



Quarterly Project Report [First Quarter, 2008]

United Nations Development Programme Afghanistan Making Budget & Aid Work [01-January-2008 – 31-March-2008]



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Component (MYFF):	Public Administration Reforms and Anti Corruption
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Unfunded:	0.00
Implementing Partners/Responsible parties:	UNDP/Ministry of Finance

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I. Implementation progress

COMPONENT 1: THE BUDGET IS COMPREHENSIVE, POLICY BASED, PREPARED IN AN ORDERLY MANNER AND SUPPORTIVE OF THE NATIONAL DEVELOPMENT STRATEGY

Output 1: Strengthened budget policy and planning processes

The budget planning process and its links to ANDS priorities were further strengthened. In order to improve the overall budget process and planning, the Budget Department introduced an additional budget circular (Budget Circular One), which also helped the budget department to align budget priorities with the ANDS and sector priorities. The prioritization process of expenditures, which was jointly prepared by the Ministry of Finance (MoF) and the Afghanistan National Development Strategy (ANDS) Oversight Committee, was approved by the Cabinet in January. This helped the budget department further align the 1387 budget with the ANDS priorities.

As part of the 1387, budget hearings were completed in early January. After a thorough analysis by the Budget Department, the project team prepared the draft budget in mid-January. The budget statement, which for the first time incorporated sectoral sections and a comprehensive budget analysis, was prepared in a timely manner. The draft budget, along with the budget statement, was presented to the Cabinet in the last week of January and was sent to the Parliament on February 2nd. The 1387 budget was approved by the Parliament on March 15th, which was a major achievement of the project as early approval facilitates improved budget execution and better service delivery both at the center and in the provinces.

The budget for 1387 shows that revenues are expected to increase by 24 percent in 1387 as compared to 1386, mainly due to a significant jump in the collection of direct taxes. The anticipated increase in direct taxes from 1386 to 1387 can be attributed to several major reasons in addition to increases in GDP and inflation. Among other things, there has been a steady increase in taxes collected by the Large Taxpayer Office (LTO), which currently account for 40 percent of all domestic tax revenues. This trend will continue in 1387 and beyond as LTO becomes more effective and efficient in its operations

The medium term prioritization of budgetary allocations is expected to improve security, promote economic growth, and further reduce poverty levels. Significant increases in expenditure for infrastructure, health, education, rural development, institutional building and governance are expected to improve physical, human, and institutional infrastructure necessary for sustained economic growth and development.

For the 1387 budget, the overall expenditures in the Core Budget are planned to be Afs 134,767 million (US\$ 2,695 million), a decrease of 7.3 percent over the 1386 Mid Year Review. The increase in the operating expenditures reflects the growing need for higher expenditures in sectors such as security and education. In the operating budget, the security sector (46 percent) and the education sector (18 percent) continue to absorb significant shares of expenditures.

The amount of funds available in the operating budget is 19.2 percent higher in 1387 compared to 1386. The operating budget will, however, decline as a share of GDP to about 12.4 percent in 1387 from about 12.6 percent in 1386 due to a higher growth in nominal GDP.

The total core development budget – which would include the approved budget and funding available for the ‘projects in the pipeline’ - is expected to be Afs 69,408 million (\$1,388.16 million). The approved budget for 1387 is Afs 62,813 million (\$1,256.3 million) and the available funding for the ‘projects in the pipeline’ is Afs 6,595 million (\$131.9 million). There are a number of priority

projects in the pipeline, which need donor funding. If donor funding becomes available, these projects can be added to the approved budget during the year.

Output 2: Strengthened budget formulation processes

The budget formulation process has been further strengthened. As part of this process, the Government has taken efforts to develop a multi-year perspective on strategic resource allocation for the period 1387-91. To develop such multi-year prioritization and turn the annual budget into a more policy-oriented tool, the Ministry of Finance has introduced a number of technical instruments and initiatives. These include: (a) the introduction of a medium term budgeting framework (MTBF), (b) program budgeting in key ministries, (c) provincial budgeting in a number of provinces, and (d) costing of sector strategies. In the next year or two, these initiatives are expected to produce a number of desired results not only in terms of linking budget allocations and ANDS, but also in terms of improving the overall service delivery throughout the country.

