 2005, Spring 2007 survey

Given the huge needs and scarce resources the targeting will need to improve to focus on supporting the “*poorest of the poor*”. The improved targeting will assume the following actions: (a) higher selectivity in providing social protection (public) arrangements across the vulnerable groups, and (b) higher levels of support to the most isolated and remote areas (where majority of the poor resides).

Strengthening the social protection component of the existing public arrangements

The existing welfare system is dominated by supporting the war survivors (martyr’s families), subsidizing fuel cost and pension system and by funding the kindergartens. In many cases these public arrangements do not provide support only to the most vulnerable but also to large number of the non-poor. The future welfare system will change this and focus on supporting the most vulnerable only.

Providing the balanced support to rural and urban poor

Because of the predominantly rural nature of poverty in Afghanistan the rural poor will remain to be priority for the future welfare interventions. However, given the large pockets of severe poverty in many urban areas, and the specific causes of poverty among Kuchis, adequate social protection will also be provided to these categories of the poor.

Taking into consideration seasonality in providing support to vulnerable

The winter is the most difficult part of the year for the Afghan poor. The future public arrangements will be adjusted to ensure higher support to the poor and vulnerable in winter and early spring.

Sequencing in introducing the social protection benefits

Targeted vulnerable groups for the future social protection will be introduced into the benefits sequentially to reflect the need to strengthening the public revenue base, collect data, approve legislation, built criteria and the capacity for implementation and monitoring.

Strengthening the public/NGOs/private sector partnership

The Government role in policy making and providing regulations will remain strong while the role of private sector and the NGOs in service delivery and advocacy will strengthened.

Integration of the PDPs into the Social Protection Sector Strategy

The top priority needs identified in the social protection sector of all PDPs was related to the provision of employment opportunities for the most vulnerable group.³³ Given this the skill development will remain to be one of the most important public arrangements. The PDPs also highlighted the need to provide direct cash transfers to all vulnerable persons with disability. More than half PDPs, including the poorest provinces in the South, identified the provision of housing for the most vulnerable as priority. Given this, free distribution of land plots will remain to be used in the future. Most of the PDPs recommended the need to reduce violence against women. Thus, building the shelters for the victims of violence was designated as the high priority. This was particularly emphasized in the Center, North and West regions and was closely related to the need to improve right’s of the women and protection from forced marriages. The Social Protection Sector Strategy has identified women “at risk” as the priority target group for future public interventions. In cooperation with the NGOs the network of the shelters to protect victims of violence will be built and this vulnerable group will be priority group for the skill development trainings and participation in public works programs.

³³ Rapid Analysis of Key Issues, Needs and Priorities for the ANDS Identified in PDPs

9.4. PRIORITY POLICIES

The welfare reform will be supported with implementation of the following priority policies:

- to improve efficiency of the public arrangements for social risk management
 - conditional payments (in cash and kind)
 - community based rehabilitation
 - skill development
 - public works
- to diversify market based arrangements for social risk management
 - community based savings
 - community based insurance
- to strengthen informal arrangements for social risk management
- to improve targeting
 - disabled
 - children “at risk”
 - women “at risk”
 - drug addicts
- to strengthen the capacity and restructure the MOLSAMD
- to improve partnership with the civil society (NGOs)
- to enhance aid coordination

9.4.1. Public arrangements to support welfare reform

Future social protection (welfare) system will include some of the existing public arrangements such as: (i) direct cash payments, (ii) payments in kind, (iii) public works, (iv) skill development, (v) lump sum payments, (vi) support to orphanages and (vii) land distribution. Given the insufficient impact on the poor some arrangements like **subsidies (for fuel and pensions)** and support to **kindergartens**, will gradually be eliminated reflecting the need to use scarce resources to support the most vulnerable.

Kindergarten's reform

MOLSAMD will continue supporting 365 kindergartens (in 1385/2006 around 25 000 children were enrolled). However, given the fact that these institutions provide services to mainly non-poor households (civil servants and military personal) the MOLSAMD will develop and implement strategy for kindergartens' gradual privatization. By doing this precious resources will be freed to support the most vulnerable like poor families with small children.

Funding the **orphanages** will remain to be the largest support to the welfare institutions. However, the orphanages will be reorganized to provide day care services for other children “at risk”. The Afghanistan Red Crescent Society and the NGOs will receive support for building additional shelters and community based rehabilitation centers to support most vulnerable like extreme poor individuals (homeless, elders without support) and victims of violence.

The **current cash transfers** to the martyr's families and individuals with war related disability will be integrated into the pension system and will cease to be part of the welfare system. The same will be done with different direct cash transfers provided by the MoD and MoI. The new direct cash transfers will be gradually introduced for the poorest individuals with non-war related disability and for the chronically poor female headed households. Finally, the inclusion of the poorest families with small children into the direct cash benefit transfers *will depend* from mobilization of domestic revenues and possible introduction of the Zakat-based tax.

Payment in kind, through distribution of humanitarian assistance will continue to be important instrument to support higher children's enrolment in schools (food for education) and training of the teachers (food for training). However, the new program will be developed to provide **free distribution of livestock, orchids and tools for farming**. According to the NRVA 2005 the incidents of poverty appear to be less in those families involved in animal husbandry and diversified production of crops. Both, direct cash transfers and payments in kind will be made **conditional**: the poor families will have to enroll children in school and to take them to regular health check-ups.

Winterization

According to the NRVA 2005 the poorest households have critically low consumption during winter, especially in March. Therefore, the news system of payments in kind will be introduced for the poorest families with small children. The parcels with basic food and non-food items will be distributed (through Afghanistan Red Crescent Society) to support the poorest households in the most difficult period of year.

More than 80 percent of trainees from NSDP have found the job. Given this and huge unemployment among the most vulnerable, the **skill development** will remain to be one of the priority public arrangement for the future social protection. The terms of reference of the NSDP will be changed to introduce the most vulnerable as the highest priority group for receiving the skill development trainings.

Public works will remain to be part important of the future public arrangements. The NSP and the NRAP will continue to play the biggest role in providing the jobs for the poor. However, the new public work program to re-forest Afghanistan (Greening of Afghanistan) will be introduced to supply additional jobs to the poor and to decrease deforestation of the country. The all public work programs will be redesigned to reach the most isolated and remote areas. Finally, effective communication campaigns will be implemented (at the sub-national level) to ensure that the poor will receive information about opportunities to participate in the public work programs.

In addition to other public arrangements, the **targeted land distribution** and **lump sum payments** will continue to be used to help the poorest war victims.

Measures to be taken:

- Integrate the current direct cash transfers from MOLSAMD, MoD and MoI to martyr's families and individuals with war related disability into the pension system (MOLSAMD, by end-2012)
- Develop the project and criteria for free distribution of the livestock, orchids and tools for farming (MOLSAMD, MoA, by end-2008)
- Develop the project and criteria for free distribution of the food parcels (winterization) in winter period (MOLSAMD in cooperation with the Afghanistan Red Crescent Society, by end-2008)
- Develop the new public work program (greening of Afghanistan) to support re-forestation (MoA, by end-2008)
- Redesign the NSP and the NRAP to ensure their presence in remote and poorest provinces (MOLSAMD, MRRD, by end-2008)
- Improve the communication campaigns to better inform the poor about opportunities to participate in the public work program (respective line ministries, continuously)
- Ensure that the most vulnerable groups will be priority for participation in the public work programs (respective line ministries, continuously)
- Develop the strategy for privatization of kindergartens (MOLSAMD, MoF, by mid-2008)
- Gradually privatize kindergartens (MoF, by end-2012)

- Change the NSDP terms of references to introduce the most vulnerable categories as the priority group for receiving the skill development trainings MOLSAMD, by mid-2008)
- Establish the institutional framework for accrediting the service providers for skills development training and for issuing the certificates (Government, by end-2008)
- Complete the Labor Market Study to ensure that NSDP will meet the needs of the labor market for skills (MOLSAMD, NSDP, by mid-2008)
- Develop the national curriculum for kindergartens (MoE, by end-2008)

9.4.2. Diversification of the market based arrangements

In Afghanistan, the market based arrangements for social protection are dominated by **microfinance schemes**, which further development and strengthening will continue to be supported. However, the efforts will be made to develop some other market based arrangements such as (i) increasing **financial market literacy**; and (ii) introduction of **community-based insurance schemes**. Loss of women's inheritance entitlements to male relatives and denial of their property rights make women and their children (especially in female-headed households) more vulnerable to poverty. Given the lack of ability to present collaterals to the banks, this impedes women's access to loans and self-employment opportunities. Therefore, the future Government policies will take measures to enforce women's rights to inheritance.

Saving and community based insurance

Safe Save in Bangladesh

Safe Save is a financial service provider, which operates in poor parts of Dhaka. It has started with only 3000 clients in 1999 and around total saving deposits of around US\$50,000. Today Safe Save already covers its operational cost from its loan interest income and has a prospect of becoming fully sustainable.

Source: Poverty and Vulnerability in South Asia, WB, June 2002

Financial market literacy is instrumental to providing the vulnerable groups with information on how to access financial services, such as savings. Recent experience has shown that even poor households are eager to save if provided with safe, flexible, accessible accounts and attractive interest rates. **Community-based public insurance** could play an important role in mitigating

the risk from harvest failure and harvest loss, which are substantial in Afghanistan. Commercial banks usually focus on large al farms rather than on small ones. In this case, the public insurance scheme, such as "crop insurance", could help the vulnerable rural households to diversify the risk.

