



Afghanistan

QUARTERLY PROJECT REPORT [FIRST QUARTER, 2009]

United Nations Development Programme

Afghanistan

Counter Narcotics Trust Fund

[01-01-2009 – 31-03-2009]



[Labour Based Development Programme, Baghlan]

Project ID	0045781
Duration	October 2005 – June 2009
Strategic Plan Component	Crisis Prevention and Recovery
Total Budget	USD 900 Million
Unfunded	USD 800311.741
Implementing Partners/Responsible parties	Ministry of Finance & Ministry of Counter Narcotics

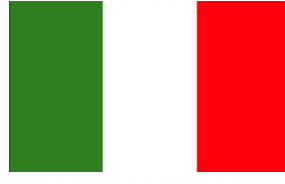
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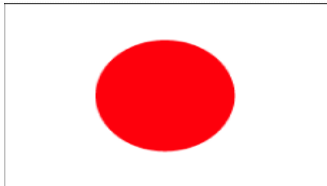
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I. Implementation Progress

CNTF has total donor commitments of US\$ 99.6 million from 16 countries for the projects implemented projects by the Line Ministries, against which US\$ 64.8 million was received including UNDP contribution for operation and support cost of US\$ 1.4 million till December 2008. There is outstanding commitment from EC and UK of US\$ 1.2 million and US\$ 28.7 million respectively. UNDP has advanced US\$ 19.8 million to the Government of Afghanistan. UK, EC and Japan commitment constitutes 58.0%, 23.1% and 6.5% of total commitment respectively. Commitment from each of 13 remaining donors is less than 3% of the total commitments.

The total disbursements for the CNTF Project as of March 31, 2009 were US\$ 18.4 million. Under the quick-delivery GPI Window, a total of USD 17.3 million (inclusive of operational costs) has been approved, by the GPI Review Committee, for funding 42 provincial projects in 18 provinces, of which a total of USD 6.2 million for 32 projects had already been disbursed by March 31, 2009. Out of the remaining projects 3 have already been contracted and the remaining 7 are currently going through the procurement processes.

The United Nation's Office for Drug and Crime (UNODC) 2008 findings released during the reporting period was encouraging in the sense that another 5 provinces were declared poppy-free bringing the total to 18 and that overall, a 19% reduction in cultivation of opium poppies was achieved.

During Quarter-1 of 2009, one CNTF MB meeting, one CNTF Steering Committee meeting and two GPI Review Committee meetings took place. The First Quarter Report, 2009 provides a summary of the status of about CNTF and GPI projects that have been completed or are at various stages of implementation.

There was a rebidding for the Monitoring Agent contract and through which the MA is reappointed till 30 June 2009, which will pave the way for continuity of monitoring services involving audit check and controls, financial reporting, follow up on the monitoring issues raised and capacity building actions at LMs. The MA provided reports on a monthly and quarterly basis, including one Final Report for the period July 2008 to January 2009. These reports provided insight into the utilization of funds and findings upon examination of expenditures documents of the CNTF projects. A summary of the report findings are shared with the CNTF Director who in close consultation with the Ministry of Finance (MoF) and the Ministry of Country Narcotics (MCN) to take actions to resolve the findings.

1.1 Completed Projects

Twelve projects have been reportedly complete; of these nine were from Alternative Livelihood, two, with objectives of Drug Demand Reduction, and one about Information Campaign. Although these projects have been completed, there is a need to review if the funding (advances have been reconciled and accounts closed). An amount of \$ 500,000 is still shown as unspent in these projects. CNTF has informally reported that this amount has been de-obligated.

(i) Capacity Development & Institution Building

Strong, well resourced, staffed and coordinated Afghan Government CN institutions in Kabul and at provincial level leading an international effort to eliminate poppy cultivation in Afghanistan

1.1.1 CNTF Capacity Building (CB) Project

The Capacity Development project was initiated in February 2007 for the Government of Afghanistan (GoA) to develop and implement Counter Narcotics (CN) projects through the LMs and related agencies. A detailed capacity needs assessments was carried out in 2007-2008, within 12 LMs to evaluate the current status of capacities in relation to writing, developing and managing CN related projects as well as on their understanding on the role and function of the CNTF and MCN in order to assess the impact of the projects. Similar exercise was also carried out within CNTF, aiming at to properly defining whether the skill set is sufficient to process all the project related cycles from/through the LMs in the most professional and efficient way.

