



**Government of Islamic Republic of Afghanistan**

# **Human Capital**

## **National Priority Program**

November2018

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## Introduction

Human capital refers to the levels of education, health, and social protection, with a broad range of knowledge, skills, and capabilities, that individuals need to acquire for work and life. Access to education, health and social protection are basic human rights and are entrenched in the Constitution of Afghanistan, both broadly in Article Six, and specifically in the delivery of health, education and social

### Constitution of the Islamic Republic of Afghanistan, Article Six:

The state shall be obligated to create a prosperous and progressive society based on social justice, preservation of human dignity, protection of human rights, realisation of democracy, attainment of national unity as well as equality between all peoples and tribes and balanced development of all areas of the country.

services in Articles 43, 45, 46, and 52 to 54.

Human capital development outcomes have seen marked improvements over the past 17 years. School enrolment increased from one million in 2001 to 9.4 million in 2017.<sup>1</sup> Today, girls account for more than one-third of students compared to a very few in 2001.<sup>2</sup> Over the past 15 years, maternal and child mortality rates have dropped significantly.<sup>3</sup> Access to safe drinking water increased from 27 to 64 percent from 2007 to 2017.<sup>4</sup> However, despite the progress, major challenges remain. Currently 6.6 million school aged children, 59% of which are female, are not enrolled in school, and unemployment is high at 24%.<sup>5</sup> The lack of access to services and jobs is being further exacerbated by significant numbers of returning refugees and internally displaced persons resettling in the country. Further, Afghanistan's population is among the youngest in the world with 48% of the total population under 15 years old, leading to an extremely high dependency ratio.<sup>6</sup>

In order to develop an inclusive and responsive human capital, with the capacity and competencies to compete in today's global economy, the Human Capital National Priority Program (HC-NPP) aims to expand and improve the scope and quality of education and health programs and provide well-managed and equitable social protection services through strengthening the efficacy of the implementing institutions for these sectors. To this end, one of the top priorities is to ensure the linkage between education and training programs with demands for employment and occupational opportunities locally, regionally, and globally.

HC-NPP is designed for the next five years (2019 to 2023) to be a fundamental contributor to sustained economic growth and socioeconomic development. Each of the four sectors covered in the HC-NPP have their relevant sectoral strategies and implementation plans. The HC-NPP is an umbrella for those sectoral strategies, which aims to provide strategic guidance to enable the implementation of these sectoral strategies, including highlighting priority actions, defining roles and responsibilities, and proposing improved institutional arrangements for the delivery of services.

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<sup>1</sup>Education Management Information System, Ministry of Education

<sup>2</sup>ALCS, 2017

<sup>3</sup>Afghanistan Demographic Health Survey, 2015

<sup>4</sup>ALCS, 2017

<sup>5</sup>ALCS, 2017

<sup>6</sup>ALCS, 2017

## Program Overview

### Objective:

Improved quality and access to education, health, and social protection programs that build and sustain productive human capital in Afghanistan, with the aim of driving economic growth and alleviating poverty. In particular:

- Strengthen government capacity for sound management of education, health and social protections programs.
- Expand the scope, quality, relevance, and coverage of health and education services provided to the population, particularly to the most vulnerable.
- Invest in youth to equip them with skills and competencies in order to reduce youth unemployment and its serious adverse social impacts.
- Prepare for future labour market needs, including labour exports.
- Bridge the gap between gender and regional disparities in the country.

### Key Components:

The HC-NPP will cover four main components to improve and expand equitable public access to:

- 1. Universal and quality health care services**
- 2. Outcome-based and standardised education programs**
- 3. Market-driven higher education and training programs**
- 4. Efficient and effective social protection programs**

### Beneficiaries:

The HC-NPP aims to benefit all Afghans. Specifically, the program focuses on reaching youth, women, children, and vulnerable groups, including widows and persons with disabilities.

### Implementing Agencies:

The HC-NPP falls under the purview of the Human Capital Development Council. The primary implementing agencies in government are: Ministries of Education (MoE), Higher Education (MoHE), Public Health (MoPH), and Labour, Social Affairs, Martyrs and Disabled (MoLSAMD), and Technical and Vocational Education and Training Authority (TVETA). Additionally, activities are also implemented by NGOs through both on-budget and off-budget mechanisms. It will be vital to ensure that Non-governmental Organisations (NGOs) and International Organisations (IOs) align their off-budget work with this NPP.

# 1. Universal and Quality Health Care Services

## Background:

Articles 52, 53, and 54 of the Afghan Constitution lay out the basic mandates and fundamental basis for health and related rights and services in Afghanistan. The Ministry of Public Health (MoPH) is responsible for the delivery of basic universal health care, which it does in partnership with a number of national and international NGOs. Since 2002, the health sector has made sound progress in improving the health status of the population, particularly in terms of access, coverage, and quality of health services. According to the Afghan Health Survey in 2006, 60% of the population did not have access to any health facility, by 2017, nearly 93% of the population had access to health services within a two-hour distance.<sup>7</sup> There has also been a sharp reduction in the under-five mortality rate from 97 per 1,000 live births in 2010 to 55 in 2015.<sup>8</sup>

Despite tremendous progress in recent years, Afghanistan still faces serious challenges in delivering adequate health service to its citizens. Specifically: 36% of the population have no access to clean water, which is a major contributor to a range of intestinal diseases, child mortality, and is a proxy indicator for high levels of absolute poverty. Moreover, Afghanistan has one of the highest levels of child malnutrition in the world, while both women and children suffer from increased levels of vitamin and mineral deficiencies, and infant and maternal mortality remains among the highest in the world.<sup>9</sup>