Measures to be taken:

- Improve the legislative framework to support further development of microfinance (MoF, by end-2008)
- Develop the strategy for establishing community based insurance scheme (MOLSAMD, MoF, by end-2008)
- Establish, on a pilot basis, the Crop Insurance Scheme at least in two provinces (MoF, MOLSAMD, by mid 2009);
- Continue with efforts to further liberalize banking sector; (MoF, continuously)
- Implement awareness campaigns to increase the financial market literacy of the poor (MoF, continuously)
- Approve the legislation to reinforce women's rights to inherit (Government, MoWA, by mid -2009)

³⁴ Poverty and Vulnerability in South Asia, WB, June 2002

9.4.3. Strengthening the informal arrangements for social risk management

Migration to the neighboring countries and remittances will probably remain key informal arrangement of the poor. The Government will need to ensure that the Afghan migrant workers will not be subject of any abuse in the countries of their destination.

Measures to be taken:

- Conclude international agreements with the neighboring and other countries to regulate the rights of the Afghanistan's migrant workers (MoFA, MOLSAMD, by end-2009)

9.4.4. Improved targeting: priority target groups

The future social protection will target two big groups: (a) population "at risk", and (b) war survivors. Population "at risk" includes the most vulnerable (*poorest of the poor*) while the war survivors target group refers to the martyr's families and disabled from the previous and ongoing conflict.

A) Population "At Risk"

1. Chronically poor female headed households with small children

The risk vulnerability analysis suggests that the largest vulnerable group is the poor households with small children. However, given the limited resources, the future arrangements will have to focus on supporting the most vulnerable within this group: chronically poor female headed households with small children. The Afghanistan Compact obliges the Government to improve assistance to this category.

Public arrangements to be provided:

- **Payment in kind (winterization):** food parcels will be provided during the winter trough the Afghanistan Red Crescent Society (ARCS).
- **Skill development:** female head of the chronically poor households with small children will be priority group for skill development training.
- **Distribution of livestock, orchids and tools for farming:** chronically poor rural households with small children residing in the remote areas where the public works programs are not active will be priority group to receive livestock, orchids and farming tools.
- **Microfinance:** provided that other conditions are met the female head of the chronically poor households with small children will be priority group for microfinance borrowing.
- **Employment:** female head of the chronically poor households with small children will be priority group for participation in public works. Provided right qualification they will be given priority for civil service employment.

Prospects for greater support to the poor families with small children: Zakat-based tax

Zakat: experience from Pakistan

In Pakistan, the principal form of cash transfers to the poor is through the publicly administrated Zakat system. Zakat can be thought of as a wealth tax of 2.5 percent on individually owned financial assets. Zakat is paid into a central fund administrated by an autonomous Zakat Council and maintained by the State of Pakistan. Those eligible to receive Zakat directly or indirectly, include the poor (especially widows and orphans) and the handicapped.

Poverty and Vulnerability in South Asia, WB, June 2002

Limited resources are impediment for more substantial support to the poor families with small children. Introduction of the Zakat-based tax and establishment of the Afghanistan Welfare Fund to attract charity contributions in line with the Islamic values could mobilize significant resources to support vulnerable families. Larger support to the poor families with small children would decrease prevalence of underweight children and infant mortality, which is another obligation of the Government under the Afghanistan Compact.

Measures to be taken:

- Conduct the survey to collect data about the female headed chronically poor households with small children (MoWA, MOLSAMD, by end-2008)
- Develop the policy and criteria for providing comprehensive support to the female headed chronically poor households with small children in line with the afore-mentioned recommendations (MOLSAMD, by mid-2009)
- In partnership with the Afghanistan Red Crescent Society develop the criteria and mechanism for distributing food parcels in winter period (MOLSAMD, ARCS, by-mid 2009)
- Initiate and complete the public debate about establishment of the Afghanistan Welfare Fund and introduction of the Zakat-based tax (MOLSAMD, MoF, MoRA, by mid-2008)
- Establish the Afghanistan Welfare Fund and introduce the Zakat-based tax in line with the recommendations from the public debate and consultations (MOLSAMD, by mid-2009)
- Improve implementation of the family planning programs (MoPH, continuously)

2. Children “At Risk”

The MOLSAD has approved the National Strategy for Children “At Risk” which targets a number of children. However, given scarce resources the future social protection arrangements will have to focus on supporting the most vulnerable within this group: orphans, street children (working at streets), children in conflict with law and children with mothers in detention.

Orphans

What is the Day Care Center (DCC)?

The DCC is the area where the vulnerable children get support on daily basis in the form of food, hygiene, medical check up, training, literacy courses. The managers of the DCCs are also involved in persuading parents and employers to allow children to spend part of the day in day care centers. Important focus is made on reintegration of the children into schools. There are number of NGOs who are running day care centers for children such as Child Rights Consortium (CRC).

The MOLSAMD will continue to provide support to 32 orphanages and around 11 000 orphans. However, the orphanages will be reformed to serve as *day care centers (DCC)* in order to be able to support larger number of vulnerable children (by providing them with the food, hygiene, literacy courses, regular medical check-ups and by reintegrating them into the education system). The important part of the future efforts will be *reintegration of the orphans into their families*. As afore-mentioned around 2/3 of the orphans have at least one living parent. Under the MOLSAMD leadership and through the NGOs the parents will be encouraged to repatriate the child back into family. To support this process the families will be provided with employment opportunities, skills development trainings and grants to start its own small businesses.

Street working children

³⁵ Numbers of the NGOs have successfully reintegrated around 700 children in last two years.

Street working children are the largest children's vulnerable group. According to the UNICEF around 25 percent of children are considered currently working. Developing the network of

Actions against harmful child labor: the Government will improve legislation and law enforcement against harmful child labor. The MOSAMD will establish a Child Labor Monitoring System (CLMS) to observe child labor and evaluate programs for reintegration of the children into schools. Finally, the MOLSAMD and the MoE will organize special evening skill development programs and education classes for street working children and continuously implement awareness rising campaigns against harmful child labor.

community based day care centers will be the main arrangement to support this vulnerable group. This network will be built in cooperation with the NGOs in those areas where there is no orphanage.

Children in conflict with law

This target group refers to children in police detention or in juvenile centers. Some NGOs (organized within the CRC) report that in those centers children are mixed with adults, denied from proper education and health protection and are vulnerable to number of abuses. Many children have been in trail detention for too long without being taken to the court. The MOLSAMD will develop the policy and standards for government officials and police involved in dealing with children in conflict with law. This will include employment of the qualified social workers that will help reintegration of this category of children into society. In cooperation with NGOs, the MOLSAMD will ensure that these children will receive education and health services and free legal counseling.

Children with mothers in detention

This target group refers to children of 4-14 years old who live in detentions together with mother law offenders. The MOLSAMD will develop policy for dealing with this vulnerable group of children. In cooperation with the NGOs, the MOLSAMD will launch the pilot project to provide these children with shelters, education and health services.

Measures to be taken:

- In cooperation with the NGOs develop the programs for reunifying the orphans with their living parent/parents (MOLSAMD, by mid-2008)
- Develop and approve policy and standards for establishing day care center within orphanages and by the NGOs (MOLSAMD, by mid-2008)
- In cooperation with the NGOs develop the network of day care centers throughout the country (MOLSAMD, by end-2009)
- In cooperation with the NGOs develop the policy and standards for dealing with the children in conflict with law and with children who live with mothers in detention (MOLSAMD, by-mid 2008)
- In cooperation with the NGOs implement the pilot project for supporting the children that are living with mothers in detention and for children in conflict with law ((MOLSAMD, by end-2008)
- Improve legislation and law enforcement against harmful child labor (Government of Afghanistan on the initiative of MOLSAMD, by end-2008)
- Develop the Child Labor Monitoring System (MOLSAMD, by mid-2009)
- Establish the Secretariat for Children within MOLSAMD (MOLSAMD, by mid-2008)

³⁶ According to the UNICEF there are around 500 children in police detention or juvenile centers in 11 provinces where it is piloting integrated child-focused interventions.

- Develop the program for evening classes and skill development training for street working children (MOLSAMD, MoE, by mid-2009)
- Implement the awareness campaign against harmful child labor (MOLSAMD, continuously)

3. Poor Persons with Disability

Afghanistan has one of the highest disability prevalence in the world. Around 25 percent of disability is war related while the rest is result of poverty, malnutrition, accidents, diseases and poor health protection. The future social protection arrangements will focus on supporting all vulnerable persons with disability (not only on individuals with war related disability). However, given the scarce resources the priority will be to support the poorest among them. Afghanistan Compact obliges the Government to improve assistance to “specific needs” of this vulnerable group.

Public arrangements to be provided:

- **Direct cash transfers:** will also be introduced to the poorest disabled with non-war related disability.
- **Community based rehabilitation:** will address special needs of people with disability through
- assisting them to achieve physical rehabilitation, economic independence and social inclusion. This will include empowering civil society groups of the people with the disability, providing the
- home based physical rehabilitation and treatment, public awareness, developing the Braille and sign language and providing the access to information.
- **Skill development:** disabled individuals will be priority group for skill development trainings.
- **Employment:** the public administration will employ 3 percent of persons with disability and the poorest of them will be given priority.
- **Others:** MoE will develop the program for *inclusive education* for disabled. This will include allowing disabled individuals to attend regular public schools, training the teachers and adjusting the learning materials to the special needs of disabled. Special training centers will need to be established to prepare disabled for inclusive education. MoH will improve the work of its rehabilitations center and will ensure that rehabilitation of disabled will be included in BHP in all provinces (at the movement it is included in 10 provinces). Other respective ministries will adjust public infrastructure and transport to provide better physical accessibility for disabled.