4 staff members of CNTF were identified in the initial stage for introducing them to an international job related workshops, to improve their existing capacity, during March 2008, of whom 2 members have attended a comprehensive training course on project cycle management on the rural development context, whereas 2 administrative staff members have obtained detailed exposure on HR, presentation and communication skills.

(ii) Information Campaign

Comprehensive and credible Ministry of Counter Narcotics led information campaign that discourages involvement in the drug industry and effectively supports all pillars of the Islamic Republic of Afghanistan's National Drug Control Strategy

1.1.2 Harm Reduction (National HIV/AIDS Control Program)

The project goal is to help raising awareness and tackle the risks of HIV/AIDS and other blood borne diseases being spread through the sharing of needles and syringes by the Injecting Drug Users (IDUs). Community based outreach services will be provided in Herat and Balkh Volunteer Confidential Counselling and Testing (VCCT) centres. 41,000 harm reduction kits have been distributed in both Balkh and Herat provinces. 330 outreach visits were performed to Balkh and Herat provinces. The printing and distribution of around 30,000 Information Education and Communication (IEC) materials have been completed in the targeted provinces.

1.1.3 Drug Free Educational Environment Project

The project aims to reduce the risk of drug use amongst school students and maintain the educational environment drug-free for children and the youth. CN awareness messages will be inserted into the existing secondary grade textbooks, printed and distributed to all schools in Afghanistan.

The project has delivered a number of outreach activities during 1st quarter (Jan-March 2009) and also completed several work plan activities such as developing relevant messages and inserting the two page messages onto the textbooks, printing of textbooks is under process and 54 staff has been recruited for project activities.

1.1.4 Design and Survey of Pul-i-Charkhi Prison (Wing 6)

The Survey and Design of the concerning wing was approved by the CNTF MB on 31st May 2007 and was successfully completed on 31st December 2008. As agreed by MB, the renovation will also be possibly funded by the CNTF. The budget for the renovation was prepared based on the survey and design has been approved by the Management Board and funds will be provided by the Government of Canada; the formal sanction is awaited.

(iii) Alternative Livelihood

Increased access to sustainable licit livelihoods opportunities for all citizens in every province of Afghanistan

1.1.5 Three Micro Hydroelectric Generators in Badakhshan (Ministry of Energy & Water)

The three year Micro-Hydro-Electric Plants project in Badakhshan province has been under implementation since summer 2006. The key objectives of the project are to help in reduction of opium poppy cultivation through improvement and diversification of income generation for rural households.

Construction of the three hydro-power stations started in late 2006, and resumed after a stoppage during the harsh winter period in Badakhshan. The initial phase was to be completed by the end of August 2007 but due to problems such as untimely contribution from people, blockades of the supply roads to the project sites and the harsh winter, the project duration had to be extended till end of December 2007.



During November 2007, in Chatta District, project's canal was damaged. After several discussions with the concerned parties, the communities agreed to re-build the canal, which is now fully operational and delivering electricity to the residents.

In Sangab district, construction of power station is completed & the power station is fully operational since October 2007. Currently, GTZ and the Renewable Energy Department of the Ministry of Energy and Water (MoEW) are in the process of introduction of billing and maintenance procedures.

The first business training took place during March and about 20 participants were invited of which 6 were women.

In Jurm district, power house and installation of equipment has been completed, installation of penstock is also completed, and the intake and transmission system is under construction, while the technical training of business will be started short after household's accessibility to the electricity is ensured.

The processing of strengthening the technical and management skills of Renewable Energy Department, MoEW, is on going.

1.1.6 Construction of DBST Rural Roads and Bridge

The Ministry of Rural Rehabilitation and Development (MRRD), through the National Rural Access Program (NRAP), will construct 61 km Double Bituminous Surface Treatment (DBST) rural roads in Badghis and Baghlan, construct 1 suspension bridge in Takhar province that will connect the people of three provinces (Takhar, Baghlan and Kunduz) to essential social services and markets.



On November 29 2007 the CNTF Management Board decided to close some of the approved but not yet contracted projects including two MRRD/NRAP projects in Badghis province (21 km DBST road).The following activities are underway in the three provinces:

As per the recent information provided by MRRD, Takhar project has been 100% completed and temporarily handed over to the provincial authorities. Badghis project contract was signed on April 25 2007; MRRD proposed changing the DBST to graveling (almost 60% change in the original scope of the prior MB approved project) and plans to utilize the remaining fund (\$600,000) in Kabul province, which is not within the targeted area of CNTF. In the Baghlan project, as per the information provided by MRRD, the work progress is about 22%, due to the low financial capacity of the contracted company.

