



United Nations Development Programme Afghanistan

National Area-Based Development Programme (NABDP) [01-01-2009 to 31-3-2009]

Quarterly Project Report – 1st Quarter, 2009



A community protection wall project being implemented in Kandahar

Project ID: 11020 (NEX), 11012 (DEX)
Duration: Phase II (February 2006 – June 2009)
Total Budget: USD 164m
Unfunded: USD 12.8m
Implementing Partners/Responsible parties: MRRD

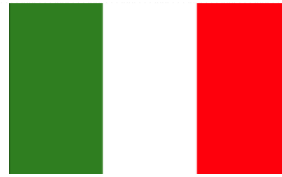
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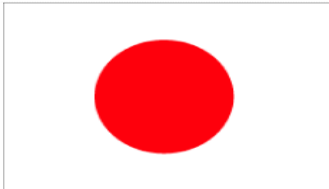
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I. Implementation progress

Output 1: Comprehensive rural development plans, based on participatory community development processes and economic regeneration assessments and strategies.

(1.1) Empowered communities able to plan and implement their own development activities.

With NABDP Phase II being extended until the end of June 2009, the program has carried over its second phase objectives for two quarters of this year. Accordingly, the Community Empowerment (CE) Unit's planned activities include: (i) to establish 30 District Development Assemblies (DDAs) in Kabul, Badakhshan and Herat provinces, (ii) deliver capacity building trainings in 48 districts, (iii) disaster management trainings to 30 at-risk districts and (iv) upload 90 District Development Plans (DDPs) on to the NABDP website for public access. The CE component has been on track in reaching its deliverables.

Through a participatory process facilitated by CE, a total of 15 DDAs have been established in the first Quarter of 2009. These cover eight districts of Herat and seven districts in Kabul. Apart from the one DDA in Char-Asyab district of Kabul where a separate women's group was requested, the remaining DDAs comprise of an equal number of men and women members. 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).

Following their formation, DDAs undergo capacity building trainings in the areas of governance, conflict resolution, gender equity, participatory project implementation and financial management. In the past quarter, six capacity building trainings have been delivered to DDAs in Balkh, Kandahar and Kunar. In an assessment undertaken by the Institutional Development (ID) component, DDA members revealed that the trainings helped them improve their knowledge on development-related issues and influencing development actors at district level as well as acquiring 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 last quarter, 11 District Development Plans (DDPs) in Zabul province, three DDPs in Logar province and 15 in Kunar province have been verified 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.

In the case of those DDAs in 'at-risk' communities receiving a grant for community disaster preparedness from BCPR, a training module on disaster management has been prepared. These awareness workshops have been conducted for 8 districts, 4 in Badakhshan, 2 in Nangarhar, and 2 in Faryab. 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 Warduj and Jurm in Badakhshan province, Lalpora and Deh-Bala in Nangarhar province, and Dawlatyar district of the Ghor province. These communities are now better able to mitigate and deal with droughts, floods or earthquakes.

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

In collaboration with the Afghanistan Rural Enterprise Development Program (AREDP), NABDP's Economic Regeneration (ER) unit has been contributing to promotion and support of investment in the private sector. Its Provincial Business Development Specialists (P-BDS) have identified 30 business opportunities, carried out feasibility studies and submitted grant applications for proposed plans. Verifications will be complete by the next quarter, proceeding with roll out of interventions will be occurred shortly thereafter.

Based on previously-developed business plans, contracts for supporting the development of five rural Small and Medium Enterprises (SMEs) have been signed so far. Entrepreneurship has been promoted in Bamian, Balkh and Herat with technical support from the Cooperation Center for Afghanistan (CCA), the Hand in Hand organization (HIH), and Sanayee Development Organization (SDO). Selected Entrepreneurs in Bamian and Balkh have received trainings in business management, finance and operations. As a result they are able to function according to standards with enhanced management skills.

The inception reports and work plans for the Almond and Safron SMEs have been completed and revised. Support to the saffron enterprise in Herat encourages production of this legal crop preventing farmers from returning to opium cultivation. Direct growth in agricultural products through these SMEs has enhanced livelihoods for 800 people in respective rural communities.