## Key Issues:

- **Qualified professionals:** Afghanistan has the highest fertility rate in Asia, at 5.3 (per 1000 women).<sup>10</sup> Its population is growing by almost 1 million people annually, and MoPH is facing a nationwide shortage of qualified health workers in the public sector.
- **Female healthcare providers:** Despite major progress in training female health workers in Afghanistan, there is still a lack of female healthcare providers, which hinders the efforts of the MoPH to reduce maternal and child mortality, especially in rural areas. Besides an unbalanced gender composition, the health workforce is also poorly distributed around the country and overly concentrated in large urban areas.
- **Lack of quality and trust.** There is a serious lack of quality tertiary health services; combined with a lack of trust by citizens in the public-sector health services, this has resulted in significant medical tourism to other countries in the region.
- **Funding constraints.** The health system overall is enormously underfunded; health expenditure per capita was US\$71 in 2014.<sup>11</sup> Despite expansion of the Basic Package of Health Services (BPHS) and the Emergency Package of Health Services (EPHS), funding for mental health services, key maternal and child health services (such as family planning with modern methods, antenatal care, skilled birth attendance), as well as disease management services, was low as compared to the needs of the population.

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<sup>7</sup> ALCS, 2017

<sup>8</sup> Demographic and Health Survey (DHS)

<sup>9</sup> ALCS, 2017

<sup>10</sup> ALCS, 2017

<sup>11</sup> *Sehatmandi* Project Document, 2017

- **Poor regulation.** Due to lack of regulation, there is low quality training and qualifications provided for different categories of health workers by private education institutes, compromising the supply for skilled health workers. In health facilities, poor personnel management and operational policies and procedures result in inequitable pay scales, urban concentration of staff, favouritism, low morale, and low retention rates. Improvements to the regulatory environment around training and management of health workers is required.

## Policy Priorities

1. **Governance:** MoPH aim to ensure the enforcement of anti-corruption measures and having mutual accountability. This priority area includes focus on strengthening upward and downward accountability, institutional responsiveness, and transparency. Further, under this priority area, MoPH aims to improve aid effectiveness through strengthening internal systems and encouraging a strategic shift toward a Sector Wide Approach (SWAp), a process which began through the ARTF-funded SEHAT and SEHATMANDI projects. A priority area of the SWAp is to improve the coordination of the use of on-budget and off-budget resources.
2. **From Contract Management to Performance Management:** As agreed and outlined in the Presidential Health Summit 2017, the MoPH is shifting to rigorous management of service provider contracts, moving toward performance management framework in the sector. The design of Sehatmandi project is informed by this policy priority.
3. **Institutional development:** The effective institutional structure of MoPH will be key to delivering quality health services. This priority area focuses on improving leadership and management in healthcare, systems strengthening, financing and revenue generation, inter and intra-ministerial coordination, planning and standardisation, public-private partnerships, and decentralisation of delivery systems.
4. **Quality and access to health services:** MoPH aims to improve access to, and the sustainability of, quality primary health care and public health particularly for mothers, infants, children, and adolescents, as part of a direction towards universal health coverage and improving the quality of clinical care. This effort also extends to improving access and quality of specialist tertiary care in partnership with the private sector and controlling the quality of imported pharmaceuticals. In particular, MoPH aims to deliver services in a more equitable manner to all areas of the country.
5. **Public health:** In order to improve health outcomes in Afghanistan, it is vital to improve both demand for, and supply of, quality health services. This priority area focuses on improving the demand for health services through promotion and community mobilisation and increased focus on preventive healthcare.
6. **Human resources for health:** MoPH aims to ensure that competent and motivated health workforce is effectively developed, deployed, and retained in line with current and future requirements in an efficient and cost-effective manner. This priority area will include ensuring merit-based appointments, clarity about functions and work load, and improving the motivation of staff

- 7. M&E, health information, learning, and knowledge/evidence-based practices:** MoPH will strengthen monitoring, evaluation, surveillance, health information, and create an improved culture of learning and knowledge management. This will aim to increase evidence-based decision making and practices at all levels of the health system.

**Key Outcomes and Outputs:**

- Strengthened national and local capacity for effective health planning through improved linkages between plans, budget, and resource use, with meaningful participation from all stakeholders.
- Improved health financing mechanisms and increased domestic revenue generation and effective mobilisation toward gradual sustainability and achievement of universal health coverage.
- Improved procurement system and supply chain management for quality and timely health services, supplies, and products.
- Greater private sector engagement and participation in healthcare that is effectively supported, coordinated, and regulated for improved provision of quality services and products.
- Strengthened case management and increased access to and utilisation of quality nutrition services at the community level and through health facilities.
- Increased coverage and quality of preventive maternal, newborn, child, and adolescent health services, with a focus on marginalised populations.
- Improved management of local medical products and pharmaceutical services, ensuring increased access and availability of quality medication.
- Innovative incentive programs developed and implemented to support effective recruitment, deployment, and retention of various cadres of health service providers in the rural and remote areas, with a particular focus on female health professionals.

## 2. Outcome-Based and Standardised Education Programs

### Background:

Afghanistan has made significant progress in the education sector over the past 17 years. In 2017, approximately 8.4 million youth and children (38% female) were enrolled in general education schools and 9.4 million in all education programs, representing a nine-fold growth since 2001.<sup>12</sup> However, there are still many children who are officially enrolled but do not attend school, meaning enrolment rates do not reflect educational attainment. The attendance rate of girls past primary school is even more alarming. Girls are 2.3 times more likely to not have attended school in the past year.<sup>13</sup> Further, 90% of out-of-school (OOS) primary-age children and 84% of OOS secondary-school age children are from rural areas.<sup>14</sup> The top three reasons for not attending schools, according to the Afghanistan Living Conditions Survey (ALCS) are: (1) that there is no school or school is too far, (2) family does not allow them, and (3) the children need to work. With the current levels of high population growth, the school-age population is expected to increase by 26% by 2030.<sup>15</sup> This would mean that there would be a need to increase spending in the sector by this amount, even without increased enrolment rates, to continue to meet the current standards. Without holistically reforming the education sector, this looming increase of school-age children would pose a major financial challenge to the sector.