Construction of Bangi Bridge is completed but as per the community's request there are some revisions being undertaken. This has been approved by the MB while Andrab Road DBST Project progress is still 22%, the Contractor has requested for revision in project cost which is under negotiation with MRRD.

1.1.7 Road Rehabilitation Project (22 km)

The Balkhab District Road Rehabilitation project was designed to construct 44 culverts, five small and large bridges and 22 km gravel road. After several procurement efforts, the project was finally awarded to a national company for USD 385,072 on 15 October 2007. As per the company and the Ministry of Public Works, the project activities have been resumed after long winter season and 75% completion has been reported during the current quarter.



1.1.8 Orchards Project, Nangarhar

The Nangarhar Orchards project would set up 2,200 gardens (each garden will be one *jerib*), 1001 check dams to control water flow in eleven districts, and 44,000m terracing (4000 long x 1.5 wide x 1 deep/one district) with reforestation and forestation. 275 female-home-based nurseries will be established and it is anticipated that 134,896 paid labour days will be created for the local communities.

Terracing work is completed in the districts of Shirzad, Pachiragam, Spinghar, Achin and Dara-i-Noor. Likewise the work of the district, Khuhgyani, Haskamina, Ghanikhail and Dour Baba will be completed soon. Almost 100,000 saplings from ornamental plants are collected and purchased from home based nurseries. These saplings will be transferred to the work of terracing in above mentioned district for plantation.

At the result of drought water scarcity is observed in some of the districts of Nangarhar including Ghanikhail, Nazian, Achin, Spinghar, Dara-i-Noor and Shirzad. Spread of pest and disease effecting plant and lack of access to necessary pesticide. Animals tend to destroy the ornamental plant saplings and provisions for their protection have to be made. At the result of drought, water scarcity and inaccessibility to agro-chemical, in some of the target districts, attacks of aphids, insects and infection of plants by diseases has been observed such districts are; Ghanikhail, Nazian, Achin, Spinghar, Dara-i-Noor and Shirzad.

1.1.9 Carpet Weaving Project, Ghor (MOLSAMD)

The Ministry of Labor, Social Affairs, Martyrs and Disabled (MoLSAMD) Carpet Weaving project for Ghor province aims at providing the vulnerable families with viable economical opportunities. To date, the contractor has trained 2,180 men in carpet weaving and 1,394 female trainees in wool spinning trades; a total number of 828 each carpet weaving metal sets have been distributed to 828 carpet weaving trainees in six districts; a total number of 754 each wool spinning machines have been distributed to 754 graduated trainees in six districts of Ghor province and the Brethren Hyderi Carpet Weavers Corporation, BHCWC

has produced 1,311 sheets of carpet which is equivalent to 2,190 square meters of carpet. The project was completed in March 2009 but the closure report has not been received as yet from the Line Ministry.

1.1.10 Labour Based Rural Development Programme, 14 Provinces, MRRD

On June 30 2008, the CNTF Management Board approved USD 19,000,000 under the Labor Based development Programme, to be implemented in Badakhshan, Badghis, Baghlan, Balkh, Farah, Herat, Jowzjan, Kunar, Nimroz, Samangan, Sar-e-pol, Takhar, Kunduz and Faryab provinces of the country.

The program hopes to achieve: construction, rehabilitation and emergency maintenance of up to 280 kms of tertiary roads; 90 kilometers of canal rehabilitation; 150 kilometers of new canal excavation; 1200km of canals cleaning; 6000 meters of retaining/protection walls constructing; building 100 small and medium irrigation structures; creation of up to 2,665,000 labor-days of short-term employment in 14 provinces while between 50% and 70% of the total works budget expenditures will be allocated for labor wages.

Till the time of this report, 232 projects in Labour Based Rural Development program (LBRDP) have been surveyed, 38 projects are in the designing stage, 62 contracts are ready for signing and 176 contracts are signed that would create a total of one million Labour Days. Out of the signed contracts, 97 of them are ongoing and two projects of canal cleaning in Sar- e- Pul province creating 3,740 Labour Days have been completed. The contracted budget, for LBRDP, up to the end of March was 6,608,082 USD and totally paid budget is 742,968 USD.