With the development and adoption of the ANDS sector and ministry strategies, the Government now requires a more transparent mechanism to operationalise these strategies and subsequently measure progress of ministries towards achieving their priorities and policies.

Program budgeting is one such mechanism. The program budgeting mechanism also integrates the operating and development budgets, which will produce efficient budgetary outcomes. To better link strategic objectives and policy priorities with the annual budget and prioritize the available funds, the MoF introduced program budgeting for the 1386 budget. Program budgeting is being introduced on a gradual basis. An initial pilot group of three ministries was selected to prepare the 1386 budget in program form (Ministry of Education, Ministry of Public Health and Ministry of Rural Rehabilitation and Development). For the preparation of the 1387 program budgets, four additional ministries have been added: Ministry of Agriculture, Ministry of Water and Management, Ministry of Public Works and Ministry of Finance. The objective is to have all line ministries and independent budgetary units in the Government introduce program budget in the next three years.

Provincial budgeting was first applied by the Ministry of Rural Rehabilitation and Development (MRRD), Ministry of Education (MOEd) and Ministry of Agriculture, Irrigation and Livestock (MAIL) in three provinces; Kandahar, Panjshir and Balkh. Logar, Nangarhar, Ghazni, Bamyan, Hirat, Faryab and Badakshan provinces were added in 1386 for the same ministries. Encouraged by the promising response to provincial budgeting system, the MOF is likely to expand provincial budgeting to additional 11 provinces in 1387, so as to cover all the line ministries and 34 provinces within the next two years (see the map attached). For the line ministries, Ministry of Public Health (MOPH), Ministry of Public Works (MOPW), Ministry of Water and Energy (MOWE), and MOF will be added from 1387. A working relationship has also been established with the Ministry of Economy (MOEc), Ministry of Women Affairs (MOWA) and Independent Directorate of Local Governance (IDLG).

As a significant capacity gap was noticed while implementing the provincial budgeting, a capacity building/development plan was therefore envisioned as part of the Annual Work Plan for Provincial Budgeting 2008, developed in early January. The following major activities were completed within the reporting period.

- a) Consultation and training on provincial budget submissions to Herat, Bamyan, Badakshan and Nangarhar provinces. As for the provincial consultations, only some line Directorates of Herat were consulted and facilitated to submit their provincial budget. Other provinces could not be visited due to the lack of staff, non-availability of budget ceilings and weather conditions.
- b) The content of the Handbook of Provincial Budgeting in Afghanistan was presented to the Budget Department officials on February 25th though feed back is still expected from the Sector Managers. It has already been translated into Dari and Pashto and is expected to be

finalized soon and be circulated to the concerned agencies and officials. It is also expected to be posted on the MOF website.

- c) A capacity assessment survey of the provincial officials was conducted and analyzed. Based on the responses obtained, a Capacity Development Curricula was developed and correspondingly training modules were developed. Potential resource persons to deliver on the modules were also explored through personal contacts.
- d) A Training of Trainers (TOT) programme on Provincial Budgeting 2008 was successfully conducted at the Civil Service Institute, Afshar, Kabul, from March 29th to April 6th. A total of 29 participants, of which 4 were women, came all the way from 17 provinces representing 8 line ministries and 5 geographical regions. During this process, intimation meetings with the Deputy Ministers of MOEc, MOPW, MOWE, MOWA and other officials of the MRRD and MOPH were held in order to identify prospective TOT-participants.
- e) A quick visit was paid to the Balkh province at Mazar-e-Sharif. During the visit, consultations was made with the Provincial Governor; Directors of Economy, Education, Agriculture, and Provincial Mustofiat on provincial budget submissions and budget performance reviews, as well as reporting and coordination at the provincial level. Additionally, brief coordination meetings were conducted with the officials of the Afghanistan Sub-national Governance Program (ASGP), and the Afghanistan New Beginning Program (ANBP).
- f) A coordination meeting was held with CIDA, ISAF, GTZ, DFID/ASI, the UNDP-Gender Mainstreaming Project and the visiting delegates of the Asian Institute of Technology (AIT), Bangkok, on the prospects of human resource development.
- g) Human resource development has become a prime concern and a Policy Intent Paper for capacity building/development has therefore been developed.
- h) Regular follow up of the line ministries in terms of their annual progress reporting (physical and financial) was made, but without sensible success.