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 review of national level AREDP and policy framework

The ER component has been working closely on AREDP's strategy and approach through stakeholder meetings involving donors, relevant government Ministries and NGOs active in the field of SME development. Having approved AREDP's concept paper, the World Bank has requested a full programme document and operations manual. Once approved, the funds are expected to be disbursed to AREDP by September, 2009. ER has also provided support to AREDP's negotiations with other bi-lateral donors.

ER 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 grants and technical input and trainings. The AREDP will also receive input from the ongoing SME support pilot projects in Balkh, Bamian and Herat. The lessons learnt from these pilot projects will provide useful inputs in developing future strategies for AREDP's support to SMEs in Afghanistan.

ER's five core SMEs serve as pilots to provide lesson-learns and baseline information and contribute to development of a policy framework for AREDP. These programs will be extended across all provinces based on analysis of pilot results.

(2.1) Support to Afghan Government Energy Policy Development

The Energy for Rural Development in Afghanistan (ERDA) Project has prepared a Micro-Hydro policy for Afghanistan in consultation with the National Solidarity Program (NSP) and Rural Energy and Enterprise Development (REED). The policy will go through MRRD and the Inter-Ministerial Commission on Energy (ICE) to be approved as a part of 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

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 REED, which are ongoing. ERDA works closely with this department and shares strategies, office space and coordinate activities. Currently, ERDA assists REED in assessing the performance of existing Micro-Hydro projects of MRRD. The expected long-term result is for REED to independently manage rural energy activities as NABDP-ERDA phases out.

(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.

The Institutional Development unit (ID) had carried out delivery mechanism assessments in 5 provinces, one from each region. Based on the analysis, an interactive alternative design has been proposed which includes developing DDAs' organizational competence through the grant-in-aid scheme, improving its linkages with other development actors, and establishing District Advisory Committees (DACs) for strategic assistance. However, the CARD mechanism has not been approved yet. Communication between the MAIL and MRRD leadership has been ongoing and the design is to be finalized by mid-April. establishment of the DACs can be undertaken, afterwards.

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

The ID unit started piloting the Grant-in-Aid scheme for the DDAs in Nangarhar, Kandahar and Kunar. In this scheme financial assistance/grant-in-aid is extended to DDAs to undertake office management, capacity building for monitoring activities, and promotion of innovative activities. NABDP predominantly funds running costs related to establishing and managing offices. Occasionally, project funding may be offered for development activities such as organizing a capacity building program where these are not part of the on-going revenue requirement of the DDA.

This scheme has enhanced MRRD's delivery mechanism at the district level. The district Shuras have gained more legitimacy and acknowledgement from the community and the local institutions. For example, In Momandara district, Nangarhar province, DDA priorities were recognized not only by MRRD but other development actors and they were contracted as implementing partners. Following the positive results observed under the pilot projects, the grant-in-aid program is expected to extend to Badakhshan and Faryab within the next month.

(3.4) MRRD Capacity Building

In the past quarter, NABDP's ID unit provided technical assistance to the Community-Led Development Department (CLDD) and the Afghanistan Institute for Rural Development Department (AIRD). CLDD's objectives have been revisited and its Terms of Reference revised in consultation with relevant MRRD departments and officials. Its role has been clarified as the supporting institution to local entities.

In addition, a Result-Based Framework (RBF) was developed for AIRD in line with MRRD's RBF format. This is a part of standardization efforts at ministry level and helps with the analysis of gaps in resource and capacity for reaching solid objectives. NABDP continues to communicate with the two departments in terms of program alignment and coordination of activities, mainly pertaining to the DDAs.

NABDP supported RITS and PRRDs through its Technical Support Unit (TSU). TSUs have proved invaluable in providing survey and design support to PRRDs, which often do not have the necessary level of staffing and technical capabilities to implement projects without assistance. A team of eight engineers were recruited in the Kandahar regional TSU to facilitate survey and design of new projects. The TSUs 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

The implementation Unit (IU) has completed a total of 69 infrastructure projects benefiting 24,647 people in the last quarter. Of these, 25 were regular projects identified by communities, the remaining being agricultural infrastructure projects (i.e. canals, retaining walls, intakes etc) aimed at border stabilization and counter narcotics. These 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 first quarter of 2009 provide 80,234 working days in insecure areas. DDAs in Kandahar have reported that fewer people traveled to Helmand to work on poppy fields.