What is Community Based Rehabilitation (CBR)?

The objective of the CBR is to facilitate the social inclusion of the people with disability by providing them with the access to public services (health, education), home based rehabilitation, promoting non-discrimination and rising the public awareness about the rights of the disabled individuals.

Measures to be taken:

- Approve the new Law on Disability (National Assembly, by mid-2008)
- Ratify the UN Convention on Rights and Dignity of Persons with Disability (National Assembly, by mid-2008)

³⁷ The National Assembly is expected to approve new Law on Disability which will also provide cash transfers for persons with non-war related disability.

- Revise the National Action Plan on Disability against the ANDS Social Protection Sector Strategy (MOLSAMD, by mid-2008)
- Conduct the survey to collect data on poor persons with disability (MOLSAMD, by mid-2009)
- Develop the criteria and mechanisms for distributing direct cash entitlements to the poor disabled individuals with the non-war related disability (MOLSAMD, by end-2008)
- Develop and approve the policy and standards for establishing the community based rehabilitation centers by the NGOs (MOLSAMD, by mid-2008)
- Include rehabilitation of disabled in the BHP in all provinces (MoPH, by end-2009)
- Review the legislative framework to ensure that all potentially discriminatory acts against the disabled are eliminated and that their constitutional rights will be enforced (MoJ, Supreme Court, by end-2008).

4. Victims of violence

AIHRC and MoWA report about significant cases of violence against women and children. This vulnerable group will cover: (a) **women “at risk”** (women victim of family and community violence, women in conflict with law), and (b) **children victims of violence and abuse and children victims of human trafficking**.

Public arrangements to be provided:

- **Shelter:** women “at risk” will be placed in the shelters of the Afghanistan Red Crescent Society or in the MOLSAMD’s approved shelters run by the NGOs
- **Skill development:** women “at risk” will be priority group for skill development trainings
- **Employment:** women “at-risk” will be the priority group for participation in public work programs and for employment within the public administrations (provided other conditions are met)
- **Microfinance:** provided other conditions are met the women “at risk” will be priority for microfinance borrowing
- **Orphanages:** children victims of violence and abuse and children victims of human trafficking without parents will be placed in orphanages or in shelters of the Afghanistan Red Crescent Society and in the MOLSAMD’s approved shelters run by the NGOs
- **Free legal advice and mediation:** in partnership with NGOs women in conflict with law, children victims of violence and abuse, and children victims of human trafficking will be offered free legal advice. Moreover, MOLSAMD’s social workers and qualified representatives of the NGOs will offer mediation in order to integrate these vulnerable groups back into their families. Offering the free legal advice to women “at risk” will contribute to implementation of the Afghanistan specific obligations under the MDGs (improved access to justice for women).

Measures to be taken:

- Develop the policy and criteria for supporting the victims of violence which should include the program for reintegration into families, schools and society (employment, skill development, microfinance) as well as criteria for establishing the NGOs-run shelters for women “at risk” and vulnerable children (MOLSAMD, by mid-2008)
- Provide support to the Afghanistan Red Crescent Society for building the new shelters/marastoons (MOLSAMD, continuously)
- In cooperation with NGOs build the network of shelters for women “at risk” and vulnerable children in those areas that are not covered by the Afghanistan Red Crescent Society

- Develop and approve the guidance for providing the free legal advice and mediation services (for reintegration into families) to all vulnerable groups (MOLSAMD, by mid-2008)

5. Drug addicts

According to a recent United Nations survey, there are nearly 900 000 drug users in Afghanistan today, including around 60,000 children. Almost 200,000 of them are hard-core opium and heroin addicts. The use of drugs is the most widespread among the returnee population (72%) which has increasingly moved from “smoking to injection” of heroin bringing a danger of HIV and other infectious diseases. The Afghanistan Compact requires the Government to improve treatment of drug users.

Women and children drug addicts are most vulnerable one. Afghan culture doesn't tolerate drug addiction especially among women. Prevalence among young people (14-25) is the highest which is a serious concern. Treatment of the drug addicts suffers from number of weakness:

- Insufficient de-toxication and rehabilitation capacity
- Legal treatment of the drug-users: in most of the cases conflicting legislation regards drug addiction as criminals activity, not as illness
- Culture: drug addiction conflicts with Islamic values upon which the Afghanistan's society is based. Thus, the voluntary treatment, especially among women is limited and is dominated by man. Drug-addicts are being discriminated by police and the society in general.

Public arrangements to be provided:

- **De-toxication:** capacities will need to be increased for treatment and de-toxication of the larger number of drug addicts. In cooperation with the NGOs, the culturally acceptable home based treatments for women (with outreach teams) will be developed
- **Community based rehabilitation:** the program will be developed to support rehabilitation of the drug-addicts into society by providing them with day care services, opportunities for employment, skill development and protection against any mistreatment and abuse
- **Public works and skill development:** drug-addicts will be priority group for skill development trainings and participation in public works
- **Other activities:**
 - Drug prevention awareness through media, schools and religious leader
 - Legislation change to clear the status of the drug-addicts before the law
 - Improve inter-ministerial coordination in implementing Counter Narcotic Strategy, Drug Demand Reduction Strategy and Drug Harm Reduction Strategy

Measures to be taken:

- Develop and approve the policy, criteria and program for community based rehabilitation of drug-addicts (MOLSAMD in cooperation with MoPH, MoI, and NGOs, by mid-2008)

³⁸ UNDOC, Afghanistan Drug Use Survey, November 2005

³⁹ In his interview to the ANDS staff, Mr. Bayan Shairshah, project coordinator for the GTZ-funded Integrated Drug Prevention Treatment and Rehabilitation project, emphasized that much more Afghans would like to embark on voluntary rehabilitation than is the current capacity of the MoH and the NGOs. The waiting list for the treatments at the project's center in Heart included 5000 of those who wanted to be treated. However, the treatment was possible only to several hundred of them.

- Change the legislation to clarify the treatment of the drug addiction before the law (MOLSAMD, MoH, MoI, Government, National Assembly, by end-2008)
- Implement Drug Prevention Awareness Campaign through media, schools and religious leaders (MoE, MoCN, MoRA, continuously)

6. Extremely Vulnerable Individuals

This category refers mainly to urban poor and includes: mentally imperiled without family support, homeless women and man, elders without family support and Kuchi families who have been forced to settle. Rising poverty among the urban poor and weakened extended family safety nets drives many poor into even deeper poverty. Denied access to their traditional summer pastures forces many Kuchi families to settle leading to loss of livestock and poverty.

Public Arrangements to be provided:

- **Shelter and reintegration into families:** extremely vulnerable individuals will be placed into the shelter run by Afghanistan Red Crescent Society where they will receive housing, food, hygiene care, literacy courses, skill development. Mentally imperiled will be placed into the specialized institutions of the MoPH.
- **Mediation for reintegration into families:** the MOSAMD social workers and the qualified members of the NGOs (certified by the MOLSAMD) will mediate and encourage the families of extremely vulnerable individuals to reintegrate them. The families will be offered skill development training and grants to start with small business.
- **Skill development, literacy courses:** settled and poor Kuchi families will receive skill development training and literacy courses. The Government of Afghanistan will regulate exploitations of summer pastures with aim to enable balanced use by Kuchis and settled population.

Measures to be taken:

- In cooperation with NGOs implement the pilot project to support extremely vulnerable groups which should include options for reintegration into families (MOLSAMD, by end-2008)
- Develop the program to support poor Kuchi families who have been forced to settled, which should include Government's regulation of exploitation of the summer pastures (MOLSAMD, by mid-2008)

7. Unemployed and underemployed

Afghanistan has the highest number of unemployed in the region. Due to low salaries many employed fall into category of "*working poor*". Unemployment and underemployment is a serious cause of poverty, especially among the urban poor.

Public arrangement to be provided:

- **Skill development:** unemployed and underemployed will continue receiving skill development training

Measures to be taken:

- Improve labor market regulations to eliminate abuses against workers (MOLSAMD, by end-2008)

8. Victims of natural disasters

This vulnerable group refers to families and individuals impoverished by the natural disasters.

Public arrangements to be provided:

- **Lump-sum payments:** to affected families will be paid from the Emergency Budget for Disastrous Situations
- **Skill development:** to affected families and individuals will be made available
- **Payment in kind:** humanitarian assistance will be distributed

Measures to be taken:

- Policy and criteria for supporting the victims of natural disasters will be developed (Presidents' Office, MOLSAMD, by mid-2008)

B) War Survivors

This target population group includes: (a) martyr's families from the previous and ongoing conflict, b) disable individuals with war related disability, and (c) civilians victims of the ongoing conflict. Given the fact that this category doesn't always represent the poor and most vulnerable it will be integrated into the future pension system and compensation system of NATO/ISAF.