Output 3: Strengthen budget execution processes

The MBAW project played an active role in improving budget execution by line ministries during the reporting period. Expenditure performance for the last quarter of financial year 1386 was broadly in line with budget estimates, with recurrent and development budget expenditure reaching \$343 million and \$342million respectively. The total core development budget execution for financial year 1386 reached about \$963 million, which is about USD 260 million higher than that of 1385 and constitutes a 56 percent execution rate. This means that the core development budget execution was lower by 9 percent compared to the 75 percent targeted for financial year 1386. However, the year to year comparison indicates that there was a 38 percent nominal increase in total expenditure from financial year 1385. The operating budget execution reached about 90 percent, which is lower than that of previous years. In absolute terms, the operating budget execution reached 996 million USD. Details of expenditure performance by category for the 4th quarter and the financial year 1386 will be published by MoF at the beginning of the 2nd quarter of 2008.

Weekly monitoring of budget execution, especially of the top 50 projects, resulted in higher execution. The Budget Department's decision to hire more budget officers to be focal points for all primary budgetary units, as well as close follow up with line ministries on a daily basis, contributed to higher budget execution.

Output 4: Strengthened and reformed budget monitoring and reporting

The MBAW Project has improved monitoring and reporting mechanisms. As mentioned above, the weekly monitoring of the top 50 projects resulted in better execution rates. The reporting format on planning and monitoring produced good results in project execution and monitoring.

During the reporting period, the MBAW project started working on the 1386 performance report. The report is expected to cover the performance of both financial and physical outputs and includes chapters on the different sectors. The report will also critically examine ongoing reforms in the area of Public Finance Management, with a specific focus on the general budgeting practices of the Ministry of Finance.

COMPONENT 2: ALIGNMENT OF EXTERNAL ASSISTANCE AND IMPROVED AID EFFECTIVENESS TO SUPPORT AFGHANISTAN DEVELOPMENT GOALS AND STRATEGY

Output 5: Improved co-ordination of external funding in line with the Paris Declaration, Afghan Compact and ANDS

As a response to the need to plan and deliver external development assistance more efficiently and effectively use the National Budget as the core mechanism, the coordination and reporting of aid continued to be the key focus of the Aid Coordination Unit. During the reporting period, the following has been accomplished:

Donor financial data was reviewed and stored in the Development Assistance Database (DAD) for validation of the core budget financing as well as the preparation of the external budget. During the reporting period, financial data was obtained from 26 donors and the UN, quality checked and stored in the DAD. This process benefited considerably from the full roll-out of the Harmonized Reporting Format (HRF) and to a large extent helped decrease data discrepancies.

The data consolidation process was completed on time for the budget finalization. As a result of improvements in data quality and quantity, external budget has increased to \$4,859 million in the financial year 1387 compared to \$2,702 million in the financial year 1386. This increase was mainly caused by the capture of external aid allocated to the security sector. The core budget financing has also increased by \$168 million.

The level of detail on development aid provided by donors went beyond the regular coverage, which tends to only inform on the project title and financial allocations, and included information on both the provincial allocation as well as achievements according to the aid effectiveness indicators of the Paris Declaration. To capture the provincial allocations accurately for budgeting purposes, specific templates along with instructions were provided to all donors. This initiative was intended to help provide the Government with exact figures on how much aid is received at the provincial level and thus enable the Government to better coordinate activities at the sub-national level and avoid duplication of efforts. Although the response from most of the donors was dismal in terms of providing provincial level breakdown of their assistance in accordance with the template, the initiative represented a step towards increasing transparency and availability of information on aid flows to Afghanistan.

In addition to the budgetary information, information on medium term projections of external aid was obtained from donors covering the years up to 2012. This information is essential for understanding the total envelope of assistance available to the Government of Afghanistan for the implementation of the ANDS, and it is moreover instrumental for the costing of the sector strategies. In addition, the information helped the Budget Department immensely in its

preparation of its first ever Medium Term Budget Framework (MTBF), an important tool to link the budget with policy priorities as provided in the ANDS.

The result of this exercise was published in a report and was shared with stakeholders in the Government as well as the international community. The report is also available on www.mofbudget.gov.af/reports.