As a part of NABDP's stabilization efforts, the Disarming Illegally 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 in setting up an in-house DIAG unit. One project has been newly signed. Six projects have been announced for bidding; these include 1 Water Pipe Scheme, 1 Bridge, Intake Control, Basic Health Unit, 120 Wells.

In addition, a memorandum of understanding has been signed between MRRD, MoE and MAIL for the second part of Integrated Alternative Livelihoods (IALP) K2 project. A project manager and deputy project manager have been recruited to lead this project in Kandahar province.

(4.2) Monitoring, Reporting and Quality Control Activities

The activities of the Implementation Unit have been supported and facilitated by the Quality Control unit, which has prepared design guidelines, technical manuals, and specifications for a variety of projects. The quality of project designs and the authenticity of documents are verified at regional level. The unit has reviewed and approved 10 irrigation projects in Nangarhar province.

NABDP's monitoring and result-based reporting unit (MRRU) has developed and finalized a result-based monitoring manual. The manual will be shared and taught to the DDAs to enhance the monitoring function. MRRU undertook an assessment of NABDP's reporting line and shared its analysis with the heads of components and the program manager. As a result, the monitoring and reporting processes have been transformed for better efficiency and communication.

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

ERDA supported 9 communities in installing micro-hydropower plants in Bamyan and Badakhshan Provinces. The scale of these plants range between 15 and 60 kilowatts providing energy for a total of 2001 families in the communities. Seven biogas potentials in sizes 3, 8 and 10 have been identified. The survey stage is complete and the program will shortly be piloted in Jalalabad through the local CDCs. ERDA plans to develop this site as a training center as well and will use the trained masons to build biogas plants in border districts of Nangarhar Province.

(4.4) 14 SMEs in Border Provinces improved/ established

Situation analysis and feasibility studies have been conducted by the P-BDSs based on which 30 business opportunities have been identified in the border provinces. Total 8 applications have been verified and approved, hence interventions are to roll out shortly.

II. Project implementation challenges

Updated project risks and actions

Insecurity: The most pervasive risk encountered in the programme was the insecurity in some areas. Work on two projects in Zhari, Kandahar had been severely delayed, both are just being completed. In addition, severe insecurity in Ghazni province has meant that the survey and design of projects outside Ghazni city is not possible at the moment, and that only projects in the immediate vicinity of the provincial center can be implemented. If the situation improves, then Ghazni PRRD staff will attempt to expand their operations. MRRD relied heavily on the DDA to implement the projects and contracted directly with communities as often as possible to improve security and to create local employment opportunities.

Lack of Resources: A second risk was lack of adequate human and technological resources. The technical nature of NABDP's infrastructure projects and lack of technical resources affect proper implementation of projects. Often communities proposed projects of priority that were too complex

given the present resources in the area; as a result, these plans were put on hold until further resources could be mobilized. There has been a shortage of staff in Herat and Badghis provinces to facilitate DDA activities.

Social Conflicts: Since NABDP has a participatory approach to identifying needs and priorities, social conflicts within communities often arise on project selection. Such conflicts are usually solved through the intervention of DDAs, the district or provincial governor, and occasionally through ISAF mediation. Keeping in mind MRRD's goal of strengthening the government's image in rural Afghanistan, NABDP has avoided forsaking quality for complying with time frames. The program has acknowledged existing issues and adjusted accordingly.

Seasonal Issue: Due to heavy snow fall and road blocks in some remote, inaccessible districts, the trainings in some districts could not be delivered. Also concerning the DDA establishment team, the provocation of some remote CDC representatives is not attainable. As a result, the CE component experienced some delay in its activities, which will be undertaken as weather conditions improve.