Another major issue in the sector is the low quality of education, resulting in poor learning outcomes. Poor education quality also leads to high dropout and repetition rates, with 12 percent of students repeat a grade at the primary level.<sup>16</sup> High repetition rates particularly also has a major cost implication in the sector. If quality of education is improved, it would result in reduced repetition and dropout rates, which in turn would create major savings in the sector.

In October 2017, Afghanistan's Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC), released an assessment of the Ministry of Education entitled 'Ministry-wide Vulnerability to Corruption Assessment'. The report, which was undertaken at the request of the MoE, focuses on areas that are vulnerable to corruption in the education sector, highlighting 36 areas. These include teacher recruitment, procurement, textbook delivery, lack of reliable records, payroll, and school administrative management. Specifically, corruption in teacher recruitment is often referenced as a cause of poor quality of education.

Public perception of performance in the education system has a direct impact on the public's confidence in government. The government has made it a national priority to rebuild trust in Afghanistan's education service delivery. The MoE has developed a reform plan, recognising the need to build public trust in the sector and improve transparency. In its reform plan, the ministry proposes a complete change in the administration and structure of the system. Four key considerations are highlighted in the reform plan: (1) structural reform; (2) shifting focus to core functions; (3) automation of processes and procedures; (4) outsourcing functions where required. MoE has already begun some of the key reforms,

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<sup>12</sup> Education Information Management System (EMIS), 2017

<sup>13</sup> ALCS, 2017

<sup>14</sup> ALCS, 2017

<sup>15</sup> Afghanistan: Promoting Education During Times of Increased Fragility. (2018). World Bank.

<sup>16</sup> Afghanistan: Promoting Education During Times of Increased Fragility. (2018). World Bank.

including working closely with the Independent Administrative Reform and Civil Service Commission (IARCSC) to improve the recruitment of teachers.

In its third National Education Strategic Plan (NESP III) the Ministry of Education has streamlined its interventions under three pillars: a) quality and relevance; b) equitable access; and c) efficient and transparent management. The NESP will be a ten-year plan, which will be reviewed and reassessed after five years in 2022. There is a broad spectrum of priority areas under these three pillars, which are detailed in NESP III. The purpose of this NPP is not to summarise or restate the existing sectoral plans. Rather, this NPP seeks to set a higher-level strategic focus to enable the Ministry of Education and its partners to deliver quality education per the objectives outlined in the NESP.

### Key Issues:

- **Fragmentation.** The education sector suffers from high levels of fragmentation due to large numbers of on and off-budget projects which are not effectively coordinated. This results in major provincial and district-level inequalities in the delivery of education programs, as well as increasing the total cost of delivery. Further, this fragmentation has left a major capacity gap in the Ministry of Education at the national and subnational levels.
- **Lack of teachers, especially female and qualified teachers.** Currently the Ministry of Education (MoE) has only 200,000 teachers employed across the country – too few to meet the current and burgeoning youth population demands.<sup>17</sup> Furthermore, 48% of these teachers do not meet the minimum qualification of a 14<sup>th</sup> grade degree.<sup>18</sup> A recent World Bank study also showed that less than 40% of grade 4 math teachers have grade-level competency in the subject.<sup>19</sup> The presence of female teachers is a major encouraging factor in ensuring girls' school attendance. The lack of female teachers, particularly in rural areas, contributes to the low girls' enrolment rates and low participation in schools. Further, as highlighted above, there have been major challenges in ensuring transparent recruitment of qualified teachers across the country.
- **Poor quality of education.** Lack of quality in the education sector is another major issue. Although comprehensive data on learning outcomes is limited, a 2017 World Bank study shows that, after spending 4 years in primary school, around 65% of Afghan students have only fully mastered a first-grade language curriculum and less than half of them have mastered a first-grade Mathematics curriculum.<sup>20</sup> This demonstrates a major gap between the curriculum and student comprehension. Poor quality of education also contributes to high repetition and dropout rates, which have major financial implications on the sector.
- **Poor infrastructure.** In primary and secondary education systems, only about half of the total registered schools have proper buildings, while the rest operate in tents, houses and in open spaces, such as under trees – leading to less-than-ideal learning environments.<sup>21</sup> Schools also lack basic sanitation and administrative facilities, such as surrounding walls. Lack of classroom and other

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<sup>17</sup>EMIS, Ministry of Education

<sup>18</sup>ALCS, 2017

<sup>19</sup>The Learning Crisis in Afghanistan, SABER Service Delivery Survey. World Bank 2017. (Draft report)

<sup>20</sup>The Learning Crisis in Afghanistan, SABER Service Delivery Survey. World Bank 2017. (Draft report)

<sup>21</sup>ALCS, 2017

facilities is one of the factors that has caused low enrolment and retention of female students. Further, the amount of funds available for operations and maintenance is very limited and does not meet the needs of schools.

- **Corruption in the education sector.** Findings on ghost teachers, students and schools as well as the buying and selling of teacher positions have significantly eroded trust in the education sector.<sup>22</sup> Recent reports and surveys on the vulnerability to corruption and girls' education indicate critical governance challenges that range from teacher management to corrupt practices in the recruitment of teachers.<sup>23</sup> Similarly, lack of a rigorous and transparent system for allocation and delivery of resources such as teacher recruitment, delivery of textbooks, and school construction continue to negatively impact the intended outcomes of investments in the sector.

