



United Nations Development Programme
Afghanistan
National Area-Based Development Programme (NABDP)
2nd Quarter Project Progress Report – 2009



Construction of a water divider in Chakhansoor district of Nimroz province

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Strategic Plan Component: Outcome 11
CPAP Component: Outcome -7
ANDS Component: Social and Economic Development
Total Budget: USD 164 million
Responsible Agency: NABDP/MRRD

NABDP DONORS



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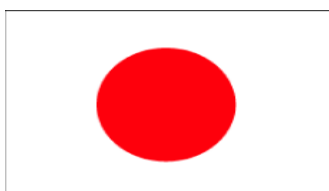
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Executive Summary

During the second quarter, NABDP has continued to make progress in line with the three goals of the programme, as laid out in the Phase II project document, while taking an increasingly sustainable and strategic approach. These goals include a) regional economic development, b) capacity development, and c) immediate recovery projects. An overview of the progress made during this quarter is as follows:

Community Empowerment: In this quarter, 28 district development assemblies (DDAs) have been established and 28 district development plans (DDPs) were formulated. The Disaster Management unit (DM) conducted awareness workshops for sectoral departments in Nangarhar, Badakhshan and Ghor provinces. Capacity-building training has been carried out in Balkh, Kandahar, Ghor, and Kunar provinces.

Economic Regeneration: Four facilitating partners are working to support the development of five SMEs in Balkh, Bamyan and Herat provinces. Business development officers are now working in all seven border provinces projects. Twenty-four newly-approved SMEs are expected to be rolled-out in the next quarter as part of the Border Provinces SME support project. In Phase III, economic regeneration (ER) projects will be phased out of NABDP and subsumed within the Afghanistan Rural Enterprise Development Programme (AREDP) of MRRD, particularly into its top-down approach for SMEs development.

Institutional Development: The Institutional Development (ID) unit facilitated six DDA 'Grant-in-Aid' activities in Kunar, Nangarhar, Kandahar, Badakhshan and Balkh provinces. A revision of the ID budget has been made to include the expansion of 'Grant-in-Aid' to 52 districts of 11 provinces. For Phase III, the ID unit will be dissolved and replaced by the new Policy and Planning Unit (PPU).

Implementation Unit: In this quarter, 359 projects have been contracted, and another 56 have been committed and are either under design or in the procurement phase. Seventeen projects have been canceled for a variety of reasons, including social conflicts and community disputes, irresolvable issues with the contracted companies, shortage of available funds, and lack of security in some areas.

Context

The National Area Based Development Programme (NABDP), a joint project of the United Nations Development Programme (UNDP) and the Ministry of Rural Rehabilitation and Development (MRRD), aims to contribute to the sustainable reduction of poverty and the improvement of livelihoods in rural Afghanistan by empowering communities to articulate and address their needs and priorities. NABDP also aims to help enable the Government of Afghanistan (GoA) to support community-based rural rehabilitation and development in an integrated, people-focused, inclusive and participatory manner.

NABDP's second quarter activities have been in line with the outcomes and goals of the United Nations Development Assistance Framework (UNDAF), the Afghanistan National Development Strategy (ANDS), and the Country Program Action Plan (CPAP). Those outcomes are as follows:

- UNDAF Outcome 2: By 2008, opportunities, skills, land and infrastructure that allow for active participation in a strengthened formal economy and private sector are improved, particularly for poor and vulnerable groups.

- CPAP Output 7: Vulnerable groups (ex- combatants, returnees, disabled, women) empowered through improved access to social and economic opportunities (local poverty initiatives, private sector development, alternative livelihoods, and empowerment of women).
- CPAP Indicator 7.1: Number of people receiving employment opportunities through skills training, agriculture support and small business starters support.
- NABDP has also made major progress in the second quarter toward the achievement of ANDS Compact Benchmark 6.2 and 6.3 through its rural development projects. These benchmarks encourage 1) comprehensive rural development through community empowerment and local governance, which NABDP supports through the establishment of community councils and district assemblies; and 2) the implementation of programs to achieve a reduction in the amount of land under drug cultivation by the strengthening of licit livelihoods and other counter-narcotics measures, which NABDP supports through its economic regeneration programmes with the aid of the Counter Narcotics Trust Fund (CNTF).

These above outcomes and outputs are specifically addressed through the continued emphasis on labor-intensive, economically-productive infrastructure projects, which are prioritized through the District Development Plans (DDPs) produced by DDAs and through small business planning and grant support to small and medium enterprises (SMEs).

Implementation Progress

Output 1: Comprehensive rural development plans, based on participatory community.

(1.1) Development processes and economic regeneration assessments and strategies.

Through a participatory process facilitated by Community Empowerment (CE), a total of 28 DDAs and 28 DDPs have been established in the second quarter of 2009. This brings the total number to 355, covering 88.5 percent of the country.

Following their formation, DDAs undergo capacity building trainings in the areas of local governance, conflict resolution, gender equity, participatory project implementation and financial management. This quarter, training has been carried out in 13 districts of Kandahar, Ghor, Kunar and Balkh provinces. The new Disaster Management (DM) unit has also prepared a training module for DDAs and in this quarter has conducted training in eight districts of Nangarhar, five districts of Badakhshan, and two districts of Ghor. In a recent assessment undertaken by the Institutional Development (ID) component, DDA members revealed that the trainings helped them improve their knowledge of development-related issues and influenced development actors at the district level as well as helped them acquire skills for managing development activities.

The establishment and capacity building of these local institutions constitutes the formalization of a mechanism for collective action in all districts of Afghanistan. Communities are empowered to articulate their needs and priorities through the formulation of development plans that reflect the community's medium- and long-term development priorities. In the 2nd quarter, 55 District Development Plans (DDPs) in Nangarhar, Kunar, Takhar, and Maidan Wardak provinces have been verified by the Community Empowerment office at NABDP and uploaded on to the NABDP website, accessible for all development actors and the general public. DDPs of Kunar are in various

stages of processing. All DDPs published are fully aligned to the DDA/DDP Operational Guidelines set by the NABDP team.

The DDA establishment process also involves a dimension of institutional recognition and legitimacy as the DDAs receive a registration certificate in tandem with the handing over of relevant documentation to the Provincial Rural Rehabilitation Departments (PRRDs). In this quarter, 73 DDAs have been registered and issued certificates in seven provinces.

In the case of those DDAs in 'at-risk' communities receiving a grant for community disaster preparedness from the Bureau for Crisis Prevention and Recovery (BCPR), a training module has been prepared. This quarter, these awareness workshops have been conducted in 15 districts, including five in Badakhshan, eight in Nangarhar, and two in Ghor. The participants included sectoral departments, PRRD social mobilizers, national and international NGO staff and DDA members. In addition, a District Disaster Management Committee was established within the DDAs in the districts of five provinces this quarter. These communities are now better able to mitigate and deal with major risks, e.g. droughts, floods or earthquakes.

(1.2) Public investment priorities identified and implemented for SME improvement / development.

In partnership with MRRD's Afghanistan Rural Enterprise Development Program (AREDP), NABDP's Economic Regeneration (ER) unit continued in the 2nd quarter to contribute to the economic growth of the private sector. For Phase III, ER is leaving NABDP to become part of AREDP. To date, there has been no Ministry program solely dedicated to economic regeneration; thus, these types of projects have fallen under the responsibility of either NSP or NABDP's ER unit, even though NABDP's core business is local governance, renewable energy, and infrastructure, not economic regeneration. The core business area of AREDP, which is a project jointly designed by MRRD, the World Bank, and the UK's Department for International Development (DFID), is economic development, income generation and enterprise development, thus making it the most appropriate program for ER to phase into. The decision to phase out ER into AREDP is in accordance with a decision made at the management level of NABDP during the design of Phase III that all MRRD programs are to refocus on their respective core business areas.