The Development Assistance Database (DAD) was customized and web-enabled, and is fully operational. DAD is the central tool for capturing and retaining information on commitments and disbursements of international development assistance to Afghanistan. DAD has been operational since 2003. The system stores real time information and is one of the most comprehensive and widely used databases in Afghanistan, particularly for preparing the National Budget and reporting on the utilization of grant and loan assistance. The database also facilitates analysis of aid information by providing informative tables, charts and maps and can be customized to the specific user criteria. Currently DAD has information stored on over 4250 projects and programmes financed by more than 45 bilateral and multilateral organizations.

In 2007, the DAD system has been customized to host the HRF and meet reporting requirements of the National Budget. This customization/modification was implemented only in the local version of the database, while the online version remained unchanged. During the reporting period, consultations were held with the Synergy International Systems to modify the web-interface of the system based on HRF and upgrade the database to the latest version. On March 15th, a technical team from Synergy Inc upgraded the database and modified the online version to improve accessibility of information through the web. The team also held discussions with the Aid Coordination Unit and the leadership of the Budget Department and presented a proposal for new enhancements for the system including budget planning and improved reporting functionalities. The proposal is being discussed internally at the MoF and will be submitted shortly to UNDP for funding of additional system changes.

2008 Monitoring Survey of the Paris Declaration was completed and the final report was submitted to OECD DAC. The 2008 Monitoring Survey of the Paris Declaration was organized from January 10th to March 31st. The survey was implemented as part of the international process organized by the OECD and implemented across 45 developing countries. The 2008 survey was an important exercise for the Government of Afghanistan and was implemented to pursue two crucial objectives. First, the results of the survey will provide an important contribution for assessing progress at the Accra High-Level Forum. Second, and even more significantly, the survey will contribute to achieving tangible improvements of the manner in which aid is delivered at the country level.

In terms of the survey process, a National Coordinator was appointed by the Government to manage the survey at the country level. The national coordinator was assisted by a donor focal point from DFID and a UN focal point from UNAMA in managing the survey process. Consequent to the official launch of the survey, a half day technical workshop was conducted on January 28th where representatives from all major donors, including several UN agencies, participated. This workshop was an important step towards introducing the overall objective, scope, process and timeline of the survey. Based on the discussions at this workshop and the lessons learnt from the 2006 survey, instructions and templates were developed. These instructions and templates were additional to those provided by the OECD and were aimed at providing consistency in individual responses and minimize the risk of under-reporting and/or over-reporting of data against each indicator.

Consistent with the survey guidelines and the timetable, more than 15 days were allowed for all the participating agencies to collect information and submit it to the Ministry of Finance. By early March donor and Government questionnaires were completed and consolidated in the country spreadsheet. The country spreadsheet has been subject to numerous reviews by the ACU and the donor focal points to ensure that the quality, accuracy and consistency of data are controlled and

cross-checked. Led by the national coordinator, the qualitative assessments - the country chapter inputs and the two page contribution for Accra High Level Forum - were finalized.

The initial draft survey results (Country Report and Country Spreadsheet) were submitted to the OECD Secretariat by March 31st and widely distributed to all the stakeholders for further consultation and finalization.

The responses to the 2008 survey in Afghanistan reflect the participation of 24 large donors out of 31 donors, accounting for almost 95% of total ODA. This, along with the 2006 baseline survey, provides a solid basis for assessment of progress made towards the aid effectiveness commitments of the donor community and the Government of Afghanistan. A draft report of the survey is available on www.mofbudget.gov.af/ACU.

More user friendly website for the budget and aid coordination was developed (www.mofbudget.gov.af). This step was implemented in response to the increasing demand for public information and the commitment of the Ministry of Finance to improve the transparency of and accessibility to the budget as well as aid related information. The project helped the Budget Department acquire a new domain and hosting service for the website. The IT team continued to maintain the website and enhanced up-to-date information on budget and external development assistance.

In addition to the accomplishments mentioned above, the Aid Coordination Unit continued to improve dialogue with all donors through the organization of periodic meetings (Aid Effectiveness Working Group and MoF-Donor Technical Coordination Sub-Committee) This involved support in agenda setting, logistics, drafting of reports/minutes and follow up on actions and decisions.