### Policy Priorities:

1. **Improved Governance in Education Sector:** As part of its reform strategy, the Ministry is reducing its mandate to core functions, with activities such as construction and technical vocational education and training (TVET) moving to other relevant institutions. This provides an opportunity to undertake a structural reform in General Education toward a Sector Wide Approach (SWAp). The government and development partners have expressed their commitment to create a more predictable financial framework for the education sector by developing a SWAp, linked closely with the reform plan of the MoE, which includes improved teacher recruitment through IARCSC, improved monitoring, and emphasis on decentralisation of decision-making and implementation. An education SWAp will prioritise key activities in the NESP, and help reduce the fragmentation, ensure equitable delivery of education across the country, and build ministry systems to ensure long-term sustainability. Further, a SWAp would help reduce costs by reducing duplication, which is key in view of reducing levels of aid to Afghanistan.
2. **Efficient and Transparent Management:** MoE will improve administrative and management support for both better quality and access to learning. A review of the functional organisation of MoE is the first step to be taken in improving coordination and efficiency within MoE management. The functional review will define core and non-core operations and clarify the Terms of Reference of MoE. Improved recruitment, training, mentoring and professional development systems for *tashkil* staff will be introduced. This will particularly target decentralised capacity development and will ensure equitable and needs-based staff development in all provinces. Through EQRA, the MoE will improve the Education Management Information system to ensure the availability of accurate data on the number, actual existence, and attendance of teachers, students, and administrative staff, disaggregated by gender and disability, for all modalities of education including public school, community based education (CBE), accelerated learning program (ALP), private schools, and public/registered madrassas.
3. **Quality and Relevance:** The priority for the Ministry and its partners is to improve education quality and relevance to the employment market. MoE will reform curriculum quality and relevance and develop student assessment systems, based on learning standard, to ensure results are focused

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<sup>22</sup> Independent Joint Anti-Corruption Monitoring and Evaluation Committee report from 2017

<sup>23</sup> Human Rights Watch Report on Girls' Access to Education (2017) and the World Bank Service Delivery Indicator Survey

on learning. MoE will improve teacher competencies through in-service programs as well as liaise with the Ministry of Higher Education in training teacher cadres through pre-service programs. Further, teacher qualification and competencies will be improved to ensure basic international standards and make a concerted effort to improve teacher incentives. Currently, there is no linkage between good performance and promotions or salary increases. Rather, these are largely determined by seniority and educational qualifications, unrelated to effort or performance.<sup>24</sup>

- 4. Equitable Access:** MoE will identify and bring-in Out of School Children through conducting Community-Based Education, accelerated, distance and lifelong learning opportunities as well as expansion of formal public and private schools. The MoE will establish clear criteria and standards for the recruitment, payment, training and deployment of all teachers including CBE/ALP teachers, to enable better distribution of teachers whether they are needed, evidence-based hiring, and the formal accreditation of CBE/ALP teachers within the system. The second major component is the improvement of equitable access to learning. MoE will also reach returned refugees, IDPs and war affected children through Education in Emergency programs. MoE also plans to implement a strategy of inclusiveness and mainstreaming of specific groups, ensuring equal access for all concerned, while monitoring performance to allow targeted strategic responses to identified needs.

#### **Key Outcomes and Outputs:**

- Teachers and educators are better qualified and certified, transparently recruited, and effectively deployed (including increased deployment of female teachers to rural areas), according to national standards and regulations.
- Reformed curriculum for all education programs at all levels, including implementation of national standards for learning outcomes for all grades in General Education in line with international standards.
- Functional review of Ministry of Education, and institutional reorganisation to ensure capacity and national and subnational levels.
- Provision of financial resources, capacity building, and operational autonomy to schools, in order to directly undertake interventions to address local demand and supply-side constraints.
- An Anti-corruption strategy including dissemination and open publication of policies, standards, plans, budgets, results, and reports.
- Development of a comprehensive and prioritised national education plan and updating relevant education legislative documents as per the reforms highlighted above.
- Information management systems merged into one single system accessible to MoE stakeholders and the public to improve quality of data and support decision-making and prioritisation in government.

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<sup>24</sup>The Learning Crisis in Afghanistan, SABER Service Delivery Survey. World Bank 2017. (Draft report)

- Construction of 2,000 rural schools through the Ministry of Rural Rehabilitation and Development, using new low-cost designs.

### 3. Market-Driven Higher Education and Training Programs

#### Overview:

The national unemployment rate stands at nearly 24%, with two million people classified as unemployed, and youth unemployment is nearly 31%.<sup>25</sup> Of those who are employed, only 20% are in secure positions, with the remaining 80% of the workforce having less secure employment.<sup>26</sup> With Afghanistan's burgeoning youth demographic, the labour market is expected to have 1.6 million new entrants in the next five years and lead to the danger of unemployment levels rising further.<sup>27</sup>

The current status of unemployment and underemployment in the country is partially due to the fact that current education policies in Afghanistan are not structured to meet market demand and are unlikely to fit future labour market needs. Further, there are multiple and fragmented institutions involved in delivery of higher education and training programs, resulting in duplication, lack of systems building, absence of oversight, and systematic inconsistencies. This requires a series of substantial legal, procedural and structural reforms – a process that has already started under the Human Capital Development Council's authority.