1. Martyr's families and individuals with war related disability

This target group refers to the martyr's families and individuals with war related disability from the previous and ongoing conflict. Both categories will continue to receive direct cash transfers till integration of this benefit into the future pension system. However, the MOLSAMD and other line ministries will have to eliminate all irregularities that have already led to a significant loss of scarce public resources to those that have not been entitled to receive it.

Public arrangements to be provided:

- **Direct cash transfers:** all martyr's families and individuals with war related disability will receive cash payments which will be gradually translated into future pension payments
- **Skill development and public works:** members of the poor martyr's families and the poor individuals with war related disability will be priority group for skill development training and for participation in the public works programs
- **Distribution of livestock, orchids and tools for farming:** the poor martyr's families and the poor individuals with war related disability will receive this kind of benefit
- **Distribution of land plots:** the poor martyr's families and the poor individuals with war related disability will be entitled for free distribution of residential land plot

Measures to be taken:

- Conduct the comprehensive survey to collect data on number of martyr's families and individuals with war related disability, about their socio-economic situation (MOLSAMD, by end-2008)
- Eliminate all existing misuses and irregularities in distributing the direct cash transfers (MOLSAMD, continuously)
- Implement the new schedule for payments of the direct cash transfers (twice a year) in order to decrease cost of collecting the payments for vulnerable martyr's families and individuals with war related disability who are living in remote areas (MOLSAMD, by mid-2008)
- Translate the direct cash transfers to martyr's families and individuals with war related disability into pensions (MOLSAMD, MoF, by end-2011)

2. Civilian victims of the conflict

This target group refers to civilians victims of the current conflict and include: (a) families who lost the breadwinner or members as result of military operations; (b) families who lost their breadwinner or members as result of suicide bombing that targeted international or Government troops; (c) families that lost breadwinner or members as result of military attack at the international or Government troops; (d) individuals which became disabled as result of the military operation; (e) individuals that became disabled as result of suicide or military attack at the international or Government troops; and (f) families or individuals which property was destroyed or damaged as result of military operations, suicide and military attack at the international and the Government troops.

Afghanistan Civilian Assistance Program

There are several initiatives and projects funded by the USAID or NATO to compensate civilian victims of war directly or through community. Afghanistan Civilian Assistance Program (ACAP) is designed to assist Afghan families and communities. This initiative doesn't provide direct support to the civilian victims. Instead it invests in the local infrastructure, provides skill development and small grants for community income generation projects. Apart from this the victims can file a claim with the US military and receive lump sum payments up to US\$2500 (condolence payments). Finally, there is new initiative within NATO to establish so called Post Operation Humanitarian Relief Fund which would provide more comprehensive support to civilian victims. All these initiatives are uncoordinated and rarely provide direct support to victims. The Government compensation scheme doesn't exist apart from sporadic lump sum payments.

Public arrangements to be provided:

- **Lump sum payments:** funded jointly by the Government and ISAF/NATO
- **Skill development:** organized jointly by the NSDP and NGOs
- **Distribution of land plots:** for the poor individuals and families civilian victims of conflict

Measures to be taken:

- Conduct the survey and collect data on civilian victims of conflict (MOLSAMD, by-mid-2008)
- Develop the policy and criteria for supporting the civilian victims (MOLSAMD, NATO, by mid-2008)
- Reach the agreement with the ISAF/NATO on long term direct support to civilian victims of conflict (Government, ISAF/NATO, by mid-2008)

9.4.5. Strengthening the capacity and restructuring of the MOLSAMD

Implementation of the welfare reform will require a significant capacity building of the MOLSAMD, especially in the area of (a) poverty and risk vulnerability assessment, (b) building the poverty-targeted criteria for channeling social protection (c) improving the targeting and establishing the data base of beneficiaries, and (c) strengthening the project preparation, implementation and monitoring. The main objective of the capacity building will be to increase effectiveness in implementation of the projects and arrangements and absorption of the funds.

Apart from other reasons the implementation of the projects and introduction of the vulnerable groups into benefits will be sequential to address the need for strengthening the capacity. Enhanced role of the private sector and NGOs in providing the services will support timely implementation of the projects. Finally, the restructuring of the MOLSAMD will be important

⁴⁰ According to the MoI around 1300 civilians have been killed as result of the military operations

part of streamlining and increasing the effectiveness of the overall social protection (welfare) system.

Important part of the capacity building will be investment in human resources. The Afghanistan's labor market lacks qualified social workers. With respect to this the MOLSAMD will, in cooperation with the MoHE and major universities, develop the specialized courses to enable university graduates to obtain qualification for social workers.

Measures to be taken:

- Conduct the functional review of the MOLSAMD (MOLSAMD, by mid-2008)
- Prepare the Plan for capacity building and restructuring of the MOLSAMD (MOLSAMD, by end-2008)
- Establish the Unit for Poverty and Risk Vulnerability Assessment (MOLSAMD, by end-2008)
- Develop a Proxy Means Test (PMT) based on non-income variables (MOLSAMD, by end-2008)
- Approve poverty-targeted criteria for channeling social protection (MOLSAMD, by mid-2008)
- Establish the data base for the beneficiaries of the social protection (MOLSAMD, by end-2009)
- Develop the course to enable university graduates to obtain qualification for social workers (MoHE, MOLSAMD, by end-2008)

9.4.6. Strengthening the cooperation with the NGOs and aid coordination

MOLSAMD will remain to be largely involved in providing the regulations and criteria for the implementation of the social protection projects. Given its weak capacity the role of the NGOs in providing the services and implementation of the projects will strengthen. Currently, most of the NGOs operate with a certain degree of autonomy without coordinating its activities with the MOLSAMD. This will require from the MOLSAMD to map the NGOs activities and provide the standards for the NGOs involvement in implementation of the social protection projects. Apart from this, the MOLSAMD will strengthen its contacts with the major donors and agencies to improve aid coordination, avoid duplications and increase aid effectiveness in providing welfare support to the most vulnerable.

Measures to be taken:

- Map the NGOs activities in social protection sector (MOSAMD, by mid-2008)
- Develop the standards for the NGOs involvement in implementation of the social protection projects and set up recognized and publish referral system (MOLSAMD, by end-2008)
- Establish the register of the accredited NGOs involved in providing social protection services (MOLSAMD, by end-2008)
- Develop the data base of all Government and donor-funded projects in the area of social protection (MOLSAMD, by mid-2009)

10. PENSION REFORM: POLICY FRAMEWORK

Pension reform will be important part of the Social Protection Sector Strategy. Initially it will focus on covering the government servants and military personal providing the framework for later development of the pension schemes that will cover private sector employees.

10.1. GOALS AND OBJECTIVES

The pension reform should be inaugurated in 2008 to ensure coordination with Pay and Grade (P&G) reform. The main objective of the pension reform will be to:

- improve old-age protection (especially for civil servants and military) and,
- establish fiscally sustainable pension scheme.

10.2. EXPECTED OUTCOMES

The pension reform will require five years to be implemented. Therefore, the expected results will be:

- to complete pension reform and introduce new pension system by 2012.

10.3. OVERALL DESIGN OF THE PENSION REFORM

The overall design of the pension reform will include the following features:

Scope of pension system and employees covered: the future pension system will cover the same groups of employees that are covered in the current system (civil servants and military personal).

Benefit formula: the system will remain a defined benefit system based on a formula that will take into account age, years of service, and a specified accrual rate. The average benefit for an employee with 25 years of service will equal 50 percent of final pay after Pay and Grading reform. The benefit accrual rate will be 2 percent for each year of service. This formula will be adjusted to increase equity, reduce cost, and address human resource needs of the Government.

Larger pensions: pension benefits will be increased in absolute terms (as a result of Pay and Grading reform), but reduced as a percentage of last drawn pay of an employee. They will be automatically indexed for increases in cost of living to preserve the value of pensions.

Retirement age: employees will be eligible for a pension at age 65 if they have 10 years of service and will be able to retire at age 55 if they have accumulated 25 years of service.

War survivors, disability and death benefits: disability pensions and pre-retirement and post-retirement war survivors' benefits will be provided in addition to regular pensions. The existing direct cash transfers to the martyr's families and individuals with war related disability will be integrated into the future pension system.

Financing: the pension system will be self-financed from the Government and employee contributions on wages (payroll tax). Direct budget subsidies will be gradually eliminated. The overall contribution, however, will increase from 11% of pay to 16% to ensure fiscal sustainability. Around 2% (of the 16%) will be used to fund war survivors' benefits. The Government should contribute 8 percent of the payroll. The employee's contribution will also be 8 percent. The employee's contribution will gradually increase while the Government's will be reduced.

Special categories: to recognize several sort of professional hazards, the Government may consider special provisions for selected groups such as military and police. The special provisions might

include earlier retirement age, higher accrual rate and compensation for injury or death in combat. Given scarce resources the special provisions will have to be fiscally affordable.

Transition: Employees retiring before implementation of the Pay and Grading reform will earn pension based on the current pension system rules. Employees and new entrants who make contributions to the new system and retiring after Pay and Grading reform implementation will earn a benefit under the new provisions. Previous years of service will be fully recognized. Pre-1382 retirees and war survivors will be paid lump sum payments equal to the present value of their pensions. However, post-1382 retirees under the old arrangements will have the option of a lump sum or continued pension payment.

10.4. CAPACITY BUILDING

The employees of the current pension department, including the management, will be required to go through comprehensive trainings. The staff will need to be trained in the use of the new automated systems that will be developed in the meantime. Managers will be required to acquire new skills in program supervision and project management. The most significant attribute of the new pension scheme would be introduction of the payment of pensions through authorized banks.