This phase out process is underway and is expected to be finalized with the anticipated World Bank approval of AREDP later this year.

Based on previously-developed business plans, four facilitating partners are working on five contracts for rural SME development support: 'Hand in Hand' for one melon and one almond enterprise in Balkh, Sanayee Development Organisation for carpet-making in Balkh and a saffron enterprise in Herat, Cooperation Centre for Afghanistan for a potato storage enterprise in Bamyán, and Ghazni, Rural Support Program for a carpet value chain development project in Bamyán. Initial progress reports have been submitted, and further instalment grants have been distributed. The timeline for the above-mentioned SMEs has been extended for three months, as the work has not been completed within the expected timeframe owing to delays in project start-up. Additionally, under the Border Provinces SME Support Program, twenty-four other SMEs have been verified, approved, and will be rolled out within the next quarter. One is currently being piloted in Nangarhar and will be expanded into other regions based on positive results.

In the first quarter, selected entrepreneurs in Bamyan and Balkh received trainings in business management, finance and operations. During the second quarter, more of these trainings were planned and will be administered to other entrepreneurs, local farmers, and traders who have contracts with the above mentioned enterprises through the facilitating partners over the next three months. These trainings enable entrepreneurs to function according to standards with enhanced management skills.

In June, the ER unit renewed the contracts of 13 business development specialists working for the seven Border Project provinces, extending their work time until the proposed project end date of December 2009. The specialists continue to work with SMEs on business planning, advice, training and provision of a matching grant for investment.

Output 2: Rural development policies developed and adopted by the Government and other relevant stakeholders, providing frameworks for viable interventions for economic regeneration, poverty reduction and improving livelihoods.

(2.1) Policy feedback and ongoing preparation of national level AREDP program

AREDP is being jointly designed by MRRD, World Bank, and DFID. Because the World Bank funding cycle has several steps, approval can take anywhere between 6 months and 3 years. AREDP is currently in the pre-appraisal mission. A final appraisal mission by the World Bank is forthcoming in August, and program approval by the World Bank is anticipated in October 2009. Soon after, the program is anticipated to become eligible for multi-donor funding through the Afghanistan Reconstruction Trust Fund (ARTF) mechanism and from bilateral donors with the support of UNDP/NABDP. AREDP is anticipated to be operating in eight provinces across the country within two months after its approval.

Economic regeneration unit is collaborating with AREDP to support Small and Medium Enterprises (SMEs) as part of the Border Provinces project, which entails using Business Development Specialists (BDS) to identify and support promising SME business plans through matching grants and technical input and trainings, as described in the above section. The lessons learnt from these pilot projects will provide useful inputs in developing future strategies for AREDP's support to SMEs in Afghanistan.

(2.2) Support to Afghan Government energy policy development.

The Energy for Rural Development in Afghanistan (ERDA) Project has developed a micro-hydro policy for Afghanistan in consultation with the National Solidarity Program (NSP) and Rural Energy and Enterprise Development (REED). This micro-hydro policy is complete and is expected to be approved in the next several months. The micro-hydro policy is part of a larger, more comprehensive rural energy policy. NABDP/ERDA hired a rural energy policy expert in April to prepare this comprehensive rural energy policy for Afghanistan. A draft of this policy was completed on July 20 and will be discussed within MRRD and then presented to the Inter-Ministerial Commission on Energy (ICE) Sub-committee for Renewable Energy and Rural Electrification for comments from organizations involved in rural energy promotion in the country.

The sub-committee will present the policy document to the ICE for approval and promulgation as the Afghanistan Rural Energy Policy.

Output 3: Strengthened management and implementation capacity of MRRD and relevant partner institutions to address rural development and economic regeneration needs and priorities.

(3.1) Improved MRRD capacity to implement rural energy projects

The Energy for Rural Development in Afghanistan (ERDA) has been actively interacting with the Inter-Ministerial Commission on Energy (ICE), to discuss, coordinate, and plan renewable energy activities in Afghanistan. This component offered to deliver capacity building trainings to Rural Energy and Enterprise Development (REED), which are ongoing. ERDA works closely with this department and shares strategies, office space and coordinates activities. Currently, ERDA assists REED in assessing the performance of existing micro-hydro projects of MRRD. ERDA and REED technicians are assessing the status of micro-hydropower projects installed with NSP's support in Panjshir and Bamyan provinces. The expected long-term result is for REED to independently manage rural energy activities as NABDP-ERDA phases out.

During the second quarter, ERDA has been supporting MRRD to implement 300 kW Farkhar Mini Hydropower Project in Takhar Province.

(3.2) CARD mechanism developed on district level through DDAs and an interactive delivery mechanism designed based on the assessments carried out on district and provincial level.

In April, the final draft of the Comprehensive Agricultural and Rural Development (CARD) mechanism was approved. The Inter-Ministerial Committee (ICM) convened for the first ICM meeting in April to discuss and adopt terms of reference and to formalise the mobilisation plan for the CARD mechanism. Present at the ICM meeting were ministers from the Ministry of Counter Narcotics (MCN), the Ministry of Finance (MoF), the Ministry of Agriculture, Irrigation, and Livestock (MAIL), and the MRRD. In addition to establishing an interim financing plan, a communications plan, and an operations manual this quarter, there was an introductory mission trip to Nangarhar in April to introduce CARD and engage with the Governor and his team plus other stakeholders and development actors. Currently, Human Resources (HR) is in the process of recruiting and hiring a national CARD team.

(3.3) The Grant-in-Aid programme piloted in Kandahar, Nangarhar, and Kunar.

During the second quarter, the Institutional Development unit has been at the forefront of efforts to implement the DDA Grant-in-Aid scheme, which provides funding directly to DDAs to help them build their capacity. The ID unit is currently facilitating six DDA Grant-in-Aid activities in Kunar, Nangarhar, Kandahar, Badakhshan, Balkh, and Paktia provinces. In addition this quarter, the scheme has been started up in Argo district of Badakhshan province and Balkh district of Balkh province, and approved in Daman district of Kandahar. A revision of the ID budget has been made to include the expansion of 'Grant-in-Aid' to 52 districts of 11 provinces. Refer to the table below for a complete listing of districts receiving 'Grant-in-Aid':

List of Districts for Grant in Aid Scheme

| S.No | Province | District |
|------|-----------|--------------|
| 1 | Nangarhar | Achin |
| 2 | | Lalpor |
| 3 | | Dor baba |
| 4 | | Dehbala |
| 5 | | Spinghar |
| 6 | | Surkhrood |
| 7 | | Kot |
| 8 | | Dara e Noor |
| 9 | | Khaiwa |
| 10 | | Batikot |
| 11 | | Mohmand Dara |
| 12 | Kandahar | Daman |
| 13 | Kunar | Sarkano |
| 14 | | Asad Abad |
| 15 | | Norgal |
| 16 | | Shegal |
| 17 | | Narang |
| 18 | | Asmar |
| 19 | | Chawki |
| 20 | Paktia | Dand e Patan |
| 21 | | Jaji Aryoub |
| 22 | | Syed Karam |
| 23 | | Lija Mangal |
| 24 | | Chamkani |

(3.4) MRRD capacity building.