COMPONENT 3: IMPLEMENTATION OF THE EXIT STRATEGY TO BUILD SUSTAINABLE CAPACITY WITHIN THE GOA

Implementation of the Exit Strategy continued to be an important component of the project. During the first quarter of 2008, the project managed to successfully identify and recruit up to 20 fresh graduates from the Economic Faculty of the Kabul University. During this period, the project management along with representatives from the Budget Department had several meetings with the leadership of the Faculty of Economics and maintained direct contact with the students to encourage them to join the Budget Department after their graduation. Representatives from the Budget Department also participated on the day of faculty convocation and delivered a presentation on the role and composition of the Budget Department. The team also printed flyers and other material and distributed these among the students.

In addition to the above mentioned activities, the Budget Department organized a separate presentation session for the graduates at the Ministry of Finance premises. The aim of the presentation was to update the students on the performance and activities of the Budget Department and inform them about the benefits of joining the department in terms of overall career development and acquisition of practical work experience.

Fortunately, this endeavour was very successful. Around 100 applications were received and written tests were conducted to determine technical and written skills. The test was followed by interview sessions for all the 67 short-listed candidates from February 16th to 19th. The interview committee selected 20 graduates based on their overall performance during the interview as well as the results of the written and computer tests.

Gender equality was given strong preference throughout the recruitment process. However, no single application from female graduates was received. This is partly due to the fact that the few female graduates from the Economic Faculty have had better chances of employment with the private sector and at international organizations. Another reason is the traditional gender

imbalance between different subject areas and disciplines at the Kabul University and a consequent lower number of female students at the Economic Faculty.

All the 20 new recruits were offered a 5 days long orientation workshop at the Ministry of Finance. At this workshop, project staff from different units delivered presentations covering a broad range of topics including general budgeting, execution and aid coordination. Subsequently, the graduates have been asked to participate at the Training of Trainers (ToT) training on provincial budgeting. Positive feedback was received, particularly in terms of the relevance and appropriateness of the topics covered.

The onward plan for the new recruits is to provide them with formal and on-the-job skills training throughout this phase of the project and implement a gradual hand-over of responsibilities from national project professionals to the new recruits.

Output 6: Significant levels of technical capacity built and retained within the public finance sector, particularly within the Ministry of finance and line ministries

During the reporting period, the project conducted several 'learning hours' on Wednesdays. Besides the 'learning hours,' the project staff participated in a range of overseas training and international conferences.

GTZ Afghanistan organized and financed a two week workshop on Gender Budgeting and Mainstreaming from February 24th to March 8th in the Administrative Staff College of Hyderabad, India, for the officials of the Government of Afghanistan. A total of 6 project staff, were invited by GTZ to participate. Specifically the program covered the following themes:

1. The concept of Gender Budgeting and its mainstreaming into the budget
2. Experiences from different developed and underdeveloped countries in Gender Budgeting
3. Developments in India in Gender and sharing of challenges faced by the Indian Government in its implementation

Mr. Hamid Jalil, Aid Coordination Manager, and Mr. Khalil Rahman, Budget Officer, went to Washington State University in Seattle USA on February 8th to attend a 3 months intensive graduate level program on public policy and governance. This program is being funded by the US government and is implemented in close collaboration with the Kabul University.

Mr. Mozammil Shinwari, Budget Policy, Coordination and Reporting Officer, participated in a Budget Preparation Seminar in Beirut, Lebanon, from March 17th to 21st. The main purpose of the seminar was to understand the different aspect of the budget preparation and the reforms and improvement in public finance management, with a particular focus on programme and performance budgeting and international good practices in terms of budgeting. This trip was funded by IMF.

Mr. Wahidullah Qaderi, Deputy Director of Budget, participated in a seminar on small and medium enterprise development held in Istanbul, Turkey, from March 3rd to 9th. The seminar was organized by the Islamic Development Bank and focused on different aspects of the SMEs, with a particular focus on financing and its role in the economic growth of the country.

Mr. Mustafa Aria, Project Manager, participated in the multi-stakeholder International Forum on Civil Society and Aid Effectiveness held in Gatineau, Canada, from February 3rd to 6th. This forum provided an important opportunity to contribute to the consensus-building process at the national, international and regional levels, in preparation for the Accra High Level Forum on Aid Effectiveness in September 2008.