Measures to be taken:

- Promulgate the pension reform by the Government decree (Government, MOLSAMD, by mid-2008)
- Develop the new IT system and processes (MOLSAMD, by end-2008)
- Conduct the capacity building and training for the staff and managers of the Pension Department (MOLSAMD, by end-2008)
- Modernize accounting as well as internal operational procedures (MOLSAMD, by end-2008)
- Improve collection of the pension payroll taxes (MoF, continuously)
- Improve record keeping and processes (MOLSAMD, by end-2008)
- Establish a central database to store and process the details on pensioners and their bank accounts (MOLSAMD, by end-2008)
- Introduce payments of pensions through banks (MOLSAMD, by end-2008)

11. DISASTER PREPAREDNESS: POLICY FRAMEWORK

Given the Afghanistan's high vulnerability to natural disasters the disaster preparedness and response will also be important part of the Social Protection Sector Strategy.

11.1. GOALS AND OBJECTIVES

Improved disaster preparedness and response will be important part of the future social risk management structure. Given the Afghanistan's high vulnerability to natural disasters, the main objective of the reform is to:

- decrease the risks from natural disasters and improve the disaster preparedness and response with the aim of protecting human lives, assets, public infrastructure and the environment.

11.2. TARGETS/EXPECTED RESULTS

- By end-2010 an effective system of disaster preparedness will be in place;

- By end-2010 an effective system of disaster response will be in place;

11.3. PRIORITY POLICIES

- to strengthen the capacity of ANDMA, not only for coordination and policy making, but also for implementation of programs and projects;
- to strengthen the capacity of line ministries for disaster preparedness and disaster response;
- to enhance the provincial and community mechanisms for disaster preparedness and response;
- to improve coordination within the Government for disaster preparedness and response, and
- to improve aid coordination in the area of delivering the humanitarian assistance

Different diseases and epidemics usually occur in the aftermath of a natural disaster. Thus, the future disaster preparedness and response will need to incorporate public health measures to protect the most vulnerable, especially children and the elderly. Future disaster preparedness and response will also need to integrate the measures to address long-term needs for rehabilitation of affected areas.

11.3.1. New role for ANDMA

Under existing legislation, the prime responsibility of ANDMA is to coordinate the Government's efforts and to provide policy making. However, lack of the responsibility for implementation of key projects for disaster preparedness/response and over-reliance on the line ministries, has been proven as a weakness. Therefore, the legislation will need to be improved in order to reflect the need to strengthen the ANDMA's role in implementing some of the key projects. However, it is important to stress that the line ministries will remain responsible for the implementation of most projects for disaster preparedness/response..

11.3.2. Strengthening capacity and improving coordination

The ANDMA, and to a lesser extent the line ministries, require strong capacity building and equipment modernization in order to be able to successfully coordinate activities for disaster preparedness and response. Having rescue equipment, management tools and operational centers at the provincial level will provide the necessary facilities to respond to disasters. Maintaining access to modern technology, such as with alarming devices, is important for reducing casualties and damages that occur during disasters. Finally, given the existing legal ambiguities, the role of the ANDMA in leading and coordinating the national efforts for disaster preparedness and response will need to be clearly defined and this will require adjustment of the current legislative framework

Measures to be taken:

- Adjust the legislation to clearly reflect the leading role of the ANDMA in coordinating the national efforts for disaster preparedness and response but also for implementing of key programs and projects (Government, ANDMA, by end-2008)
- Approve regular annual plans for disaster preparedness and response (Government, continuously)
- Complete collecting information related to risks and vulnerabilities at the national and sub-national level and finalize disaster risk analysis (ANDMA, by end-2008)
- Develop a guideline for disaster response (ANDMA, by mid-2009)
- Develop Standardized Operational Procedures(SPO) for quick assessment and response, reporting, and for rapid mobilization of international assistance (ANDMA, line ministries, by mid-2009)

- Establish Emergency Operation Centers (EOCs) at the provincial level (ANDMA, Governors, by end-2009)
- Establish response centers and teams at the regional level (ANDMA, by end-2009)
- Establish community emergency response system (ANDMA, by end-2010)
- Establish effective early warning system (ANDMA, by end-2009)
- Develop back-up communication system based on Codan (ANDMA, by end-2010)
- Develop and operationalize the provincial disaster management plans (ANDMA, Governors, by end-2009)
- Establish ANDMA's offices along with the operational centers (ANDMA, by end-2008)
- Construct 12 regional storages for aid assistance and equipment (ANDMA, by end-2009)
- Improve public awareness activities and raise national awareness about disaster risks and vulnerabilities (ANDMA, continuously)

V. SOCIAL PROTECTION SECTOR STRATEGY: INTEGRATION OF CROSS-CUTTING ISSUES

12. CAPACITY BUILDING

Implementation of the ANDS Social Protection Strategy will require significant capacity building. It will also require strengthening of the existing and building new institutions. Most capacity building and institutional strengthening will be required for: MOLSAMD and its Pension Departments as well as for the ANDMA.

MOLSAM will need to strengthen its capacity for dealing with new beneficiaries and new public and market arrangements. The priority will be: (a) building the credible beneficiary data base and poverty-targeted eligibility criteria for channeling social protection benefits, (b) developing poverty and risk vulnerability analysis, (c) strengthening the implementation and monitoring capacity, and (d) improving the institutional framework for implementation of the pension reform.

Equipment modernization and strengthening the coordination role of the ANDMA will also be a priority. Building regional centers and putting in place regional teams will be instrumental to more effective disaster preparedness and response in the future.

13. GENDER EQUALITY

Promotion of the gender equality and narrowing of the gender gap has been identified as important priority for the Social Protection Sector Strategy. The proposed public arrangements require the Government to introduce new social protection benefits for both female-headed households and women victims of violence. Lack of the ownership over physical assets and inability to present collaterals prevent women from accessing the bank loans and increase opportunities for self-employment. Therefore, the Government will need to ensure women's property rights, especially right to inherit. The future social protection public arrangements will include food aid programs (Food for Education) in order to increase girls enrolment in schools.

14. COUNTER-NARCOTICS

The implementation of the Social Protection Sector Strategy will support the Government's overall efforts to reduce poverty. Given the nature of poverty, most public arrangements will target the rural poor. Poverty reduction, especially in rural areas, will result in a number of the rural poor currently involved in opium production to become less vulnerable and less dependent on opium proceeds.

The implementation of the Social Protection Sector Strategy will contribute to reduction in domestic drug demand: special attention will be paid to reintegration of the drug users into society and implementation of the awareness campaigns through the schools and Islamic leaders (ulemas). The Drug users will be priority target group for skill development and participation in public work programs. They will also be included into list of beneficiaries for day care centers and community based rehabilitation centers.

15. ANTI-CORRUPTION

Higher transparency and better management in distributing existing cash benefits to martyrs' families and the disabled will be a priority for the MOLSAMD and its current Data Base Projects. The recent control of the beneficiaries revealed massive misuses. Large numbers of families and individuals were receiving cash benefits on the basis of fake documentation -- only in Kabul around 20 000 families and individuals were removed from the list of beneficiaries.

The future capacity building of the MOLSAMD will need to give priority to strengthening the capacities for more efficient monitoring of its programs and activities. However, all other institutions involved in assessing the applications for benefit entitlement, and primarily courts and public health institutions, will need to tighten its procedures and eliminate corruption.

16. ENVIRONMENT

Afghanistan is not vulnerable only to natural but also to human-induced hazards. Widespread poverty increases pressure on natural resources. Massive deforestation has already contributed to soil instability and weakening of the flood protection. The Social Protection Sector Strategy recommends introduction of re-forestation as a new national development program. The Program organized in the form of public works would not only provide jobs for the poor, but will also decrease the risk of floods.

17. REGIONAL COOPERATION

Poverty reduction is an important agenda for all countries in the region and the Government of Afghanistan could benefit from their experiences. The Social Protection Sector Strategy has based a number of its recommendations on the experience of the regional social protection strategies. The recommendation to establish the Afghanistan Welfare Fund is to a certain extent in line with the Zakat-based social protection fund in Pakistan. Moreover, the recommendation to support introduction of the community-based insurance scheme was based on the experience from Bangladesh. The Social Protection Sector Strategy will support implementation of the SAARC Social Charter that has recently been approved at the Second Meeting of the Heads of National Co-ordination Committees (New Delhi, September 6-7, 2007).

Measures to be taken:

- Establish the National Coordination Committee (within MOLSAMD) in line with the SAARC recommendations (Government, by mid-2008)
- Ensure that social protection programs of line ministries will be in line with the SAARC Social Chapter (MOLSAMD, continuously)

18. OTHER SECTOR-RELATED ISSUES

Poverty reduction

Poverty reduction is an important objective of the ANDS Social Protection Strategy. Public arrangements for social risk management and mitigation are aimed at (i) preventing the poor from falling into deeper poverty; (ii) helping the poor to climb out of poverty, and (iii) preventing other vulnerable groups (close to poverty line) from falling into poverty. The policies are designed to support the Afghanistan Compact benchmarks and MDGs. Among several pro-poor targets, the most important one will be to lower poverty by 2 percent on an annual basis.