Over the past two quarters, NABDP's ID unit has provided technical assistance to the Community-Led Development Department (CLDD) and the Afghanistan Institute for Rural Development Department (AIRD). During the second quarter, the Institutional Development unit, in close consultation with relevant MRRD department heads and officials, prepared a draft of a new Terms of Reference (TOR) for CLDD. The objectives of CLLD have been revised in this new Terms of Reference. The role of the CLDD has been clarified as the supporting institution to local entities.

NABDP continues to support the Rural Infrastructure and Technical Service (RITS) and PRRDs through its Technical Support Unit (TSU). The task of the TSU is to provide survey and design support to PRRDs, which often do not have an adequate level of staffing and technical capabilities to implement projects independently. During this quarter, a total of 29 projects have been surveyed and plotted by the TSU teams. The team of engineers recruited in the Kandahar regional TSU last quarter attended an irrigation workshop in Kabul during the second quarter. The TSUs across the provinces, located in Kabul, Mazar-i-Sharif, Jalalabad, Kunduz, Paktia and Kandahar, continue to closely monitor progress on NABDP projects.

Output 4: High-quality and sustainable community-led rural development and economic regeneration investments that reduce poverty and improve livelihoods.

(4.1) Preparation and implementation of rural infrastructure projects.

In this quarter, 174 projects have been contracted, and another 56 have been committed and are either under design or in the procurement phase. Of that number, 17 infrastructure projects have been contracted in Ghazni, Nangarhar, Kunar, and Badakshan provinces, with three projects under procurement under the Japan-funded border provinces stabilization project. Sixty projects have been contracted and are underway through the Counternarcotics Trust Fund (CNTF) Labour-Based Rural Development (LBRD) project, which works in 10 provinces with the objective of reduced poppy growth. In addition, 97 regular infrastructure projects, exclusive of the above programmes, have been contracted in this quarter. Seventeen projects have been canceled for a variety of reasons, including social conflicts and community disputes, irresolvable issues with the contracted companies, shortage of available funds, and lack of security in some areas.

Most CNTF efforts are devoted to simple water projects that communities can implement on their own as much as possible. This is done to improve security while improving water access for irrigation. Projects contracted in the second quarter of 2009 will provide 1 million working days in insecure areas. DDAs in Kandahar have reported that this year, very few people traveled to Helmand to work on poppy fields.

As a part of NABDP's stabilization efforts, the Disarming of Illegal Armed Groups (DIAG) program, regularly consults with the overall DIAG Joint Secretariat. It also cooperates with Afghanistan New Beginnings Programme (ANBP) to provide development projects in districts which have disarmed, and has provided assistance to the Ministry of Interior (Mol) in setting up an in-house DIAG unit. Up to this quarter, 13 DIAG projects have been completed, 27 are under construction, and 5 are in the design or survey phase.

Progress has been made this quarter in the Integrated Alternative Livelihoods Program (IALP) in Kandahar, funded by the Canadian International Development Agency (CIDA). The nine-month work plan for IALP's second phase, with a budget estimation of US\$ 2.84 million, was submitted to headquarters in Kabul. Some main components of the work plan are as follows: the recruitment of a IALP-2K team by mid July 2009; to conduct the Baseline Livelihoods Survey (BLS), interviewing 1,600 individuals in four districts of Kandahar, and to design and implement livelihoods projects based on the BLS results; to provide capacity building to the district development assemblies (DDAs), the Department of Agriculture, Irrigation, and Livestock (DAIL), and the Provincial Rural Rehabilitation and Development department (PRRD); as well as the construction of the Kandahar Regional Agriculture and Rural Development Institute (KRARDI). In co-ordination with DAIL, IALP-2K managed to secure 20 jeribs of land at Tarnak farm for construction of KRARDI. Also at the operational level, the design for the KRARDI pipeline was finalized at the headquarters level in Kabul. At the administrative level, a deputy project manager was hired in April. The project manager resigned in June.

(4.2) Monitoring, reporting and quality control activities.

The activities of the Implementation Unit (IU) are supported and facilitated by the Quality Control (QC) unit, which has prepared design guidelines, technical manuals, and specifications for a variety of projects to assure and assess the quality implementation of projects. During the second quarter, the QC unit reviewed and approved numerous projects throughout the provinces, including two gravel road projects in Herat province, eight irrigation projects in Kandahar, and four irrigation projects in Nangarhar. Furthermore, the QC unit prepared survey forms for NABDP regional offices and distributed these forms.

During the first quarter, NABDP's Monitoring and Result-based Reporting unit (MRRU) developed and finalized a result-based monitoring manual. During this quarter, the manual was handed over to the Community Empowerment unit and will be shared with and taught to the DDAs to enhance the monitoring function through the CE unit. Next week, the manual will be piloted in Helmand province. From January to July 2009, the field engineers visited 164 different projects for monitoring missions. Furthermore this quarter, MRRU has proposed a reporting flow structure based on the needs of NABDP. This has been shared with the unit heads and the regional managers.

(4.3) Preparation and implementation of 8 MHP and 100 biogas projects.

This past quarter, ERDA identified more than 50 potential sites for micro-hydropower projects and conducted detailed studies of 32 sites. The scale of these plants ranges between 15 and 60 kilowatts. Detailed project reports of 12 sites have been prepared and construction work is underway in seven sites in Bamyan and Badkshshan. Furthermore, an 18 kW Zarshang micro-hydro plant in Bamyan was recently tested and the community is extending the distribution lines from the powerhouse to the settlements. In addition, ERDA is providing technical assistance in the construction of a 20 M³ biogas plants in Charasiab, Kabul. ERD is supporting community members in the Jalalabad district of Nangarhar to install 10 biogas plants.

(4.4) SMEs in Border Provinces improved/ established

Under the Border Provinces SME Support Program, 13 Business Development Services Officers have carried out a situation analysis of business opportunities in the border provinces. ER has

received 53 grant applications from the seven border provinces. After ground verification of all submitted applications, 36 applications have been approved, and 16 declined by the Grant Review Committee. Letters of offer have been sent out to the qualified SMEs. Upon acceptance of the offers, the practical work of utilizing the approved grants for the SMEs will begin.

Crosscutting Issues

Gender

All DDAs established by the Community Empowerment unit in the second quarter have been mixed or include a women's group or advisory committee, with an average of 14 women members each. In total, women comprise 2,829 (28%) of the total 10,050 DDA members. Trainings were also conducted for established DDAs. Gender equity trainings as part of the requisite 14-day trainings for the DDAs were provided to a total of 13 DDAs this quarter (347 participants, 94 of them female). Training sessions at the community intra-agency level to promote gender awareness have been carried out, and more are planned for Phase III.

The Ministry of Women's Affairs (MoWA), along with PRRD and NABDP regional offices, have discussed coordinating activities based on the memo of coordination between MRRD and MoWA which was completed on March 8, 2009.

Field visits to Mazar, Herat, and Jalalabad provinces took place during the second quarter with the aim to identify the existing challenges pertaining to gender-related issues. Some new DDAs were established and some reshuffled, and the gender advisor was there to observe how women are included in the process of DDA and DDP establishment. Separate meetings were conducted with the women to make them aware of what the process is for and the importance of their role in the DDA. In two districts of Jalalabad, gender focal points were assigned for DDAs for further coordination of activities among the DDA and the Department of Women's Affairs. Gender focal points at the regional level were also identified in order to help mainstream gender at regional level.