Future Plans:

The Community Empowerment has completed its DDA formation and training activities planned for the border provinces. It will continue to focus on improving DDA's linkages with other district and provincial entities and monitor the assemblies.

The 13 Provincial Business Development Specialists of the Economic Regeneration unit will continue their work in assessing SMEs for business planning and grant provision assistance. Within the next month, 12 grants, with a total value of \$350,000 are expected to be approved. The BDS manual will also be completed in the coming quarter.

The Institutional Development unit will assess and analyze the grant-in-aid pilot program's outcomes and expand to remaining border provinces accordingly. The institutional development advisors will continue to work closely with relevant MRRD departments to develop program alignment at district and national levels.

The Provincial Business Development Specialists will arrange for quotations with the vendor or service provider once their proposed interventions have been approved by the ERDA management. The services and equipment will be rolled out to SMEs and the activities will be monitored and advised by the Provincial Business Development Specialists.

III. Financial status and utilization

Financial status

Table 1 – Contributions Overview (February 2002 – March 2009)

Donor	Contributions		Contribution Balance
	Committed	Received	
UNDP	4,089,381	4,089,381	-
BCPR	766,282.00	766,282	-
UNHCR	4,574,496	4,345,296	229,200
Japan DIAG	15,000,000	15,000,000	-
Belgium	17,579,497	17,579,497	-
CIDA	25,160,816	25,160,816	-
CIDA ANDS	1,434,000	1,000,000	434,000
CIDA 08 bridging fund	5,112,474	5,112,474	-
CIDA IALP K2 09	8,000,000	4,000,000	4,000,000
CIDA 09	6,000,000	6,000,000	-
Spanish 09	6,393,862	-	6,393,862
Italy	5,767,087	5,767,087	-
Japan	27,284,864	27,284,864	-
Japan 08 Border provinces	15,000,000	15,000,000	-
Netherlands	7,100,000	5,230,851	1,869,149
Norway	6,436,615	6,436,615	-
DFID	11,809,499	9,124,529	2,684,970
UK	1,562,500	1,562,500	-
USA	18,165,309	18,165,309	-
Total	187,236,682	171,625,502	15,611,180

Financial utilization

Table 2: Quarterly Expenditure by Activities (1st Jan 09 – 31st March 09)

ACTIVITY	BUD_2009	ATLAS Fig		Total Expenditures	BALANCE	DELIVERY (%)
		1QTR 2009	1QTR 2009 not yet posted in ATLAS			
ACTIVITY16 Economic Regeneration	2,770,182	12,399	94,913	107,312	2,662,870	4%
ACTIVITY17 Institutional Development	1,572,830	(3,856)	286,323	282,467	1,290,363	18%
ACTIVITY18 Immediately Recovery Projects	14,930,606	167,341	2,644,311	2,811,652	12,118,954	19%
ACTIVITY19 Programme Management	2,325,303	328,314	915,445	1,243,759	1,081,544	53%
ACTIVITY20 Community Empowerment	1,577,997	30,029	356,619	386,648	1,191,349	25%
ACTIVITY21 IALP Programme	814,927	-	25,268	25,268	789,659	3%
ACTIVITY22 DIAG Programme	1,806,795	823	672,186	673,009	1,133,786	37%
ACTIVITY23 Energy for Rural Dev. of Afg.	972,600	-	87,347	87,347	885,253	9%
ACTIVITY1 Programme Management DEX	219,400	75,546	-	75,546	143,854	34%
GMS	1,667,189	25,152	326,027	351,180	1,316,010	21%
Total	28,657,829	635,748	5,408,439	6,044,187	22,613,642	21%

Table 3: Draft Quarterly Expenditure by Donor (01-Jan-2009 to 31-Mar-2009)