Project Staffing

During the first quarter of 2008, the project, filled 7 national positions and completed the process recruitment for one international position, in line with its planned outputs and activities. These included one international Coach/Advisor for the project management unit, five Budget Officers, one Programme Budgeting Officer and one Web-Officer. Unfortunately, three project staff resigned during the same period.

The project is preparing the posting of a few other positions, which will be advertised during the second quarter of 2008. These include 2 Aid Coordination Officers, a Provincial Budgeting Manager, a Sector Manager, a Programme Budgeting Officer, two Senior Fiscal Policy Analysts, two Fiscal Policy Analysts and an Administrative and Finance Officer.

In order to achieve a gender balanced recruitment, the project is planning to implement incentives and reward measures that will lead to an increase in the recruitment of women to the abovementioned positions to be advertised shortly. Examples of measures to be implemented during recruitments include:

- Recruitment panels will be made more gender-balanced,
 - Recruitment and retention boosting measures, such as offering positions on average qualifications compared to male counterparts,
 - Providing internship opportunities for female students, while completing their graduate education
 - Career and professional progressions measures, such as international trainings, national mentor schemes, etc,
 - Knowledge building and a better working climate
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II. Project implementation challenges

Despite improvements in the budget policy and process and its links to the ANDS priorities, budget allocations are not yet clearly linked to outputs and outcomes in line ministries. The project preparation capacity in line ministries is still very weak and, as a result, most line ministries were not able to submit projects consistent with their sector strategies and intended outcomes. This can be improved in the next budget cycle if the development budget process starts early and costing is completed on time before line ministries submit their budgets.

In theory, line ministry budget allocations and draft budget should be ready by the time the budget negotiations are completed. But last minute political decisions and changes delayed the budget process and resulted in a big rush to meet the deadlines for approvals from the Cabinet and the Parliament. Early planning could give sufficient time for better budget analysis and statement and other budget documentation.

The budget prioritization process, which was supposed to be completed and approved by the Cabinet by November, was only finalized and approved by the Cabinet in January. The programme budget presentation and quality would have been improved if the line ministries were given budget ceilings earlier. Ideally, budget ceilings should be issued with the Budget Circular 2 so that line departments will have sufficient time to prepare programmes and projects consistent with their sector strategies and priorities.

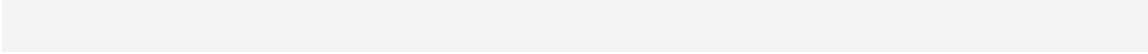
In terms of the budget execution, the late approval of the budget by the Parliament resulted in lower than targeted budget execution rates. Slow procurement processes and low capacity in line ministries are constitutes additional reasons for low budget execution rates. Early approval of the 1387 budget and the improved quality of projects are expected to increase budget execution rates for the 1387 budget.

For the provincial budgeting, it has been observed that the line ministries have not been able to provide adequate guidance to their provincial directorates for better provincial budget submissions. Neither have they provided any template/format for regular progress reporting system that allows the inclusion of both physical and financial attainments along with the pertinent problems to be resolved. Owing to the non-availability of any feedback from the ministries and provinces on the provincial budgetary processes, it has been very difficult to monitor the progress of its implementation. It is furthermore difficult to initiate additional reforms based on the experience at the field levels.

Owing to lack of adequate human resources the orientation program on provincial budgeting to the new provinces (year I/phase III) could not be conducted in this reporting period. It has been a big problem to cover additional provinces with the limited manpower (only one Advisor and two Budgeting and Reporting Officers). Besides, there is not enough manpower in the unit to accompany the newly trained Provincial Directors and Finance Officers, while they conduct the proposed intensive training in 10 provinces to the provincial officials since they may need back up support at least for the first time.

Although much progress has been achieved in implementing the Government's aid coordination and effectiveness agenda, some challenges remain ahead. This includes approval and implementation of the Aid Policy Action Plan (APA) as well as the implementation of the online/web-based reporting of DAD. Further engagement of all development partners and the line ministries will be essential in ensuring the implementation of both tools. It requires agreement of all stakeholders to implement the actions of the APA and mutual assessment of progress.

Maintaining sufficient capacity in the Aid Coordination Unit (ACU) is also crucial for implementation of the APA and DAD. The ACU has experienced lack of human capacity in the first quarter of 2008. This was mainly due to the withdrawal of technical support initially agreed to be provided under the DFID funded ASI project upon completion of the Maxwell Stamp project (Maxwell Stamp) in February 2008. Although the ACU has received short-term technical support from the UNDP CAP project and ASI, it will need long-term TA commitment to successfully implement the planned activities.