At the headquarters level, efforts have been undertaken during the second quarter to institutionalize gender awareness by drafting a comprehensive work plan and through coordination among the different directorates and programs of MRRD. Trainings conducted during the second quarter included a workshop on gender and Islam for NABDP staff in the Kabul office. Orientation sessions on gender-sensitive indicators and gender basics have been conducted for the provincial community mobilisers.

NABDP's gender strategy paper, which shifts the gender mainstreaming approach of NABDP, has been developed for implementation in Phase III.

Capacity Building

NABDP is increasingly focusing its capacity-building efforts at the district level. The Institutional Development and Community Empowerment units are continuing to cooperate on a programme of capacity building for DDAs, which will be a major feature of the upcoming Phase III of NABDP. Training has been completed in various districts of eight provinces and assessments of how DDAs take part in development activities have been completed in Kunar, Badakhshan, Mazar and Nangarhar. The implementation of the Grant-in-Aid scheme, which empowers DDAs to build their

own physical and institutional capabilities, will be piloted in Nangarhar and Kunar in the next quarter.

Challenges

Risks

Insecurity: The Implementation Unit consistently reported insecurity to be the most serious obstacle during the second quarter. During the second quarter, work on two projects in Zhari, Kandahar had been severely delayed as they were nearing completion. The head of the construction company who was implementing the project in this district was kidnapped by insurgents. Project operations were also interrupted in Farah province due to security concerns. Also, as two site supervisors travelled to monitor a canal project in Sarkano district of Kunar province, a remote control bomb exploded on the road, killing a national army soldier. These security incidents occurred in addition a suicide attack at the provincial council in Kandahar.

In response to such security situations, MRRD relies heavily on the DDAs to implement the projects and contract directly with communities as often as possible to reduce the likelihood of security problems and to create local employment opportunities, though the security situation consistently leads to other problems such as delays or cancelations.

Seasonal Risks: During the second quarter, flooding has been the prime issue, leading to the delay of some projects. The construction of the Sholgara Bridge in Balkh province was stopped this quarter due to the flooding of the Sholgara River. The flood destroyed the middle pillar of the bridge. Furthermore, the construction of Chimtal Bridge in Balkh province was stopped due to flooding. Heavy flooding also affected projects in Samangan, Badakhshan, and Jawzjan, destroying progress on these projects, and delaying the progress.

Social Conflicts: Since NABDP has a participatory approach to identifying needs and priorities, social conflicts within communities often arise on project selection. There are two projects still experiencing social conflicts at the community level this quarter. For a school in Nahoor district of Ghazni, the community has not been able to decide on where to build the school, which has delayed the implementation of this project. The second conflict concerns a school project in Argo district of Badakhshan, which is 70 percent complete but was stopped because the contractor is no longer able to do the work. These conflicts were initially reported during the first quarter and have not yet been resolved. The regional staff has not been able to resolve these conflicts; thus, the provincial team was tasked by NABDP head quarter office in Kabul to resolve the issue as soon as possible in coordination with the governor and the Provincial Rural Rehabilitation Department (PRRD). Usually, such conflicts are solved through the intervention of DDAs, the district or provincial governor, and occasionally through ISAF mediation.

Issues

Lack of Resources: A second risk is lack of adequate human and technological resources, which is a pervasive and consistent problem across the country that is being gradually improved upon through capacity building activities and recruitment. NABDP's infrastructure projects often have a technical nature; therefore, the lack of technical resources affects the proper and timely implementation of projects. Often, communities have proposed projects that are too complex

given the present resources in the country. As a result, plans are often put on hold until further resources can be mobilized, sometimes from neighboring provinces and countries. Shortage of staff in regional offices is a recurring problem that is being gradually improved upon through recruitment.

Lessons Learned

Community Empowerment: Building the capacity and institutionalization of DDAs greatly effects the smooth implementation of projects, cost effectiveness and timeliness of project completion. It also produces effective facilitation and coordination of the development activities in districts. About 800 small projects implemented through DDAs had positive project results. However, when undertaking DDA capacity-building trainings in the provinces, the CE unit depends on NABDP Regional Administration and Finance Officers to disburse the cash advances needed for the training to go ahead. However, the funds for these advances this quarter were not always allocated on time, slowing the process. Regional managers have therefore been requested to ensure their officers complete the DDA training documents as quickly as possible. It has been communicated to regional managers that they should prioritize timely processing of payments for such trainings to ensure their full effectiveness.

Economic Regeneration: During Phase II, it was realized that it is better to work with community based associations such as *shuras*, community developments councils (CDCs), DDAs, producers' associations, cooperative federations, etc. rather than individual entrepreneurs. For a greater community benefit and a larger impact on poverty alleviation, working with community-based organizations should be adopted as an important strategy. Furthermore, the addition of value-added and value chain opportunities into rural enterprise development requires multi-sector, multi-agency, and multi-level strategy and cooperation. Hence partnership with other organizations involved in similar programmes is necessary in order to achieve the synergy with other programmes and achieve major impact in rural economic development. Also, the lack of rural infrastructure and business development services (BDS) are some of the most important causes withholding the growth of SME growth in Afghanistan.

Institutional Development: Lessons are being learned through the piloting of the Grant-In-Aid scheme in Nangarhar and Kunar provinces, which aims to develop the physical and institutional capacity of DDAs. The program was successful. The ID unit's assessment of district-level development service delivery mechanisms in Badakshan and Kunar provinces will also provide valuable guidance for future NABDP interventions. Furthermore, more cooperation from stakeholders has allowed for better support for the implementation of DDA activities; for example, the PRT in Nangarhar province has offered to provide support to local DDA offices.

Implementation Unit: The successful experience of implementing the decentralized Kandahar model was shared with five other regional managers. Based on the lessons-learned from Kandahar and considering the existing capacity in the other five regions, NABDP embarked upon expanding the model to other regions. This included revisiting regional managers' terms of reference and the delegation of higher decision-making authority to them, including independence for higher financial control, planning, recruitment and reorganization of resources at regional level.

Future Plans

Overall: Drawing on the lessons learned from Phase II, the third phase, a five-year programme, was launched on 1 July 2009 and will increase assistance to the government, primarily to MRRD, to adopt a more strategic stance toward its mandate in terms of policy formulation, service delivery and resource management. At the recent Steering Committee Meeting held on 16th April, NABDP Phase III plans and strategies were introduced to donors. The final Phase III programme document was shared with donors at a follow-up meeting on 15th June.

Community Empowerment: NABDP will step up the pace of DDA establishment in the coming months, following a recent period of consolidation. Capacity-building training for DDAs in project management, gender mainstreaming, organizational development and disaster management are underway in several provinces. Phase III of NABDP will have a heavy emphasis on the role of DDAs as a district-level development coordination body. The CE unit has completed its DDA formation and training activities planned for the border provinces for the last quarter and will continue to focus on improving DDA's linkages with other district and provincial entities and monitor the assemblies.

Economic Regeneration: As part of strategic reorganization of programs within MRRD and focusing each program on its respective area of comparative advantage, and subsequent to the launching of the design of AREDP program, Economic Regeneration activities will be gradually phased out of NABDP in the third phase and progressively merged with AREDP. The 13 Provincial Business Development Specialists (BDSs) of the ER unit will continue their work in assessing SMEs for business planning and grant provision assistance until the end of 2009.

Institutional Development: The Institutional Development unit will cease to exist, and will be replaced by the new Policy and Planning unit for Phase III. In Phase III, PPU will continue to assess and analyze the Grant-in-Aid pilot program's outcomes and expand to remaining provinces accordingly. The institutional development advisors will continue to work closely with relevant MRRD departments to develop program alignment at district and national levels.