Donor	Activity	BUD_2009	1QTR 2009	1QTR 2009 not yet posted in ATLAS	Total Expenditures	Balance	Delivery Rate
UNDP	Institutional Development	20,000		656	656	19,344	
	Immediately Recovery Projects	80,000		703	703	79,297	
	Programme Management (NEX)	514,000	198,603	125,151	323,754	190,246	
	Community Emp	250,000		49,336	49,336	200,664	
	Community Emp (BCPR_04160)	570,197		3,851	3,851	566,346	
	DIAG Programme	36,000			-	36,000	
	Energy for Rural Dev. of Afg.				-	-	
	Programme Management (DEX)	100,000	73,163		73,163	26,837	
Sub Total (UNDP)		1,570,197	271,766	179,697	451,463	1,118,734	29%
DIAG	Programme Management (NEX)	31,200		15,603	15,603	15,597	
	DIAG Programme	1,595,557	823	667,134	667,957	927,600	
	GMS* 5%	85,619	43	35,934	35,977	49,642	
Sub Total (Japan DIAG)		1,712,376	866	718,671	719,537	992,839	42%

BELGIUM	Institutional Development		(3,856)	-	(3,856)	3,856	
	Immediately Recovery Projects	1,500,000		276,355	276,355	1,223,645	
	Programme Management (NEX)	478,200		329,394	329,394	148,806	
	Community Empowerment	66,000		28,875	28,875	37,125	
	Programme Management (DEX)	7,200			-	7,200	
	GMS* 3%	63,445	(119)	19,628	19,508	43,937	
Sub Total (Belgium)		2,114,845	(3,976)	654,252	650,276	1,464,569	31%
CIDA	IALP Programme	814,927		25,268	25,268	789,659	
	GMS* 5%	42,891	-	1,330	1,330	41,561	
Sub Total (CIDA)		857,818	-	26,598	26,598	831,220	3%
CIDA Bridging	Economic Regeneration	500,000	12,399		12,399	487,601	
	Institutional Development				-	-	
	Immediately Recovery Projects	1,800,000	40,000	155,776	195,776	1,604,224	
	Programme Management (NEX)		811		811	(811)	
	Community Empowerment				-	-	
	GMS* 7%	173,118	4,005	11,725	15,730	157,388	
Sub Total (CIDA_Bridging)		2,473,118	57,215	167,501	224,716	2,248,402	9%

Netherlands	Economic Regeneration				-	-	
	Institutional Development				-	-	
	Immediately Recovery Projects	2,445,793		529,364	529,364	1,916,429	
	Programme Management (NEX)	111,750		56,421	56,421	55,329	
	Community Empowerment	124,000	30,029	14,056	44,085	79,915	
	Programme Management (DEX)				-	-	
	GMS* 7%	201,837	2,260	45,149	47,410	154,427	
Sub Total (Netherlands)		2,883,380	32,289	644,990	677,279	2,206,100	23%
NORWAY EARMARED	Institutional Development	9,350			-	9,350	
	Immediately Recovery Projects	265,576			-	265,576	
	Programme Management (NEX)	182,438	22,243	110,743	132,986	49,452	
	Community Empowerment				-	-	
	Programme Management (DEX)				-	-	
	GMS* 5%	24,072	1,171	5,829	6,999	17,073	
Sub Total (Norway_Earmarked)		481,436	23,413	116,572	139,985	341,451	29%

NORWAY UN_EARMARKED	Institutional Development				-	-	
	Immediately Recovery Projects	1,121,770		329,208	329,208	792,562	
	Programme Management (NEX)	119,365		7,311	7,311	112,054	
	Community Empowerment				-	-	
	Programme Management (DEX)	5,400			-	5,400	
	GMS* 7%	93,825	-	25,329	25,329	68,496	
Sub Total (Norway_Un Earmarked)		1,340,360	-	361,848	361,848	978,512	27%
DFID	Institutional Development				-	-	
	Immediately Recovery Projects	2,175,167		777,745	777,745	1,397,422	
	Programme Management (NEX)	222,480		136,061	136,061	86,419	
	Community Empowerment	195,000		-	-	195,000	
	Programme Management (DEX)	22,800			-	22,800	
	GMS* 7%	196,862	-	68,781	68,781	128,080	
Sub Total (Dfid)		2,812,308	-	982,587	982,587	1,829,721	35%
Grand Total		28,657,829	635,748	5,408,439	6,044,187	22,613,642	21%