Poverty reduction is multidimensional and social protection, while crucial, can only play a limited role. The role of other sectors such as Education, Health, Agriculture and Rural Development is equally important. Given the huge needs of the Afghan poor and very limited resources, the ANDS social protection policies will have to focus on supporting the most vulnerable.

Role of the private sector

Implementation of some of the public arrangements for social risk management will be supported by the private sector. The existing kindergartens schemes will evolve from government-led to private sector managed day-care institutions. In this respect, MOLSAMD is going to prepare the strategy for privatization of the kindergartens.

Aid effectiveness

In 2006, around 2.7 percent of the external budget was allocated to social protection programs. Nevertheless, due to poor donor coordination, it is difficult to assess the effectiveness of donor efforts. MOLSAMD is not aware of most donor-funded and NGO-operated programs. Successful implementation of ANDS social protection policies will depend on donor support. Given this, aid coordination will need to be significantly improved. This would pave the road to better targeting of the poor, more efficient social protection and greater aid-effectiveness.

VI. IMPLEMENTATION, MONITORING AND EVALUATION

19. IMPLEMENTATION

Implementation of the Social Protection Sector Strategy will primarily be the responsibility of MOLSAMD and the ANDMA. However, other ministries such as the Ministry of Education, Ministry of Public Health, Ministry of Agriculture and Livestock, Ministry of Public Works, Ministry for Urban Development, and Ministry for Rural Rehabilitation and Development will also play important roles in implementing future social protection policies.

Inter-ministerial cooperation and implementation of the PDPs

Poverty and vulnerability is multidimensional. Success in implementation of the Social Protection Sector Strategy will depend from **strong inter-ministerial coordination**. The MRRD's and Mo'As programs and projects will significantly contribute to rural poverty reduction. MoPH will support projects to rehabilitate and integrate disabled and drug-addicts into society. MoE would lead the effort on lowering the gender gap by increasing the girl's school enrolment. By improving its disaster preparedness all line ministries will contribute to lowering the risk from natural disasters. Apart from inter-ministerial cooperation the success of implementation of the Social Protection Sector Strategy will also depend from **national and sub-national coordination**. The provincial administration will need to play greater role in implementing the social protection policies as well as in determining the priority projects in line with the PDPs.

The most important instrument for implementation of the Social Protection Sector Strategy will be the Core Budget. The National Welfare Program to support implementation of the Strategy will be costed and integrated into the National (Core) Budget. In cooperation with the donors the MOLSAMD will ensure that the projects funded through donor-managed External Budget will be in line with the priorities from the Social Protection Strategy.

National Welfare Program

Implementation of the Social Protection Sector Strategy will be supported by the National Welfare programs which will have three components: (a) welfare reform; (b) pension reform, and (c) disaster preparedness. The preliminary cost of the program goes up to around US\$650 million with external funding requirement of around US\$150 million.

The role of the NGOs in implementation of the social protection policies will strengthen. The NGOs will be main service providers and will play key role in implementing program and projects for some important vulnerable groups such as women and children "at risk". It will require continuous donor support as well as involvement of civil society and NGOs.

The donors will continue to play important role: the Social Protection Sector Strategy will not be able to be implemented without generous donor funding. Establishment of the more effective coordination between MOLSAMD and the donors will also contribute to more effective implementation of the Strategy. Given the afore-mentioned the overall coordination mechanism for implementation of the Social Protection Sector Strategy will remain to be the JCMB structure and its Working Group (WG) for Social Protection which consist of Government's, donor's and NGO's officials.

20. MONITORING AND REPORTING MECHANISM

The existing Joint Coordination and Monitoring Board (JCMB) mechanism will be used to monitor implementation of the Social Protection Sector Strategy and the Working Group on Social Protection will be the main forum to monitor progress in implementation.

20.1. INDICATORS

Improving the AC benchmarks

Some AC benchmarks will need to be improved in order to be monitorable. The benchmark related

Monitoring of the implementation of the ANDS Social Protection Strategy will be conducted through regular measurement of key development (quantitative) indicators and other process-based indicators listed in the Social Protection Activity Matrix (Action Plan). The percentage of the population living below the poverty line will be the lead indicator. The NRVA surveys and the future household budget surveys will be the key instruments for providing quality data. The Central Statistical Office (CSO) and the line ministries will be responsible for monitoring the qualitative indicators while the ANDS will monitor implementation of the process indications. Lack of the baselines for important development (quantitative) indicators is a serious matter for constrains. Given this the CSO and the line ministries will increase their capacities to establish baselines and monitor most important indicators.

to percentage of people living bellow US\$1 a day will not be able to monitor due to poor national accounts data. Thus, percentage of the people living below poverty line appears to be an adequate replacement. Some benchmarks, like "meeting the special needs of disabled" will need to be clarified.

20.2. REPORTING

The implementation of the Social Protection Sector Strategy will be followed by the preparation and dissemination of six-month and annual progress reports. The progress reports will be presented to the Cabinet, JCMB, and to the public.

21. EVALUATION

Evaluation of the implementation of the Social Protection Sector Strategy will be conducted every two years. The line ministries will be responsible for preparing the evaluation reports. However, civil society, donors and sub-national administrations will also take part in this. The evaluation reports will, together with the progress reports, form the basis for the revisions and updates of the ANDS. They will also be disseminated to the public and to donors.

Measures to be taken:

- Improve inter-ministerial coordination in implementation of the social protection policies (Government, continuously)
- Improve the participation of the provincial administration in implementation of the social protection policies based on the PDPs (Government, Governor's Offices, continuously)
- Finalized preparation of the National Welfare Program (MOLSAMD, by mid-2008)
- Cost, reprioritize and integrate into Core Budget the National Welfare Program (MOLSAMD, MoF, by end-2008)
- Establish the qualitative baseline indicators for monitoring of the Social Protection Sector Strategy (CSO, line ministries, by end-2008)
- Clarify some of the AC benchmarks (JCMB, ANDS Secretariat, by mid-2008)
- Prepare and disseminate regular progress and evaluation report on implementation of the Social Protection Sector Strategy (MOLSAMD, continuously)

22. RISK ASSESSMENT

Implementation of the Social Protection Sector Strategy will be subject to many risks. The most important risks will be related to security, economic growth and continuation of the exceptional donor support.

Economic growth and macroeconomic stability: implementation of the ANDS will require strong annual economic growth of about 7-9 percent of GDP as well as stronger mobilization of domestic revenues. Both economic growth and mobilization of domestic revenues will need to be supported by private sector development and higher levels of private investment. Any failure of the Government to maintain macroeconomic stability and implement the ANDS reform program for private sector growth will be a serious risk for implementation of the Social Protection Sector Strategy.

Security: implementation of the ANDS will need to be supported not only by macroeconomic but also political stability. The current high security costs and budget allocations will need to be decreased gradually to create more rooms for investments to support the growth. However, this will be possible only if security improves. In contrast, deterioration of the security will lead to even higher security costs, which will adversely affect private sector development, growth and mobilization of domestic revenues. This will crowd out investment in human capital and in programs for social protection leading to failure in implementation of the Social Protection Sector Strategy..

Donor assistance: the undeveloped private sector, low mobilization of domestic revenue and high security cost will require from donors to continue with exceptional support to the ANDS. Any failure of the Government to secure donor assistance to fund the financing gap of the National Welfare Program will jeopardize the implementation of the Social Protection Strategy.

Refugee return: the intention proclaimed by neighboring countries to accelerate forceful repatriation of refugees is a risk for implementation of the ANDS and its Social Protection Sector Strategy. A large influx of returnees would require reprioritization of the ANDS expenditure policies, which would lead to lower funding of the Social Protection Strategy.

Natural disasters: Any major natural disaster would lead to reprioritization of the ANDS expenditures towards coping with the disaster and would also result in lower investments in the sector strategies, including the one for the social protection.

Monitoring Matrix: Social Protection Sector Strategy

Outcomes	Targets	Indicator	Baseline
Poverty and Vulnerability Reduction	By end-2011 and in line with the MDGs the proportion of people living on less than US\$1 a day will decrease by 3 percent per year.	Percentage of people living on less than US\$1 a day	To be determined
	By end-2012/13 the proportion of the people living below the poverty line will decline by 2 percent on annual basis (based on Spring poverty data)	Percentage of people living below the poverty line (based on Spring data)	42 %
	By end-2010 proportion of people who suffer from hunger will decrease by 5 percent	Percentage of people who suffer from hunger	To be determined
	By end-2012/13 the proportion of the population below the minimum level of dietary energy consumption will decrease by 2 percent on annual basis	Percentage of population below the minimum level of dietary energy consumption	45 %
	By end-2010 number of female headed households that are chronically poor will be reduced by 20 percent and their employment rate will increase by 20 percent	Percentage of the chronically poor female headed households	To be determined
Percentage of employed females that on the head of the chronically poor households		To be determined	
Reduction in infant mortality	By end-2012/13 prevalence of underweight children in rural and urban areas will decrease by 2 percent on annual basis	Percentage of underweight children in urban and rural; areas	To be determined
Improved Social Inclusion	By end-2010 increased assistance will be provided to meet the special needs of all disabled people, including their integration into society through opportunities for education, skill development and gainful employment	Percentage of poor persons with disability	To be determined
	By end-2010 provide training for 150 000 people of which women should be 35 percent and disabled 10 percent	Number of disabled that have gone through skill development program	To be determined
		Number of women that have gone through skill development program	To be determined
	By end-2012/13 the Government will employ at least 3 percent of disabled and 20 percent of within its administration	Percentage of disabled in the public administration	To be determined
		Percentage of women in the public administration	To be determined
By end-2010 number of treated drug users will increase by 20 percent	Number of treated drug users	To be determined	
Improved old age protection	By 2012/13 implement the pension reform and increase collection of the pension contributions	Percentage of collected pension contribution of total pension payments	20 %
Improved disaster preparedness and response	By end-2010 an effective system of disaster preparedness and response will be in place	Number of the people affected by the natural disaster	To be determined
		Monetary value of the destroyed assets as result of natural disaster	To be determined