There are two core issues which must be addressed as policy priorities. The first is a strategic focus on education opportunities in key national priority sectors. The agriculture sector, the extractive sector and regional trade hold enormous potential for growth in Afghanistan. This growth and employment would help the country move towards lasting social and economic prosperity. Second, licensing, accreditation, and quality assurance must be improved. The current higher education accreditation process does not instil private sector confidence that a degree or certificate equates to a specific and adequate skill capacity that will provide value to an employer. Both for higher education and Technical and Vocational Education and Training (TVET), a key policy priority will be to create the required regulatory entities to provide a quality assurance mechanism. Further, there are major opportunities in taking advantage of information and communication technology (ICT) to improve access to quality education and training programs across the country.

The post-secondary level of education systems in Afghanistan is divided between TVET Programs and Degree Programs. The two systems have evolved over time and have distinct institutional and operating characteristics. Policy priorities for both systems are addressed below.

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<sup>25</sup>ALCS, 2017

<sup>26</sup>ALCS, 2017

<sup>27</sup>ALCS, 2017

### 3.1. Degree Programs

#### Background:

Currently, there are a total of 169 higher education institutions in Afghanistan, including: 24 public universities, with about 170,000 students; 14 small public higher education institutes, with about 15,000 students; and 131 private higher education institutes, with about 180,000 students.<sup>28</sup> Higher education capacity is growing; in 2001, only 10,000 students were enrolled in higher education, compared to nearly 310,000 students in 2016. However, Afghanistan still has one of the lowest higher education enrolment rates in the world, at 6%, and its youth population is continuing to grow. It is expected that there will be at least 600,000 high school graduates demanding higher education in the near future. Further, the increasing enrolment rates have not been coupled with improvements in the quality of education, with major existing gaps in accreditation and quality assurance.

#### Key Issues:

- **Outdated curriculum and knowledge.** Afghanistan's higher education curricula have remained static for over three decades and is inadequate for developing the country's human capital.
- **Limited number of well-trained and qualified academics to meet increasing demand.** Universities function with inadequate and unqualified instructors; only 5% of professors have PhDs and 30% only hold master's degrees.<sup>29</sup> Further, the knowledge-base of professors is often irrelevant to the needs of today's students and the workforce. Additionally, there is a lack of diversity, with women constituting only 15% of faculty<sup>30</sup>. With increasing graduation rates and a rapidly growing population, Afghanistan risks not having qualified teachers to meet this increasing demand for post-secondary education.
- **Lack of linkage between education and market demand.** The competencies of many graduates are not at the level required for entering the workforce and a large share of courses offered are not linked to market demand.
- **Public universities suffer from a lack of institutional autonomy.** Although some steps have been taken to grant a certain level of gradual autonomy to a select number of universities, much more needs to be done to operationalize this concept. Public universities rely heavily on a centralized budget and system of resource allocation that is not sufficient to meet the growing demands. As an example, the lack of financial autonomy tends to hamper the potential for regenerating and attracting resources outside the government budget to re-invest in the development of the institutions.

#### Policy Priorities:

- **Curriculum Reform:** MoHE will reform the current curriculum in order to improve the quality of teaching and to prioritise courses based on market demands. This includes improving programs and subject areas such as science, technology, engineering, mathematics (STEM), mining, construction management, agriculture, information and communications technologies (ICT), healthcare and nursing, and business and finance.

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<sup>28</sup>Ministry of Higher Education

<sup>29</sup> Higher Education Development Project MIS

<sup>30</sup> Higher Education Development Project MIS

- **Upgrading the qualifications of teaching faculty/cadre at university level** and equipping them with the modern skills and competencies will be necessary to manage and run new teaching and learning methods in line with and parallel to the reform of the curriculum.
- **Accreditation and quality management system:** A robust accreditation and quality assurance system will be developed based on international standards, with the formation of an effective national Higher Education Authority to regulate higher education intuitions.
- **Systems reform:** MoHE will undertake cost effectiveness reviews and impact assessments to reform weak and non-transparent systems and practices, and improve internal efficiency, prioritisation, and outcomes. This will enable improved targeting of the limited financial resources available for those in lower income households. This work will also be coupled with increasing university autonomy, particularly financial autonomy.

## 3.2. Technical and Vocational Education and Training

### Background

There are three types of TVET tracts provided by the government and private sector: Formal TVET is typically provided by an education or training institution, is structured in terms of learning objectives, support, and timeframe, and has formal certification. Non-Formal TVET consists of course-based basic skills to build industry-relevant experience and competencies, as well as providing basic literacy and numeracy skills. Finally, Informal TVET constitutes hands-on apprenticeships for specific vocations, delivered exclusively through the private sector, and currently does not have a formal certification process.

The provision of Formal TVET has increased substantially to address the growing needs in Afghanistan. The number of schools and institutes increased from 42 to 296 (168 schools and 127 institutes). Student bodies grew in these programs from 15,000 to 78,667, and the number of teachers rose from 2,659 in 2013 to 3,649 in 2016. In terms of geographical distribution, the construction of new public TVET institutions has also expanded access to TVET in other provinces. While in 2002, nearly half of all public TVET institutions were based in Kabul; in 2011, 96 percent of TVET high schools and 63 percent of TVET institutes were in the provinces outside of Kabul. However, the rapid expansion in the TVET sector not only overwhelmed the existing capacity, leading to a lack of proper governance, poor institutional framework development and a general lack of oversight. As a result, high rates of unemployment exist among TVET program graduates. Currently, under the oversight of the Office of the President, the Formal TVET system is under substantial reform.