Financial Section

Table 1. Funding Overview
Donor Funding Status 2002-2009

| S.No | Donor | Commitment (Currency of the Agreement) | Received (Currency of the Agreement) | Received (USD) | UNORE | Balance (Currency of the Agreement) | Remarks |
|------|--------------------------|---|--------------------------------------|----------------|--------|-------------------------------------|-----------------|
| 1 | DFID | GBP 8,345,069.00 | GBP 2,500,000.00 | 5,154,639.18 | 0.48 | | <i>On-going</i> |
| | | | GBP 1,250,000.00 | 2,173,913.04 | 0.58 | | |
| | | | GBP 1,250,000.00 | 1,795,977.01 | 0.70 | | |
| | | | GBP 3,345,069.00 | 4,806,133.62 | 0.70 | - | |
| 2 | UK | USD 1,548,031.53 | | 1,548,031.53 | - | - | <i>Closed</i> |
| 3 | Japan DIAG | USD 15,000,000.00 | | 15,000,000.00 | - | - | <i>On-going</i> |
| 4 | Japan | USD 5,454,450.00 | | 5,454,450.00 | - | - | <i>Closed</i> |
| 5 | Japan CRD | JPY 3,248,000,000.00 | JPY 2,575,988,800.00 | 21,830,413.56 | 118.00 | JPY 672,011,200.00 | <i>On-going</i> |
| 6 | Govt of Japan (DIAG_Mol) | USD 365,332.76 | | 365,207.76 | - | USD 125.00 | <i>On-going</i> |
| 7 | Japan Border | USD 15,000,000.00 | | 15,000,000.00 | - | - | <i>On-going</i> |
| 8 | Norway | NOK 19,000,000.00 | NOK 3,500,000.00 | 566,343.04 | 6.18 | | <i>Closed</i> |
| | | | NOK 8,500,000.00 | 1,313,755.80 | 6.47 | | |
| | | | NOK 7,000,000.00 | 1,166,686.14 | 6.00 | - | |
| 9 | Norway | NOK 20,000,000.00 | NOK 10,000,000.00 | 1,694,915.25 | 5.90 | | <i>On-going</i> |
| | | | NOK 10,000,000.00 | 1,694,915.25 | 5.90 | - | |
| 10 | Netherlands | USD 2,100,000.00 | | 1,470,000.00 | - | | <i>Closed</i> |
| | | | | 630,000.00 | - | - | |
| 11 | Netherlands | USD 5,000,000.00 | | 1,500,000.00 | - | | <i>On-going</i> |
| | | | | 2,289,920.00 | - | USD 1,210,080.00 | |
| 12 | Belgium | EUR 13,500,000.00 | EUR 3,283,990.29 | 4,355,432.75 | 0.75 | | <i>On-going</i> |
| | | | EUR 1,215,996.29 | 1,573,087.05 | 0.77 | | |

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| | | | | | | | |
|---------------|----------------------|-------------------|------------------|---------------------------|------|------------------|-----------------|
| | | | EUR 4,500,000.00 | 5,739,795.92 | 0.78 | | |
| | | | EUR 2,776,000.00 | 4,000,000.00 | 0.69 | | |
| | | | EUR 1,700,000.00 | 2,367,688.02 | 0.72 | EUR 24,013.42 | |
| 13 | Govt of Canada_00078 | CAD 18,100,000.00 | CAD 6,000,000.00 | 4,958,677.69 | 1.21 | | <i>On-going</i> |
| | | | CAD 3,000,000.00 | 2,631,578.95 | 1.14 | | |
| | | | CAD 3,000,000.00 | 2,654,867.26 | 1.13 | | |
| | | | CAD 3,100,000.00 | 2,792,792.79 | 1.11 | | |
| | | | CAD 3,000,000.00 | 2,586,206.90 | 1.16 | - | |
| 14 | Govt of Canada_00078 | CAD 5,000,000.00 | CAD 5,000,000.00 | 4,385,964.91 | 1.14 | - | <i>On-going</i> |
| 15 | Govt of Canada_00078 | CAD 5,650,000.00 | CAD 5,650,000.00 | 5,150,727.00 | 1.10 | - | <i>Closed</i> |
| 16 | CIDA 00550 | CAD 11,000,000.00 | CAD 5,000,000.00 | 5,112,474.44 | 0.98 | | <i>On-going</i> |
| | | | CAD 6,000,000.00 | 4,934,210.53 | 1.22 | - | |
| 17 | CIDA 00550 | CAD 8,000,000.00 | CAD 4,000,000.00 | 3,289,473.68 | 1.22 | CAD 4,000,000.00 | <i>On-going</i> |
| 18 | CIDA 00550 | USD 1,000,000.00 | | 1,000,000.00 | - | - | <i>Closed</i> |
| 19 | Spain | EUR 6,000,000.00 | EUR 1,923,665.00 | 2,524,494.75 | 0.76 | | <i>On-going</i> |
| | | | EUR 1,003,381.00 | 1,321,977.60 | 0.76 | EUR 3,072,954.00 | |
| 20 | ITALY | EUR 3,000,000.00 | EUR 3,000,000.00 | 5,767,087.00 | 0.52 | - | <i>Closed</i> |
| 21 | UNHCR | USD 4,702,967.00 | | 4,345,296.00 | - | USD 357,671.00 | <i>Closed</i> |
| 22 | USAID_NABDP | USD 8,165,309.00 | | 8,165,309.00 | - | - | <i>Closed</i> |
| 23 | USAID_WATSAN | USD 10,000,000.00 | | 10,000,000.00 | - | - | |
| 24 | UNDP TTF | USD 583,000.00 | | 583,000.00 | - | - | <i>Closed</i> |
| 25 | UNDP Core 2008 | USD 3,600,000.00 | | 3,600,000.00 | - | - | <i>Closed</i> |
| 26 | UNDP Core 2009 | USD 1,000,000.00 | | 1,000,000.00 | - | - | <i>On-going</i> |
| 27 | BCPR 2008-09 | USD 1,205,197.00 | | 1,205,197.00 | - | - | <i>On-going</i> |
| Total: | | | | USD 181,500,640.42 | | | |

Table 2: Expenditure Status (by activity)

[Note: All financial data presented in this report are provisional. From UNDP Bureau of Management/Office of Finance and Administration, an annual certified financial statement as of 31 December will be submitted every year no later than 30 June of the following year.]