ANNEX I

Social Protection Sector Strategy: Policy Matrix (Action Plan)

Social Protection Sector Strategy: Policy Matrix (Action Plan)

A) Social Protection				
Outcomes	Policy Action	Target	Timeframe	Responsible Agency
Legislation				
Poverty and vulnerability reduction	Introduce the Zakat-based tax in line with the recommendations from the public debate and consultations that will take place in 2008	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by mid-2009	MoF, GoA
Reduction in harmful child labor	Improve legislation and law enforcement against harmful child labor	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by end-2008	MOLSAMD, Government of Afghanistan
Poverty reduction and improved social inclusion	Approve the new National Law on Rights and Privileges of the Persons with Disability	By end-2010 increased assistance will be provided to meet special needs of all disabled People including their integration into society through opportunities for education and gainful employment	by mid-2008	National Assembly
Improved social inclusion	Ratify the UN Convention on Rights and Dignity of Persons with Disability	By end-2010 increased assistance will be provided to meet special needs of all disabled People including their integration into society through opportunities for education and gainful employment	by mid-2008	National Assembly
Improved social inclusion	Improve legislation to clarify the status of the drug addicts before the law	By end-2010 the number of treated drug users will increase by 20 percent	by end-2008	MOLSAMD, MoH, MoI, GoA, National Assembly
Poverty and vulnerability reduction, improved social inclusion	Improve labor market regulations to eliminate employer's abuses and to decrease informal economy	By end-2010 number of female headed households that are chronically poor will be reduced by 20 percent and their employment rate will increase by 20	by end-2008	MOLSAMD, GoA, National Assembly

		percent		
Poverty and vulnerability reduction, improved employment	Improve the legislative framework to support further development of microfinance	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by end-2008	MoF
Poverty reduction and improved social inclusion	Review the legislative framework to ensure that all potentially discriminatory acts against the disabled are eliminated and that their constitutional rights will be enforced	By end-2010 increased assistance will be provided to meet special needs of all disabled People including their integration into society through opportunities for education and gainful employment	by end-2008	MoJ, Supreme Court
Improved social inclusion	Approve the legislation to reinforce women's rights to inherit.	By end-2010 number of female headed households that are chronically poor will be reduced by 20 percent and their employment rate will increase by 20 percent	by mid -2009	GoA, MoWA
Institution Building				
Increased employment	Establish the institutional framework for accrediting service providers for skills development training and for issuing the certificates	By end 2010 skill development trainings will be provided for 150 000 unemployed	by end-2008	MOLSAMD, MoE, GoA
Poverty reduction and improved natural disaster preparedness/response	Develop the project for establishing community based insurance scheme	By end-2010and effective system of disaster preparedness/response will be in place	by end-2008	MOLSAMD, MoF
Poverty reduction and improved natural disaster preparedness/response	Establish, on a pilot basis, the Crop Insurance Scheme at least in two provinces	By end-2010and effective system of disaster preparedness/response will be in place	by mid 2009	MoF, MOLSAMD
Poverty and vulnerability reduction and capacity strengthening	Establish the Afghanistan Welfare Fund in line with recommendations from the consultations that will take place in 2008	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by mid-2009	MOLSAMD
Poverty and vulnerability reduction	In cooperation with the NGOs develop the network of day care centers throughout the country	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by end-2009	MOLSAMD
Reduction in harmful child labor	Develop the Child Labor Monitoring System	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by mid-2009	MOLSAMD

Increased capacity	Establish the Secretariat for Children within MOLSAMD	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by mid-2008	MOLSAMD
Poverty and vulnerability reduction	Provide support to the Afghanistan Red Crescent Society for building the new shelters/marastoons	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	continuously	MOLSAMD
Poverty and vulnerability reduction	In cooperation with NGOs build the network of shelters for women “at risk” and vulnerable children in those areas that are not covered by the Afghanistan Red Crescent Society	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	continuously	MOLSAMD
Increased capacity	Establish the Unit for Poverty and Risk Vulnerability Assessment	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by end-2008	MOLSAMD
Increased capacity	Develop the training to enable university graduates to obtain qualification for social workers	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by end-2008	MoHE, MOLSAMD
Improved social protection system	Establish the National Coordination Committee (within MOLSAMD) in line with the SAARC recommendations	Improved social protection system	by mid-2008	GoA
Other Measures				
Improved social protection	Integrate the current direct cash transfers from MOLSAMD, MoD and MoI to martyr’s families and individuals with war related disability into the pension system	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by end-2012	MOLSAMD
Poverty and vulnerability reduction	Develop the project and criteria for free distribution of the livestock, orchids and tools for farming	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by end-2008	MOLSAMD, MoA
Poverty and vulnerability reduction	Develop the project and criteria for free distribution of the parcels with food and non-food items in winter period (winterization)	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by end-2008	MOLSAMD in cooperation with the Afghanistan Red Crescent Society
Poverty and vulnerability reduction, improved employment, improved disaster preparedness	Develop the new public work program (Greening of Afghanistan) to support re-forestation	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by end-2008	MoA
Poverty and vulnerability reduction, improved employment	Redesign the NSP and the NRAP to ensure their presence in remote and poorest provinces	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by end-2008	MOLSAMD, MRRD

Poverty and vulnerability reduction, improved employment	Improve the communication campaigns to better inform the poor about opportunities to participate in the public work program	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	continuously	respective line ministries
Poverty and vulnerability reduction	Ensure that the most vulnerable groups will be priority for participation in the public work programs	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	continuously	respective line ministries
Improved social protection	Develop the strategy for privatization of kindergartens	Improved social protection system	by mid-2008	MOLSAMD, MoF
Improved social protection	Gradually privatize kindergartens	Improved social protection system	by end-2012	MoF
Poverty and vulnerability reduction	Change the NSDP terms of references to introduce the most vulnerable categories as priority group for receiving the skill development trainings	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by mid-2008	MOLSAMD
Improved social protection, improved employment	Complete the Labor Market Study to ensure that NSDP will meet the needs for skills of the labor market	Improved employment	by mid-2008	MOLSAMD, NSDP
Poverty and vulnerability reduction	Implement awareness campaigns to increase the financial market literacy of the poor	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	continuously	MoF
Poverty and vulnerability reduction	Conclude international agreements with the neighboring and other countries to regulate the rights of the Afghanistan's migrant workers	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by end-2009	MoFA, MOLSAMD
Increased capacity	Conduct the survey to collect data about the female headed chronically poor households with small children	Improved targeting	by end-2008	MoWA, MOLSAMD
Poverty and vulnerability reduction	Develop the policy and criteria for providing comprehensive support to the female headed chronically poor households with small children	By end-2010 number of female headed households that are chronically poor will be reduced by 20 percent and their employment rate will increase by 20 percent	by mid-2009	MOLSAMD
Poverty and vulnerability reduction	Initiate and complete the public debate about establishment of the Afghanistan Welfare Fund and introduction of the Zakat-based tax	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by mid-2008	MOLSAMD, MoF, MoRA
Poverty and vulnerability reduction	In cooperation with the NGOs develop the programs for reunifying the orphans with their living parent/parents.	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by mid-2008	MOLSAMD

Poverty and vulnerability reduction	Develop and approve policy and standards for establishing day care center within orphanages and by the NGOs	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by mid-2008	MOLSAMD
Poverty and vulnerability reduction	In cooperation with the NGOs develop the policy and standards for dealing with the children in conflict with law and with children who live with mothers in detention	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by-mid 2008	MOLSAMD
Poverty and vulnerability reduction	In cooperation with the NGOs implement the pilot project for supporting the children that are living with mothers in detention and for children in conflict with law	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by end-2008	MOLSAMD
Improved social inclusion	Develop the program for evening classes and skill development training for street working children	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by mid-2009	MOLSAMD, MoE
Reduction in harmful child labor	Implement the awareness campaign against harmful child labor	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	continuously	MOLSAMD
Poverty and vulnerability reduction, improved social inclusion	Adjust the National Action Plan on Disability with the ANDS Social Protection Sector Strategy	By end-2010 increased assistance will be provided to meet special needs of all disabled People including their integration into society through opportunities for education and gainful employment	by mid-2008	MOLSAMD
Poverty and vulnerability reduction, improved social inclusion	Conduct the survey to collect data on poor persons with disability	By end-2010 increased assistance will be provided to meet special needs of all disabled People including their integration into society through opportunities for education and gainful employment	by mid-2009	MOLSAMD
Poverty and vulnerability reduction, improved social inclusion	Develop the criteria and mechanisms for distributing direct cash entitlements to the poor disabled individuals with the non-war related disability	By end-2010 increased assistance will be provided to meet special needs of all disabled People including their integration into society through opportunities for education and gainful employment	by end-2008	MOLSAMD
Poverty and vulnerability reduction, improved social inclusion	Develop and approve the policy and standards for establishing the community based rehabilitation centers by the NGOs to support integration of disabled, drug users and other vulnerable groups	By end-2010 increased assistance will be provided to meet special needs of all disabled People including their integration into	by mid-2008	MOLSAMD