1.1.11 Construction of Rural Roads, Chamtal, Balkh, MRRD

On 30 May 2008, the CNTF MB approved the funding of Chamtal and Balkh districts rural roads at a value of USD 2,304,645. Project would be completed in 24 months. As reported by MRRD, the project activities are progressing well and about 70% have been completed in spite of delays during the winter.

1.1.12 Construction of Suspension Bridge, Darqad, Thakar, MRRD

The suspension bridge being built in Darqad district will provide a permanent commuting link for the inhabitants of the district with the rest of the Takhar province. The project progress has been reported to be on track. An M&E team from MRRD visited the project, which was temporarily handed over to the inhabitants.¹



Construction of Intake and Gabion Walls, Nahre-Saraj, Helmand

The objective of the project is to respond to the needs of the population (660 families) by restoring irrigation facilities through the construction of intakes and three gabion walls in the Qalaigaz canal in Nahr-e-saraj district of Helmand province. The project aimed at providing double cropping through 6,500 *jeribs* of arable land. The project needed some revisions, which are including excavation for diverting the river and the preparatory work was already completed in April 2008, in order to allow the actual activities of the project, therefore there is a need to change the scope and budget. As per the decision of CNTF MB,

¹ The project is handed over in two phases: first, when the project is completed and the second when the defect liability period ends. Once the project complete its liability period (in some projects in six months and in some others in 12 months) then the final handover takes place).

project time extension has not been granted, and the project has been cancelled. However, MRRD has been requesting to revive the project and the 23 CNTF Management Board Meeting decided that MRRD and CNTF/MCN should bilaterally discuss how to resolve the issue.

1.1.13 Construction of Protection Walls, Farah

The continuing security incidents contributed to extended delay in the project implementation in Farah province – mainly in Bala Bolook district. As per the recent information of CNTF Cell at MRRD, work in one site of Anardara subproject has been completed, while project located in Bala Bolook district was cancelled by CNTF MB on 19 November 2008 due to the security problems.

1.1.14 Boring of Deep wells

This project is being implemented in various districts of Balkh province. Around 3,458 households will benefit from these assets. At the end of March 2009, the project was reported 100% completed and handed over to MRRD in the presence of Balkh Health Directorate representatives on 31 January 2009. The release of the final instalment is under process.

1.1.15 Canal Cleaning, Faryab

Cleaning of 30 km canal project in Deh Miran and Takhara villages of Faryab province was signed in March 2007 with a contractor to the value of USD 34,884 and as of 20th May 2007, this component of the project has successfully been accomplished and therefore temporarily handed over to the provincial RRD. Project was handed over on August 06, 2007.



As the last installment was paid in January 2009, therefore, the project has been reported in this quarter.

The site engineer has confirmed the completion of work as 100% on 21/07/08 and temporarily handed over to MRRD on 04/09/08. All outstanding payment of the instalments has been paid to the contractor on January 13, 2009.

1.1.16 Reservoir Construction

On 29 July 2008, the project activities were stopped by people and district official representatives, as they were complaining from the slow process of the project activities, therefore it was suggested by the provincial authorities that one of incomplete component should be cancelled, which was approved by MRRD. However, first instalment was paid on 04/09/2008 and remaining money (\$39827) paid on 02.01.09

1.1.17 Construction of Protection Wall (1400m), Farah Province

The project was approved by the CNTF, Management Board in August 2006 to be implemented in seven months. The contracted amount was \$154,662 and expenditure reported till date was \$88,440. There were two components of the project one in Bala Bolook and the other at Anardara, The former has been cancelled as it could not progress because of the security conditions but the Anardara has been fully completed.

(iv) Drug Demand Reduction and Treatment of Drug Addicts

The Afghan population aware and educated of the risks and dangers of drug abuse and a comprehensive and coordinated drug treatment, rehabilitation, aftercare and social reintegration programme established in key provincial centers, including residential treatment centers and community-based services

1.1.18 Drug Demand Reduction Treatment Centres (Two Community Treatment Centres)



The objective of the Drug Demand Reduction Treatment Centres project is to establish two residential drug user treatment centres in Jalalabad (Nangarhar) and Mazar (Balkh).

The project has been progressing well. The budget of the 3 year project was approved for the first and second years. The budget for the third year has been prepared based on the lessons learned from year 1 & 2 and has been approved by the 23 CNTF Management Board meeting on 31 March 2009.