| Activity | Donor | Budget | Expenditure Status at (1QTR-09) | | Expenditure 2nd QTR-2009 | | 2nd QTR-09 Expenditure | Total Expenditure | Balance | Delivery |
|---|---------------|-----------|---------------------------------|--------------|--------------------------|--------------|------------------------|-------------------|-----------|----------|
| | | | Commitment | Disbursement | Commitment | Disbursement | | | | |
| ACTIVITY16 (Economic Regeneration) | Japan CRD | 1,170,382 | | 15,015 | | 166,366 | 166,366 | 181,381 | 989,001 | 15.50% |
| | Japan Border | 1,095,800 | | 79,898 | 2,630 | 105,931 | 108,561 | 188,459 | 907,341 | 17.20% |
| | CIDA | 500,000 | | 12,399 | | 259,002 | 259,002 | 271,401 | 228,599 | 54.28% |
| | DFID | | | - | | (630) | (630) | (630) | 630 | 0.00% |
| ACTIVITY17 (Institutional Development) | UNDP Core | 7,500 | | 656 | | - | - | 656 | 6,844 | 8.75% |
| | Belgium | | | (3,856) | | - | - | (3,856) | 3,856 | 0.00% |
| | Gov of Canada | | | | | - | - | - | - | 0.00% |
| | Japan CRD | | | | | (5,000) | (5,000) | (5,000) | 5,000 | 0.00% |
| | Japan Border | 1,476,480 | | 285,667 | | 525,506 | 525,506 | 811,173 | 665,307 | 54.94% |
| | Norway | - | | | | - | - | - | - | 0.00% |
| | Spain | 0 | | | | - | - | - | 0.01 | 0.00% |
| ACTIVITY18 (Immediate Recovery Projects) | UNDP Core | 40,000 | | 703 | | 448 | 448 | 1,151 | 38,849 | 2.88% |
| | Belgium | 1,487,000 | | 276,355 | | 39,398 | 39,398 | 315,753 | 1,171,247 | 21.23% |
| | Japan CRD | 2,400,000 | | (227,369) | | 1,290,565 | 1,290,565 | 1,063,196 | 1,336,804 | 44.30% |
| | Japan Border | 3,154,341 | | 929,870 | 127,341 | 1,535,256 | 1,662,597 | 2,592,467 | 561,874 | 82.19% |
| | Netherlands | 2,573,192 | | 529,364 | | 1,994,549 | 1,994,549 | 2,523,913 | 49,279 | 98.08% |
| | | | | | | | | | | 105.90% |
| | Norway | 1,367,725 | | 329,208 | | 1,119,156 | 1,119,156 | 1,448,364 | (80,639) | |
| | CIDA | 700,293 | | 195,776 | - | 155,528 | 155,528 | 351,304 | 348,989 | 50.17% |
| | DFID | 2,102,473 | | 777,745 | | 795,393 | 795,393 | 1,573,138 | 529,335 | 74.82% |
| Spain | 327,000 | | | | 372,512 | 372,512 | 372,512 | (45,512) | 113.92% | |

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| | | | | | | | | | | % |
|---|--------------------------|-----------|--|---------|----------|-----------|-----------|-----------|-----------|---------|
| ACTIVITY19 (Program Management) | UNDP Core | 571,900 | | 323,754 | 5,869 | 193,310 | 199,178 | 522,932 | 48,968 | 91.44% |
| | DIAG | 31,220 | | 15,603 | | 15,603 | 15,603 | 31,206 | 14 | 99.96% |
| | Belgium | 491,200 | | 329,394 | | - | - | 329,394 | 161,806 | 67.06% |
| | Japan Border | 615,507 | | 241,419 | 10,638 | 114,071 | 124,710 | 366,128 | 249,379 | 59.48% |
| | Netherlands | 20,000 | | 56,421 | | 15,492 | 15,492 | 71,913 | (51,913) | 359.57% |
| | Norway | 321,145 | | 140,297 | (16,171) | 166,990 | 150,819 | 291,116 | 30,029 | 90.65% |
| | CIDA | 22,000 | | 811 | (25,600) | 45,368 | 19,768 | 20,578 | 1,422 | 93.54% |
| | DFID | 295,174 | | 136,061 | (605) | 144,016 | 143,411 | 279,472 | 15,702 | 94.68% |
| | Spain | 186,200 | | | | 173,980 | 173,980 | 173,980 | 12,220 | 93.44% |
| ACTIVITY20 (Community Empowerment) | UNDP Core | 250,000 | | 49,336 | | 149,287 | 149,287 | 198,623 | 51,377 | 79.45% |
| | BCPR | 570,197 | | 3,851 | | 90,230 | 90,230 | 94,081 | 476,116 | 16.50% |
| | Belgium | 66,000 | | 28,875 | | 31,982 | 31,982 | 60,857 | 5,143 | 92.21% |
| | Gov of Canada | | | | | (907,707) | (907,707) | (907,707) | 907,707 | 0.00% |
| | Japan CRD | 44,000 | | 39,901 | | 6,414 | 6,414 | 46,315 | (2,315) | 105.26% |
| | Japan Border | 434,122 | | 220,600 | | 210,191 | 210,191 | 430,791 | 3,331 | 99.23% |
| | Netherlands | 71,000 | | 44,085 | | 22,974 | 22,974 | 67,059 | 3,941 | 94.45% |
| | CIDA | 907,707 | | | | 907,707 | 907,707 | 907,707 | - | 100.00% |
| | DFID | 195,000 | | | | 69,806 | 69,806 | 69,806 | 125,194 | 35.80% |
| ACTIVITY21 (IALP Program) | Gov of Canada | 814,927 | | 25,268 | | 406,134 | 406,134 | 431,402 | 383,525 | 52.94% |
| | CIDA | 500,000 | | | | 345,829 | 345,829 | 345,829 | 154,171 | 69.17% |
| ACTIVITY22 (DIAG Program) | UNDP Core | 30,600 | | | | - | - | - | 30,600 | 0.00% |
| | DIAG | 1,758,861 | | 667,957 | | 1,064,512 | 1,064,512 | 1,732,469 | 26,392 | 98.50% |
| | Gov of Japan DAIG_MoI | 175,238 | | 5,052 | - | 54,235 | 54,235 | 59,287 | 115,951 | 33.83% |
| ACTIVITY23 (Energy for Rural Dev of Afg) | UNDP Core | | | | | - | - | - | - | 0.00% |
| | Japan Border | 976,600 | | 87,347 | | 124,031 | 124,031 | 211,378 | 765,222 | 21.64% |
| ACTIVITY1 (Program Management_D | UNDP Core | 100,000 | | 73,163 | | 142,315 | 142,315 | 215,478 | (115,478) | 215.48% |
| | Belgium | 7,200 | | | | - | - | - | 7,200 | 0.00% |

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| | | | | | | | | | | |
|--------------|--------------|-------------------|----------|------------------|----------------|-------------------|-------------------|-------------------|-------------------|---------------|
| EX) | Japan Border | 84,000 | | 2,383 | | 52,598 | 52,598 | 54,981 | 29,019 | 65.45% |
| | Norway | 5,400 | | | | - | - | - | 5,400 | 0.00% |
| | DFID | 22,800 | | | | - | - | - | 22,800 | 0.00% |
| GMS | | 1,747,575 | | 351,180 | | 1,307,342 | 1,307,342 | 1,658,521 | 89,053 | 94.90% |
| Total | | 29,717,758 | - | 6,044,187 | 104,102 | 13,300,691 | 13,404,793 | 19,448,980 | 10,268,778 | 65.45% |

Note: GMS under Expenditure is calculated based on the allocated Budget Revision # 19, which needs to be adjusted.