The Technical and Vocational Education and Training Authority (TVETA) has recently been reformed to become the sole implementing agency for formal TVET in Afghanistan. Presently, TVETA facilitates schools and institutes across 34 provinces, serving 103 districts. These schools and institutes offer three types of programs. These include a two-year program at the institute level covering grades 13-14, a three-year program at the high school level covering grades 10-12, and a five-year integrated program covering grades 10-14.

The focus of Non-Formal TVET programs is to provide training through short courses to develop market-based skills and help the under and unemployed enter the labour market, particularly targeting the adult population. The Non-formal TVET program, with short-term training, ranges from 3-12 months. It targets people who cannot pass the national *Kankor* exam and who are not enrolled in Formal TVET programs. The Ministry of Labour Affairs (MoLSAMD) manages this program, with 41 vocational technical colleges, and approximately 50,000 students.

### Key Issues:

- **Poor Institutional Framework.** The TVET sector is characterised by fragmentation, lack of coordination between different implementing agencies, and a lack of standard qualifications. There are multiple ministries and administrative bodies involved with the management of both formal and informal TVET. While the Government is trying to bring order into the system, the absence of a single regulatory mechanism for the sector remains a major constraint on standardisation, certification, and licensing.

- **Lack of Linkage Between the Labour Market and the TVET Sector.** Labour market and industry related information is largely unavailable. Even information is available is not regularly used for policymaking purposes or to design TVET programs that reflect labour market demands. Therefore, there is little linkage in accordance to supply and demand between TVET providers and the labour market. As a result, graduates, have difficulty finding jobs in the fields they studied.
- **Lack of Accreditation / Certification:** TVET providers are not accredited, and therefore cannot offer formal certification to industry standards. Lack of accreditation and certification means employers do not have a basis to assess the competency of graduates and students have a more difficult time finding decent employment.
- **Lack of Qualified Teachers.** The shortage of qualified TVET teachers represents one of the obstacles to TVET development in Afghanistan. Currently, most TVET teachers do not have practical skills in their profession and rely on outdated books and lectures, which means they are not able to effectively train students in the relevant fields. Further, the current outdated recruitment process of TVET teachers reinforce their practical skill inadequacies.
- **Outdated Curriculum.** Lack of a standardised curricula and resource material, such as textbooks and teaching guides, affect the quality of skills training.
- **Poor Infrastructure.** Only 28 percent of schools and institutes have proper buildings, while the rest operate without appropriate facilities.

#### **Policy Priorities:**

- **Effective and Efficient TVET delivery:** To address the lack of effectiveness in the TVET system in Afghanistan, a National TVET strategy will be developed. The strategy will clarify the roles, responsibilities, structures, and requirements of TVET actors, help reduce duplication, and outline the coordination mechanism to improve collaboration between stakeholders. The strategy will also outline the deployment of the new TVET system throughout the country. The dual-track Vocational and Professional Education Training (VPET) system would combine formal and informal TVET through a standardised curriculum. It is a program approach that combines both practical apprentice-style training (Informal TVET) with vocational course work (Formal TVET).
- **Improved linkages between labour market and TVET providers:** To make TVET a more relevant and demand-oriented system, TVETA will strengthen linkages between TVET providers and the labour market. TVETA will conduct a labour market assessment to determine present and future needs, such as skill shortage, skills mismatch, employment trends by sectors and occupations, emerging markets, new investments, and economic opportunities in urban and rural areas. The data from the assessment will also be used to plan, implement, monitor, and evaluate the relevance and effectiveness of the TVET system. The link between TVET and labour market will be increased by creating quality and market relevant TVET institutes across the country (1 per district) by 2020.
- **Outcome based curriculum and quality teaching:** To facilitate demand-driven and standardised qualifications, TVETA will develop a new outcome-based curriculum, linked to labour market

assessment. Further the Authority would work to revise the related teaching, training and learning materials to reflect the new competency-based approach, which would be coupled with provide pre-service and in-service training to TVET teachers.

## 4. Efficient and Effective Social Protection Programs

### Background:

Data from the ALCS show that the poverty rate in Afghanistan has increased drastically from 38% in 2011 to 55%, with over 70% of people living on less than \$2.00 a day.<sup>31</sup> As social protection programs only cover a small percentage of the population, this high degree of poverty leaves individuals, families and entire communities highly vulnerable to socio-economic shocks. Currently, social protection programs are limited to pensioners' entitlement for retired government employees, basic disability support, and inconsistent social safety net mechanisms. Most of Afghanistan's social protection spending is dedicated to cash transfers for those injured in conflict, the families of those killed in conflict, and persons with disabilities. Afghanistan cannot afford large-scale national safety nets or tax-based transfer programs.

Pro-poor spending in Afghanistan was around 2.7% of GDP in 2017.<sup>32</sup> Annual social spending is expected to remain at the same level for the foreseeable future, but ongoing reforms of social protection schemes – pension and martyrs and disability payments – are expected to not only help improve fiscal sustainability of these schemes but will also generate savings which can be mobilised to further expand the social protection coverage. The Government has continued to improve policy planning and strategic prioritisation of the social protection and broader poverty reduction agendas. In August 2017, the High Council for Poverty Reduction, Services Provision, and Citizens' Engagement was established by Presidential decree. The Council oversees pro-poor budgeting, policy reform, and investment.