III. Financial status and utilization

Financial status

Contribution overview [April 1, 2007 – March 31, 2012]

DONOR NAME	CONTRIBUTIONS		CONTRIBUTION BALANCE
	Committed	Received	
CIDA	3,803,738	969,298	2,834,440
DFID	5,000,000	829,186	4,170,814
GTZ	1,200,000	1,200,000	-
UNDP	154,000	154,000	-
TOTAL	10,157,738	3,152,484	7,005,254

Financial utilization

Quarterly expenditure by activity (01-01-2008- 31-03-2008)

Activity	BUDGET [2008]	QUARTERLY EXPENDITURE	BALANCE	DELIVERY (%)
Activity 1 [Strengthened Budget Policy and Planning Processes linked to ANDS priorities]	35796	39071	-3274	109
Activity 2 [Strengthened Budget Formulation Processes]	414015	163248	250767	39.4
Activity 3 [Strengthened Budget Execution Processes]	35796	25367	10429	70.8
Activity 4 [Strengthened Budget Monitoring and Reporting]	81811.83	17810	57844	23.54
Activity 5 [Alignment of and improved coordination of External Funding in line with Paris Declaration Afghan Compact to support ANDS implementation]	118410	27580	90829	23.29
Activity 6 [Sustainable institutional technical capacity built and retained within the public finance sector, particularly within the Ministry of Finance and Line Ministries]	20135	35888	-15753	178.23
Activity 7 [Other project costs]	233626	99002	134624	42.37
UNDP GMS (based on donor agreements)	59123	28988	36290	49
Total	998712.83	436954.68	561758.15	44

Quarterly expenditure by donor [01-01-2008 – 31-03-2008]

DONORS	ACTIVITY	2008 Budget	Q1 EXPENDITURES	BALANCE	DELIVERY RATE
	(as per approved budget)		01/01/0 - 31/03/0	as of 31/03/0	%
CIDA	ACTIVITY1: [Strengthened Budget Policy and Planning Processes linked to ANDS priorities]		10200	-10,200	
	ACTIVITY 2:[Strengthened Budget Formulation Processes]		18884	-18,884	
	ACTIVITY3: Strengthened Budget Execution Processes]		6482	-6,482	
	ACTIVITY4: [Strengthened Budget Monitoring and Reporting]	55767	11438	44,329	
	ACTIVITY5 : [Alignment of and improved coordination of External Funding in line with Paris Declaration Afghan Compact to support ANDS implementation]	55767	12531	43,236	
	ACTIVITY6: [Sustainable institutional technical capacity built and retained within the public finance sector, particularly within the Ministry of Finance and Line Ministries]		2121	-2,121	
	ACTIVITY7: [Other project costs]	79008	44282	34,726	
GMS 7% (see agreement)		15,509	8,622	6,887	
Subtotal DONOR I		206,051	114,560	91,491	56%
DFID	ACTIVITY1: [Strengthened Budget Policy and Planning Processes linked to ANDS priorities]	35796	38941	-3,145	
	ACTIVITY2: [Strengthened Budget Formulation Processes]		131001	-131,001	
	ACTIVITY3: Strengthened Budget Execution Processes]	35796	18885	16,911	
	ACTIVITY4: [Strengthened Budget Monitoring and Reporting]	19886	6372	13,514	
	ACTIVITY5 : [Alignment of and improved coordination of External Funding in line with Paris Declaration Afghan Compact to support ANDS implementation]	62643	15050	47,593	
	ACTIVITY6: [Sustainable institutional technical capacity built and retained within the public finance sector, particularly within the Ministry of Finance and Line Ministries]	20135	14118	6,017	
	ACTIVITY7: [Other project costs]	154619	73761	80,858	
GMS 7%		26,770	24,267	2,503	
Subtotal DONOR II		355,645	322,395	33,250	91%
GTZ	ACTIVITY2: [Strengthened Budget Formulation Processes]	414015		414,015	
GMS 5%		23,001	-	20,701	
Subtotal DONOR III		437,016	-	434,716	0%
Total		998,712	436,955	561,757	44%

Annexes