Table 3: Expenditure Status (by donor)

| Donor | Activity | Budget | Expenditure Status at (1QTR-09) | | Expenditure 2nd QTR-2009 | | 2nd QTR-09 Expenditure | Total Expenditure | Balance | Delivery |
|-------------------------|-------------------------------|------------------|---------------------------------|----------------|--------------------------|----------------|------------------------|-------------------|----------------|---------------|
| | | | Commitment | Disbursement | Commitment | Disbursement | | | | |
| UNDP Core (00012_04000) | Institutional Development | 7,500 | | 656 | | - | - | 656 | 6,844 | |
| | Immediately Recovery Projects | 40,000 | | 703 | | 448 | 448 | 1,151 | 38,849 | |
| | Programme Management (NEX) | 571,900 | | 323,754 | 5,869 | 193,310 | 199,178 | 522,932 | 48,968 | |
| | Community Emp | 250,000 | | 49,336 | | 149,287 | 149,287 | 198,623 | 51,377 | |
| | DIAG Programme | 30,600 | | | | - | - | - | 30,600 | |
| | Programme Management (DEX) | 100,000 | | 73,163 | | 142,315 | 142,315 | 215,478 | (115,478) | |
| Sub Total (UNDP) | | 1,000,000 | - | 447,612 | 5,869 | 485,360 | 491,228 | 938,840 | 61,160 | 93.88% |
| BCPR (00012_04160) | Community Emp | 570,197 | | 3,851 | | 90,230 | 90,230 | 94,081 | 476,116 | |
| Sub Total (BCPR) | | 570,197 | - | 3,851 | - | 90,230 | 90,230 | 94,081 | 476,116 | 16.50% |
| DIAG | Programme Management | 31,220 | | 15,603 | | 15,603 | 15,603 | 31,206 | 14 | |

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| | | | | | | | | | | |
|--|---|------------------|------------------|----------------|----------------|------------------|------------------|------------------|------------------|----------------|
| (00044_300 71) | (NEX) | | | | | | | | | |
| | DIAG Programme | 1,758,861 | | 667,957 | | 1,064,512 | 1,064,512 | 1,732,469 | 26,392 | |
| | GMS* 5% | 94,215 | - | 35,977 | | 49,642 | 49,642 | 85,619 | 8,596 | |
| Sub Total (Japan DIAG) | | 1,884,296 | - | 719,537 | - | 1,129,757 | 1,129,757 | 1,849,294 | 35,002 | 98.14% |
| BELGIUM (00061_420 19) | Institutional Development Immediately Recovery Projects | | | (3,856) | | - | - | (3,856) | 3,856 | |
| | Programme Management (NEX) | 1,487,000 | | 276,355 | | 39,398 | 39,398 | 315,753 | 1,171,247 | |
| | Community Empowerment Programme Management (DEX) | 491,200 | | 329,394 | | - | - | 329,394 | 161,806 | |
| | | 66,000 | | 28,875 | | 31,982 | 31,982 | 60,857 | 5,143 | |
| | | 7,200 | | - | | - | - | - | 7,200 | |
| | GMS* 3% | 63,445 | - | 19,508 | - | 43,714 | 43,714 | 63,223 | 223 | |
| Sub Total (Belgium) | | 2,114,845 | - | 650,276 | - | 115,094 | 115,094 | 765,370 | 1,349,475 | 36.19% |
| Govt of Canada (00078_300 00) | Community Empowerment | - | | | | (907,707) | (907,707) | (907,707) | 907,707 | |
| | IALP Programme | 814,927 | | 25,268 | | 406,134 | 406,134 | 431,402 | 383,525 | |
| | GMS* 5% | 42,891 | - | 1,330 | - | (6,213) | (6,213) | (4,883) | 47,774 | |
| Sub Total (Govt of Canada) | | 857,818 | - | 26,598 | - | (507,786) | (507,786) | (481,188) | 1,339,006 | 56.09% |
| CIDA (00550_300 00) | Economic Regeneration Immediately Recovery Projects | 500,000 | | 12,399 | | 259,002 | 259,002 | 271,401 | 228,599 | |
| | Programme Management (NEX) | 700,293 | | 195,776 | | 155,528 | 155,528 | 351,304 | 348,989 | |
| | Community Empowerment | 22,000 | | 811 | (25,600) | 45,368 | 19,768 | 20,578 | 1,422 | |
| | Immediately Recovery Projects(Kand) | 907,707 | | | | 907,707 | 907,707 | 907,707 | - | |
| | | 500,000 | | | | 345,829 | 345,829 | 345,829 | 154,171 | |
| | GMS* 7% | 197,957 | - | 15,730 | | 205,162 | 205,162 | 220,892 | (22,935) | |
| | Sub Total (CIDA) | | 2,827,957 | - | 224,716 | (25,600) | 1,918,596 | 1,892,996 | 2,117,712 | 710,245 |
| JAPAN CRD | Economic Regeneration | 1,170,382 | | 15,015 | | 166,366 | 166,366 | 181,381 | 989,001 | |

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| | | | | | | | | | | |
|---------------------------------|-------------------------------|------------------|---|------------------|----------------|------------------|------------------|------------------|------------------|----------------|
| (00141_30000) | Institutional Development | - | | | | (5,000) | (5,000) | (5,000) | 5,000 | |
| | Immediately Recovery Projects | 2,400,000 | | (227,369) | | 1,290,565 | 1,290,565 | 1,063,196 | 1,336,804 | |
| | Community Empowerment | 44,000 | | 39,901 | | 6,414 | 6,414 | 46,315 | (2,315) | |
| | GMS* 5% | 190,231 | - | (9,076) | | 199,307 | 199,307 | 190,231 | - | |
| Sub Total (Japan) | | 3,804,613 | - | (181,529) | - | 1,657,652 | 1,657,652 | 1,476,123 | 2,328,490 | 38.80% |
| DIAG_Mol (00141_30000) | DIAG Programme (DIAG_Mol) | 175,238 | | 5,052 | - | 54,235 | 54,235 | 59,287 | 115,951 | |
| | GMS* 3% | 5,420 | - | 156 | | 5,263 | 5,263 | 5,420 | - | |
| Sub Total (DIAG_Mol) | | 180,658 | - | 5,208 | - | 59,498 | 59,498 | 64,707 | 115,951 | 35.82% |
| JAPAN Border (00141_32045) | Economic Regeneration | 1,095,800 | | 79,898 | 2,630 | 105,931 | 108,561 | 188,459 | 907,341 | |
| | Institutional Development | 1,476,480 | | 285,667 | | 525,506 | 525,506 | 811,173 | 665,307 | |
| | Immediately Recovery Projects | 3,154,341 | | 929,870 | 127,341 | 1,535,256 | 1,662,597 | 2,592,467 | 561,874 | |
| | Programme Management (NEX) | 615,507 | | 241,419 | 10,638 | 114,071 | 124,710 | 366,128 | 249,379 | |
| | Community Empowerment | 434,122 | | 220,600 | | 210,191 | 210,191 | 430,791 | 3,331 | |
| | Energy for Rural Dev. of Afg. | 976,600 | | 87,347 | | 124,031 | 124,031 | 211,378 | 765,222 | |
| | Programme Management (DEX) | 84,000 | | 2,383 | - | 52,598 | 52,598 | 54,981 | 29,019 | |
| | GMS* 7% | 589,870 | - | 139,035 | | 444,513 | 444,513 | 583,548 | 6,323 | |
| Sub Total (Japan Border) | | 8,426,720 | - | 1,986,219 | 140,609 | 3,112,097 | 3,252,706 | 5,238,925 | 3,187,795 | 62.17% |
| NETHERLANDS (00182_30000) | Immediately Recovery Projects | 2,573,192 | | 529,364 | | 1,994,549 | 1,994,549 | 2,523,913 | 49,279 | |
| | Programme Management (NEX) | 20,000 | | 56,421 | | 15,492 | 15,492 | 71,913 | (51,913) | |
| | Community Empowerment | 71,000 | | 44,085 | | 22,974 | 22,974 | 67,059 | 3,941 | |
| | GMS* 7% | 200,531 | - | 47,410 | | 154,427 | 154,427 | 201,837 | (1,306) | |
| Sub Total (Netherlands) | | 2,864,722 | - | 677,279 | - | 2,187,443 | 2,187,443 | 2,864,722 | 0.21 | 100.00% |