### Key Issues:

- **The poverty cycle:** for most Afghan parents living in poverty, a lack of access to standardised and quality care during the critical early years of their children's lives often means that they fall behind their more advantaged peers even before they begin school. As they get older, the gap only widens – making it difficult for their children to succeed or remain in school and therefore access better income-earning prospects, perpetuating the poverty cycle.
- **Lack of an understanding of the extent of the need:** There is little accurate and well-classified information and data available to clearly depict the total number of people entitled to social protection and the number of people benefiting from this program in Afghanistan. Although the estimated number of persons with disabilities is up to 924,000, currently only 121,912 people receive benefits.<sup>33</sup>
- **Weak systems for delivery of social protection:** The current systems for delivery of social protection is weak, without strong management and an inefficient administrative set up. MoLSAMD has established a new system of pension and M&D MIS that supports direct benefits

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<sup>31</sup>ALCS, 2017

<sup>32</sup> IMF Country Report No. 18/127, May 2018

<sup>33</sup>MoLSAMD MIS (2018)

payments to bank accounts and filter out certain ineligible claims by periodic biometric verification for continuing eligibility. However, the introduction of these systems has been associated with management errors and budget shortage induced delays in benefit payments further undermined the trust in the system.

### **Policy Priorities**

- **Improve targeting and efficiency of existing pro-poor programs:** There is currently a large number of on- and off-budget programs targeting the poor. However, many are plagued by two key problems. First, beneficiary selection is often riddled with corruption or inefficient practices. There are many reports of capture in both social protection and social development projects. There is a need to systematise beneficiary selection, using the Citizens' Charter program as the basis for village level delivery. Second, the high level of fragmentation within delivery – with a large amount of duplication between ministries and NGOs delivering projects. This has resulted in some districts being reached by two or more development projects, and entire provinces being left out of the development process. Further, under the reformed public financial management processes, there is also room to move more projects on budget and develop national programs for the delivery of social protection programs.
- **Establish reliable social safety nets:** The Safety Net and Social Protection (SNSP), led by MoLSAMD, aims to provide safety nets and social protection to vulnerable families. However, the current system is both costly and has issues with transparency and effectiveness. The ANPDF set the plan to organise the government's social benefit delivery efforts into a single specialised agency. The agency will build on the ongoing efforts already underway to improve the country's digital payment infrastructure and improve the efficiency and effectiveness of social protection in the country. The savings from pension reform and better verification of Martyrs and Disabled benefit program beneficiaries will be re-channelled to better targeted pro-poor benefit programs.

### **Key Outcomes and Outputs:**

- Establish an Integrated Social Benefit Delivery Agency.
- Comprehensive review of the country's social protection schemes to map the need, address overlaps, scale up successful interventions, and improve program design.
- Completion of biometric identification of all eligible pensioners, survivors of martyrs, and persons with disabilities
- Implementation of the pension financial and organisational reform aimed at making pension administration financially sustainable – the reforms will include the creation of a separate pension fund and changes to pension administration schemes

## Cross-cutting Issues:

### Gender

Despite promising developments, cultural norms and traditional practices in Afghanistan have perpetuated gender inequalities, systematically depriving women from access to education and economic development opportunities. In February 2017, a survey conducted by the National Statistics and Information Authority (NSIA) reported that at least 80% of Afghan women are illiterate and only 2% of women in Afghanistan have access to higher education.<sup>34</sup>

Government of Afghanistan is determined to empower women through greater economic and social development and integration, as reflected by the Women's Economic Empowerment National Priority Program (WEE-NPP). As the ANPDF articulates, "Investment over the long term in women's education, health and skills will increase women's economic activity, thereby growing the economy and reducing household poverty. In the shorter term, some potential already exists in the small-business space and in agriculture that can be built on to increase the productivity of these sectors." In close coordination with the WEE-NPP, the Women's Economic Empowerment Rural Development Program (WEE-RDP), and the Citizens' Charter, the HC-NPP will develop specific strategies to increase women's access and participation in education, health, and social protection. These strategies are further detailed in the sectoral strategies of each line ministry, and will be closely coordinated with the Ministry of Women's Affairs.

### Youth

The most striking demographic feature of Afghanistan is its age composition, with a share of young people that is among the highest in the world. Nearly two thirds of Afghanistan's population are below the age of 25, and half below the age of 15.<sup>35</sup> The transition of Afghan youth to an economically independent, healthy, and productive adulthood is constrained by a variety of circumstances. These circumstances include limited educational and employment opportunities, as well as the unique situation related to insecurity, such as migration, displacement and associated physical and mental health consequences. Even with substantial job creation, the Afghan economy is unlikely to absorb the estimated 380,000 youth entering the labour market annually. In response to the full range of human capital challenges faced by Afghan youth in their transition to adulthood, the government will develop strategies to improve youth inclusion in the social, educational, health, and economic spheres. In accordance with ANPDF and the Afghanistan National Youth Strategy (2016-2020), these strategies will ensure that Afghan youth have the necessary human capital to meet current and future labour market needs.

### International Labour Mobility

Afghanistan is likely to experience an increase in labour migration outflows in coming years. Among the 400,000 Afghans that will enter the labour market every year, the average projection is that only 200,000 would be able to find jobs in Afghanistan. This leaves a remaining 200,000 to find jobs outside of Afghanistan or become self-employed. Increasing labour migration flows represents an important opportunity for Afghan migrants and the Afghan economy, as Afghans working abroad earn a wage many times higher than they would be able to at home (often 400-800% of their wage in Afghanistan), and also send significant sums (on average USD1,680 per

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<sup>34</sup>ALCS, 2017

<sup>35</sup>ALCS, 2017

recipient family) back in the form of remittances.<sup>36</sup> However, the vast majority of current Afghan migration is irregular, which fails to realise the full potential of migration for the country. Irregular migration constrains access to the labour market for Afghans abroad, resulting in lower wages and inferior employment outcomes. This in turn results in lower remittance inflows and less skill accumulation associated with migration.