1.1.19 Provincial Community Outreach (Drug Treatment) Project, 8 Provinces



The Provincial Community Outreach (Drug Treatment) project aims to provide community-based drug treatment, prevention and harm reduction services in 8 provinces of Afghanistan. The community-based drug services are based in the provincial capitals of Bamiyan, Farah, Ghazni, Ghor, Kunduz, Maimana, Nimroz and Sheberghan.

The activities carried out by the centres include: awareness generation, motivational counselling, treatment, after treatment care, education, etc.

II. Project implementation challenges

Risks

There are some identified risks that need to be mitigated for effective delivery of CNTF:

Security The persistent insecurity continues to adversely impact the implementation of projects funded by CNTF and GPI.

Mitigation: It is not always easy to mitigate unprecedented security risks but planning will factor in possibilities of insecure situations also working closely with the local authorities at the provincial level along with enhanced advocacies with the stakeholders.

Financial: By end of 30 June 2009 a plan is being developed so that the remaining funds could be transferred to the MoF and this may delay disbursement because of initial teething issues.

Mitigation: It would be necessary that the Monitoring Agents continue to work closely with the MOF and ensure all systems for financial management are in place before UNDP's withdrawal. Subsequently either UNDP could take up the responsibility of fiduciary oversight for CNTF or systems for audit could be negotiated.

Organizational and management: As UNDP phases out in its role as the administrators; the capacity of MCN, CNTF and LM will be under test and work towards supporting the capacity development of concerned ministries and departments; may be required even after UNDP withdraws.

Mitigation: A system of capacity development and mentoring would have to be developed and put in place.

Environmental: Some projects can be delayed because of environmental reasons specially winters and floods, these needs to be factored in the implementation plan.

Mitigation: UNDP is working with the responsible Line Ministries to factor environmental risks in the work plans.

Issues

CNTF Administration: The CNTF Steering Committee, on August 31, 2008, decided that the Trust Fund be gradually wind down while developing a management plan for the successful completion of the projects, which are currently in the system. This revision was made to the CNTF Project Document and was signed on October 25, 2008 to extend the project duration as a result of extension of project activities for a further period of six months, until June 30, 2009.

Mitigation: UNDP has recruited an Adviser for CNTF who has started working on project phasing out mechanism. The primary issues concerning CNTF relates to phasing out of UNDP as the administrator, which requires transferring funds to MoF and MCN will have to play an increasingly proactive role in coordination of the projects with the Line Ministries.

Financial status and utilization

Financial Status

Table 1: contribution overview (October 2005- 31March 2009)

Donor	Contributions		
	Committed	Received	Balance
New Zealand	352,609	352,609	
European Commission	17,647,059	16,481,385	1,165,674
Estonia	50,000	50,000	-
Australia	1,526,718	1,526,718	-
Cyprus	10,000	10,000	-
Canada	1,052,632	1,052,632	-
Japan	5,000,000	5,000,000	-
Italy	1,317,523	1,317,523	-
Poland	100,000	100,000	-
Sweden	2,000,000	2,000,000	-
Korea	200,000	200,000	-
UK	44,347,826	15,652,174	28,695,652
UNDP	1,462,721	1,462,721	-
Greece	442,478	442,478	-
Spain	336,022	336,022	-
Latvia	20,000	20,000	-
Iceland	100,000	100,000	-
CNTF Sub Total	75,965,588	46,104,262	29,861,326
Good Performance Initiative (GPI) Funding Status			
USAID	15,000,000	10,000,000	5,000,000
UK	8,722,671	8,722,671	-
GPI Subtotal	23,722,671	18,722,671	5,000,000

Interest Earned on CNTF Funds (AS of December 2007-		3,993,833.0	
Grand Total	99,688,259	68,820,766	30,867,493

Table 1: Contribution Overview (October 2005-31 March 2009)

Financial Utilization

Table 2: CNTF Quarterly Expenditure by Activity [1 January -31 March 2009]

Activity	Budget (2009)	Total Expenditure	Balance	Delivery Rate
Activity01: Building Institution	744,396.00	321,562.30	422,833.70	43.20%
Activity02: Information Campaign	783,735.00	1,321,310.29	(537,575.29)	168.59%
Activity03: Alternative Livelihood	17,460,802.18	3173928.97	14,286,873.21	18.18%
Activity07: Drug Demand Reduction and Treatment of Drug Addicts	364,711.00	503001.95	(138,290.95)	137.92%
UNDP General Management Services (GMS),@ of 3%	598,565.93		598,565.93	0.00%
Grand Total	19,952,210.11	5,319,803.51	14,632,406.60	26.66%