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| | | | | | | | | | | |
|------------------------------|---|-------------------|---|------------------|-----------------|-------------------|-------------------|-------------------|-------------------|----------------|
| NORWAY (00187_300 00) | Institutional Development Immediately Recovery Projects | - | | | | - | - | - | - | |
| | Programme Management (NEX) | 1,367,725 | | 329,208 | | 1,119,156 | 1,119,156 | 1,448,364 | (80,639) | |
| | Programme Management (DEX) | 321,145 | | 140,297 | (16,171) | 166,990 | 150,819 | 291,116 | 30,029 | |
| | GMS* 7% | 5,400 | | | | - | - | - | 5,400 | |
| Sub Total (Norway) | | 1,821,796 | - | 501,833 | (16,171) | 1,371,308 | 1,355,137 | 1,856,971 | (35,175) | 101.93% |
| DFID (00551_300 00) | Economic Regeneration Immediately Recovery Projects | - | | | | (630) | (630) | (630) | 630 | |
| | Programme Management (NEX) | 2,102,473 | | 777,745 | | 795,393 | 795,393 | 1,573,138 | 529,335 | |
| | Community Empowerment Programme Management (DEX) | 295,174 | | 136,061 | (605) | 144,016 | 143,411 | 279,472 | 15,702 | |
| | | 195,000 | | | | 69,806 | 69,806 | 69,806 | 125,194 | |
| | | 22,800 | | | | - | - | - | 22,800 | |
| GMS* 7% | | 196,862 | - | 68,781 | | 126,364 | 126,364 | 195,145 | 1,716 | |
| Sub Total (Dfid) | | 2,812,308 | - | 982,587 | (605) | 1,134,949 | 1,134,345 | 2,116,932 | 695,377 | 75.27% |
| Spanish (10216_300 00) | Immediately Recovery Projects | 327,000 | | | | 372,512 | 372,512 | 372,512 | (45,512) | |
| | Programme Management (NEX) | 186,200 | | | | 173,980 | 173,980 | 173,980 | 12,220 | |
| | GMS* 7% | 38,628 | - | - | | - | - | - | 38,628 | |
| Sub Total (Spain) | | 551,828 | - | - | - | 546,492 | 546,492 | 546,492 | 5,336 | 99.03% |
| Grand Total | | 29,717,758 | - | 6,044,187 | 104,102 | 13,300,691 | 13,404,793 | 19,448,980 | 10,268,778 | 65.45% |

Note: GMS under Expenditure is calculated based on the allocated Budget Revision # 19, which needs to be adjusted. Also to remove deficit the expenditure is being in adjustment stage.

Annexes

Annex I: Performance Tracking Matrix

| Result/Goals | Performance Indicators | Baseline Info | Performance Benchmark and Targets (6 months) | Implementation Progress in reporting quarter |
|---|---|---------------|--|---|
| 1. Comprehensive rural development plans, based on participatory community development processes and economic regeneration assessments and strategies | 1. No. of DDAs established, No. of trainings carried out, No. of DDPs uploaded to NABDP website, No. of BDS trainings and grants provided to SME. | NA | 1. 30 DDAs established, 78 trainings, 90 DDPs uploaded. | 1. 28 DDAs established, 13 trainings carried out, 55 DDPs uploaded to NABDP website, 35 BDS trainings and grants provided to SME. |
| 2. Rural development policies developed and adopted by the Government and other relevant stakeholders, providing frameworks for viable interventions for economic regeneration, poverty reduction, and improving livelihoods. | 2. Policy support to AREDP, Draft MHP and proposals prepared. | | 2. AREDP to have improved capacity, improved MHP policy, number of MHP proposals prepared. | 2. Policy support to AREDP, draft micro-hydro projects (MHP) and proposals prepared. |
| 3. Strengthened management and implementation capacity of MRRD and relevant partner institutions to address rural development and economic regeneration needs and priorities. | 3. No. of capacity building trainings for REED, No. of DACs established, no of Grant-in-Aid DDAs, improved coordination with AIRD and CLDD. | | 3. Improved REED capacity, DACs established/facilitated, 4 DDAs on Grant-in-Aid scheme, AIRD and CLDD to have improved capacity and coordination.D | 3. 13 capacity building trainings for REED, 17 DACs established, 6 Grant-in-Aid DDAs, improved coordination with AIRD and CLDD. |
| 4. High-quality and sustainable community-led rural development and economic regeneration investments that reduce poverty and improve livelihoods. | 4. No. of rural infrastructure projects under way, No. of monitoring missions, No. of ERDA projects, No. of SMEs and economic | | 4. All Border Province Infrastructure Projects underway, majority of Phase II infrastructure projects completed, 2 Monitoring missions per month completed, 8 MHP and 100 Biogas projects underway, 14 | 4. 415 rural infrastructure projects under way, 45 monitoring missions, 30 ERDA biogas and 7 MHP projects underway, 5 SMEs and economic infrastructure projects underway in Border Provinces. |

infrastructure projects underway in Border Provinces.

SMEs improved/established, 14 economic infrastructure projects completed.

Annex II: Risk Log

RISK LOG

| | | |
|-----------------------------|---------------------------|----------------------|
| Project Title: NABDP | Award ID: 00011020 | Date: 27/7/09 |
|-----------------------------|---------------------------|----------------------|

| # | Description | Date Identified | Type | Impact & Probability | Countermeasures / Mngt response | Owner | Submitted, updated by | Last Update | Status |
|---|------------------|-----------------|---------------|---|--|-------|-----------------------|-------------|-----------------------------------|
| 1 | Insecurity | NA | Environmental | Lack of security in certain regions severely delays the progress of projects or leads to their termination, as well as endangering labourers and staff/monitors working in the affected area. P = 5 I = 5 | MRRD relies heavily on the DDAs to implement projects and contract directly with communities as often as possible to reduce the likelihood of security problems. | NABDP | Project Manager | June | Increasing |
| 2 | Social Conflicts | | Operational | Two projects still are experiencing social conflicts reported in the first quarter. Since NABDP has a participatory approach to identifying needs and priorities, social conflicts of a political nature often arise within communities during project selection. These issues are usually resolved by the PRRD, or by intervention of DDAs, the district of provincial | Problem currently being dealt with at provincial level. | NABDP | Project Manager | June | Currently being dealt with |

| | | | | | | | | |
|----------|---------------------|--|------------------------|---|--|-------|-----------------|------|
| | | | | governor, and occasionally ISAF mediation. P =5 I = 5 | | | | |
| 3 | Seasonal conditions | | Environmental/Seasonal | This quarter, due to heavy flooding in some areas, some project construction has been delayed and destroyed progress must be repaired. P =5 I = 5 | Funds have been processed in order to make the repairs on project destruction due to flooding. | NABDP | Project Manager | June |

Annex III: Issue Log

| ISSUES LOG | | | | | Date: 27/07/09 | |
|--------------------|-----------------------------------|-----------------|--|---|--------------------|--|
| Award ID: 00011020 | | | Project: NABDP | | | |
| ID | Type | Date Identified | Description | Status/Priority | Status Change Date | Author |
| | Lack of Technical Human Resources | NA | The technical nature of NABDP's infrastructure projects and lack of technical and human resources affect the proper and timely implementation of projects. | Capacity building trainings carried out; further resources mobilized; materials imported. | NA | Implementation Unit reported the problem |