		society through opportunities for education and gainful employment		
Poverty and vulnerability reduction, improved social inclusion	Include rehabilitation of disabled in the BHP in all provinces	By end-2010 increased assistance will be provided to meet special needs of all disabled People including their integration into society through opportunities for education and gainful employment	by end-2009	MoPH
Poverty and vulnerability reduction, improved social inclusion	Develop the policy and criteria for supporting the victims of violence to include the program for reintegration into families, schools and society, as well as developing the criteria for establishing the NGOs-run shelters for women "at risk" and vulnerable children	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by mid-2008	MOLSAMD
Poverty and vulnerability reduction, improved social inclusion	Develop and approve the guidance for providing the free legal advice and mediation services (for reintegration into families) to all vulnerable groups	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by mid-2008	MOLSAMD
Improved social inclusion	Develop and approve the policy, program and criteria for community based rehabilitation of drug-addicts and their reintegration into society	By end-2010 the number of treated drug users will increase by 20 percent	by mid-2008	MOLSAMD in cooperation with MoPH, MoI, and NGOs
Decreased domestic drug demand	Implement Drug Prevention Awareness Campaign through media, schools and religious leaders	Decreased domestic drug demand	continuously	MoE, MoCN, MoRA
Poverty and vulnerability reduction, improved social inclusion	In cooperation with NGOs implement the pilot project to support extremely vulnerable groups (homeless, mentally imperiled, elders without family support) to include options for reintegration into families	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by end-2008	MOLSAMD
Poverty and vulnerability reduction, improved social inclusion	Develop the project to support the poor Kuchi	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by mid-2008	MOLSAMD
Poverty and vulnerability reduction, improved social inclusion	Regulate rights of the Kuchi and other population to use traditional summer pastures	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by-mid 2008	GoA
Poverty and vulnerability reduction, improved disaster response	Develop the Policy and criteria for supporting the victims of natural disasters	By end-2010and effective system of disaster preparedness/response will be in place	by mid-2008	Presidents' Office, MOLSAMD
Improved social protection system, capacity building	Conduct the comprehensive survey to collect data on number of martyr's families and individuals with war related disability, and on their socio-economic situation	Improved targeting	by end-2008	MOLSAMD

Improved social protection system	Eliminate all existing misuses and irregularities in distributing the direct cash transfers	Improved targeting	continuously	MOLSAMD
Poverty reduction, improved social protection system	Implement the new schedule for payments of the direct cash transfers (twice a year) in order to decrease cost of collecting the payments for vulnerable martyr's families and individuals with war related disability who are living in remote areas	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by mid-2008	MOLSAMD
Improved social protection	Conduct the survey and collect data on civilian victims of conflict	Improved targeting	by-mid-2008	MOLSAMD
Poverty and vulnerability reduction	Develop the policy and criteria for supporting the civilian victims of conflict	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by mid-2008	MOLSAMD, ISAF/NATO
Poverty and vulnerability reduction	Reach the agreement with the ISAF/NATO on long term direct support to civilian victims of conflict	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by mid-2008	Government, ISAF/NATO
Capacity building	Conduct the functional review of the MOLSAMD	Improved capacity	by mid-2008	MOLSAMD
Capacity building	Prepare the Plan for capacity building and restructuring of the MOLSAMD	Improved capacity	by end-2008	MOLSAMD
Capacity building	Develop a Proxy Means Test (PMT) based on non-income variables	Improved capacity	by end-2008	MOLSAMD
Poverty and vulnerability reduction	Approve poverty-targeted criteria for channeling social protection	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by mid-2008	MOLSAMD
Capacity building	Establish the data base for the beneficiaries of the social protection	Improved capacity	by end-2009	MOLSAMD
Improved social protection system	Map the NGOs activities in social protection sector	Improved service delivery	by mid-2008	MOSAMD
Improved social protection system	Develop the standards for the NGOs involvement in implementation of the social protection projects and set up recognized and publish referral system	Improved service delivery	by end-2008	MOLSAMD

Improved aid coordination system	Develop the data base of all Government and donor-funded projects in the area of social protection.	Improved aid effectiveness	by mid-2009	MOLSAMD
Improved social protection system	Ensure that social protection programs of line ministries will be in line with the SAARC Social Chapter	Improved social protection	continuously	MOLSAMD
Poverty and vulnerability reduction	Cost, reprioritize and integrate The ANDS Social Protection Strategy into the Core Budget	By end-2012/13 the spring national poverty headcount rate of 42 percent will decrease by 2 percent on annual basis	by end-2008	MOLSAMD, MoF
Improved social protection system	Establish the qualitative baseline indicators for monitoring of the Social Protection Sector Strategy	Improved monitoring and reporting	by end-2008	CSO, line ministries
Improved social protection system	Prepare and disseminate regular progress and evaluation report on implementation of the Social Protection Sector Strategy	Improved monitoring and reporting	continuously	ANDS, MOLSAMD, ANDMA
B) Pension Reform				
Outcomes	Policy Action	Target	Timeframe	Responsible Agency
Legislation				
Improved old age protection	Promulgate the pension reform by the Government decree	By 2012/12 the pension reform will be implemented	by mid-2008	MOLSAMD
Institution Building				
Capacity building	Improve the capacity of the Pension Department of MOLSAMD	By 2012/12 the pension reform will be implemented	continuously	MOLSAMD
Capacity building	Modernize accounting as well as internal operational procedures of the Pension Department	By 2012/12 the pension reform will be implemented	by end-2008	MOLSAMD

Other Measures				
Improved old age protection	Develop the new IT system and processes of the Pension Department	By 2012/12 the pension reform will be implemented	by end-2008	MOLSAMD
Capacity building	Conduct the capacity building and training for the staff and managers of the Pension Department	By 2012/12 the pension reform will be implemented	by end-2008	MOLSAMD
Improved old age protection	Improve collection of the pension contributions (payroll taxes)	By 2012/12 the pension reform will be implemented	continuously	MoF
Capacity building	Improve record keeping and processes of the Pension Department	By 2012/12 the pension reform will be implemented	by end-2008	MOLSAMD
Improved old age protection	Establish a central database to store and process the details on pensioners and their bank accounts	By 2012/12 the pension reform will be implemented	by end-2008	MOLSAMD
Improved old age protection	Introduce payments of pensions through banks	By 2012/12 the pension reform will be implemented	by end-2008	MOLSAMD
C) Disaster Preparedness				
Outcomes	Policy Action	Target	Timeframe	Responsible Agency
Legislation				
Improved disaster preparedness /response	Adjust the legislation to clearly reflect the leading role of the ANDMA in coordinating the national efforts for disaster preparedness and response but also for implementing of key programs and projects.	By end-2010 an effective disaster preparedness/response will be in place	by end-2008	GoA, ANDMA
Institution Building				

Improved disaster preparedness /response	Establish Emergency Operation Centers (EOCs) at the provincial level	By end-2010 an effective disaster preparedness/response will be in place	by end-2009	ANDMA, Governors
Improved disaster preparedness /response	Establish response centers and teams at the regional level	By end-2010 an effective disaster preparedness/response will be in place	by end-2009	ANDMA
Improved disaster preparedness /response	Establish community emergency response system	By end-2010 an effective disaster preparedness/response will be in place	by end-2010	ANDMA
Improved disaster preparedness /response	Establish effective early warning system	By end-2010 an effective disaster preparedness/response will be in place	by end-2009	ANDMA
Improved disaster preparedness /response	Develop back-up communication system based on Codan	By end-2010 an effective disaster preparedness/response will be in place	by end-2010	ANDMA
Improved disaster preparedness /response	Establish ANDMA's offices along with the operational centers	By end-2010 an effective disaster preparedness/response will be in place	by end-2008	ANDMA
Improved disaster preparedness /response	Construct 12 regional storages for aid assistance and equipment	By end-2010 an effective disaster preparedness/response will be in place	by end-2009	ANDMA
Other Measures				
Improved disaster preparedness /response	Approve regular annual plans for disaster preparedness and response	By end-2010 an effective disaster preparedness/response will be in place	continuously	GoA
Improved disaster preparedness /response	Complete collecting information related to risks and vulnerabilities at the national and sub-national level and finalizes disaster risk analysis	By end-2010 an effective disaster preparedness/response will be in place	by end-2008	ANDMA
Improved disaster preparedness /response	Develop a guideline for disaster response	By end-2010 an effective disaster preparedness/response will be in place	by mid-2009	ANDMA

Improved disaster preparedness /response	Develop Standardized Operational Procedures(SPO) for quick assessment and response, reporting, and for rapid mobilization of international assistance	By end-2010 an effective disaster preparedness/response will be in place	by mid-2009	ANDMA, line ministries
Improved disaster preparedness /response	Develop and operationalize the provincial disaster management plans	By end-2010 an effective disaster preparedness/response will be in place	by end-2009	ANDMA, Governors
Improved disaster preparedness /response	Improve public awareness activities and raise national awareness about disaster risks and vulnerabilities	By end-2010 an effective disaster preparedness/response will be in place	continuously	ANDMA