The Government of Afghanistan is undertaking a coordinated effort to open new legal channels for Afghan labour migrants, and to build an efficient and effective system through which they may find safe employment abroad. In coordination with these efforts, the government, through MoLSAMD, is working to develop specific strategies to facilitate labour migration and remittances as a form of social protection, develop skill systems which are relevant for international markets, open pathways for Afghans to deploy their skills abroad, and ensure social protection for Afghans working abroad and upon their return. The PLACED+Y project is the key implementation effort spanning from establishing Afghanistan as labour sending country through managed international labour migration to putting down the foundations of a Migration Management System.

## Citizen Engagement

Citizens Engagement mechanisms will be a vital tool within the HC-NPP to provide demand-driven services, ensure downward accountability and citizen monitoring of services, and build a sense of ownership for citizens and communities. Citizens' Charter and community scorecards will play a key role in this component, providing a tool for monitoring of a required set of minimum standards for the health and education sectors. Over time, as the social protection sector is strengthened, the monitoring mechanism will be further expanded to include transfer programs.

## Data Collection and Analysis

Having more accurate and timely data collection and analysis systems will support accurate identification of problems and effective responses in both planning and decision-making processes. Building a dynamic management system in health, education, labour and social protection programs would reduce the mismatch between demand and supply of skills, which has been identified as major underlying cause of underemployment and unemployment problems in Afghanistan. As a part of HC-NPPP, MoLSAMD will take the lead in establishing a labor market observatory (LMO) utilizing survey data on the labor market and increasing administrative data from the systems to support to be acquired for the envisioned National Employment Services System (NESS) through the PLACED+Y project. The LMO will be essential for anticipating economic trends, as well as taking specific measures to train and deploy a dynamic specialised workforce in the country. Currently, the only available sources are periodic and irregular sample information collected by various agencies and government institutions, which are not adequately responsive.

## Linkage with Private Sector

A meaningful coordination mechanism between the public and private sectors will be established in order to facilitate a stronger base for targeting skill development and economic growth, as well as planning and investment in private and public sectors' education, health and social protection programs. While it is necessary to provide an enabling environment for greater private sector

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<sup>36</sup>World Bank

participation in the development of human capital, accreditation mechanisms will also be put in place to ensure quality.

## Implementation Arrangements and Financing

The HC-NPP is a statement of government strategy. It is important to realise that the HC-NPP is not a uniquely designed project, as most of the activities within the NPP build on existing programs run by line ministries, NGOs, or private sector entities. The HC-NPP provides a framework for scaling the existing human capital capacity and investing in the future generations' talents and skills. Due to the complexity and multifaceted characteristics of the HC-NPP, as multiple institutions are involved, the NPP concentrates on improving the profile and performance of projects and linking them into a national public policy commitment. The NPP also contains some new programs and activities, which will require new institutional and management systems to be built and integrated with existing public policy programs.

The HC-NPP falls under the Human Capital Development Council. Overall coordination is by Ministry of Finance. Each ministry appoints a responsible deputy minister to oversee their ministry's program. In the provinces, governors will be accountable for program oversight, with feedback provided from the provincial councils and public dialogues with civil society, business groups, and academic organisations. Financial reporting follows standard Ministry of Finance reporting and audit requirements. Each Ministry will be responsible for its own program implementation and budget execution.

The HC-NPP follows the Public Financial Management Reform (PFMR) roadmap utilised by the government to restructure its approach to public spending. Each year the HC-NPP participants plan their annual spending requirements as five-year rolling plans. Each year an additional year is added, with adjustments made based on the performance of the year that was just completed. This model of financing is significantly different from more familiar models of project support, which require the upfront calculations of all expected costs locked into a project account. By making the HC-NPP align with the PFMR roadmap, not only does the program conform to sustainable budget management, but the new system also allows for a more adaptive and learning-focused approach.

National Priority Programs differ from standard development projects in that they are built around how the government spends the money that it has in its budget, rather than more traditional approach of designing independent projects with beginnings, middle, and endpoints. In theory, the HC-NPP will continue for as long as the Government of Afghanistan continues to assign budgets to its activities. Each implementing Ministry, in coordination with the Ministry of Finance and other relevant institutions, will prepare or update operations manuals and budgets for their respective activities.

### Inter-ministerial coordination

The HC-NPP also aims to improve inter-ministerial coordination and service delivery. Through the leadership of the Human Capital Development Council, ministries are required to work in close coordination to enable improved delivery of services. For example, MoPH and MoE must improve their coordination in delivering healthcare and health education to students in schools; MoHE is responsible for training of teachers, which requires close coordination with MoE to ensure quality and linkage with curriculum; MuDH and MRRD are responsible for construction of schools and TVET institutions, which must be based on the needs outlined by the relevant line ministry.

## Annex 1: Implementation Mechanisms and Plans

Component	Project/Plan	Status	Timeline	Comments
<b>Universal and quality health care services</b>	National Health Strategy	Under Implementation	2016-2020	NHS is implemented through <i>Sehatmandi</i> project, with support of the World Bank.
<b>Outcome-based and standardised education programs</b>	National Education Strategic Plan	Under Implementation	2017-2021	NESP III will be expended to a ten-year rolling plan, with a prioritisation of the existing plan in line with SWAp approach.
<b>Market-driven higher education and training programs</b>	Higher Education Development Project	Under Implementation	2016-2020	With World Bank support a SNG NPP project is under development to enable on-budget implementation of SNGP.
<b>Market-driven higher education and training programs</b>	National TVET Strategy	Implementation to begin January 2019	2019-2024	Led by TVET-A
<b>Efficient and effective social protection programs</b>	Pension Administration and Safety Net Project	Continuing through Technical Assistance	2017	With World Bank support, reforms are underway to improve pensions and safety nets.