



**Quarterly Project Report Quarter 2, 2008**  
**United Nations Development Programme**  
**Afghanistan**  
**Support to Centre of Government Project**  
**01-04-2008 – 30-06-2008**



Training sessions on Governance conducted in collaboration with CSI

<b>Project ID:</b>	00046407
<b>Duration:</b>	3 years
<b>Component (MYFF):</b>	2.7. Public Administration Reform and Anti Corruption
<b>Total Budget:</b>	16,275,000
<b>Unfunded:</b>	878,899
<b>Implementing Partners/Responsible parties:</b>	UNDP in collaboration with Chief of Staff (CoS) and Office of Administrative Affairs (OAA) of the President and The Asia Foundation (TAF)

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## I. Implementation progress

The Project achieved, during the quarter under review, major deliverables of the year 2 work plan presented at the previous Project Board Meeting.

The most significant achievements in the past quarter have been the selection of a construction company to carry out the construction of the Admin Building at the Palace; implementation of the new, Civil Service Commission compliant HR policies; implementation and refinement of software applications to support Presidential time management; recording of Presidential rewards; deployment and use of CoS Kitchen/Depot and planning of the implementation of the Afghanistan Financial Management Information system (AFMIS).

When more applications are sourced to support the automation of core administrative work processes the degree of integration will continue to increase, as envisaged in the Project Inception Plan. These will significantly enhance the efficiency, effectiveness and transparency of the core processes and the improved reporting capabilities will strengthen accountability. Now that the foundations are in place, the key constraint is the availability of localized software applications that are robust, scalable and supported by Afghan IT organizations.

The Policy Domain continues to be challenging. However, in response to the request from OAA at the previous Board Meeting, two international policy and change management specialists were fielded in May for a three month period. Their work and interactions with CoS and OAA staff highlighted the little degree of CoS involvement in policy, and the wide difference of opinion in OAA about the extent to which it is involved in policy formulation, facilitation, analysis and coordination. Legacy issues dating back to 2005 that are outside the control or influence of the SCoG project will need to be resolved before real progress can be made in this domain.

The presence of the two new Project Staff recruited during the quarter was instrumental in improving interactions with stakeholders and monitoring the progress achieved. The National Project Manager and the International Site Engineer have been in regular interaction with counterpart on the programmatic and construction side of the project.

Details of achievements, notwithstanding the risks and challenges presented in part II, is presented under each project domain.

**Output 1: The buildings that house the Office of Administrative Affairs (OAA) and Chief of Staff (CoS) have been repaired or reconstructed to international standards according to a comprehensive architectural design for each building and their immediate surrounding grounds.**

As reported in detail in the annex to the previous quarterly report the deliverables regarding the reconstruction of the OAA building are achieved. The first part of deliverables on the restructuring of the CoS Admin building are also achieved. This includes the development of schematic designs, approved design, and contract documents.

Good progress has been made on the two deliverables under the facility domain, which is now implemented directly by UNDP, despite serious constraints. A construction company has been selected through an international bidding process directed from UNDP Head Quarters. Since the signing of the contract with the construction company on 9 June, 2008, the official launch of the actual construction work has been awaiting the security clearance of the Company by the authorities in charge of the security in the Presidential Palace.

Awaiting the imminent handover of the site to the contractor, the project's Site Engineer is working together with the former in order to fine-tune the planning of the civil works to ensure optimum results according to international standards.

**Output 2: Critical administrative work processes are streamlined, predictable, timely and transparent.**

**Office of Administrative Affairs (OAA)**

The financial management work processes were mapped, including the production of detailed 'As-Is' financial work process model. Furthermore, in the framework of planning the implementation of the Afghanistan Financial Management Information System (AFMIS) in OAA, meetings were conducted with the Ministry of Finance (MoF) and training on the AFMIS application for relevant OAA staff are scheduled for August, 2008 to ensure the full implementation of AFMIS.

At the same time, local IT software companies have been contacted to design a software programme to automate the internal financial processes that are not covered by the AFMIS.

To complement the implementation of the Human Resource Management Information System (HRMIS) the team reviewed the human resource processes. This included developing an 'As-Is' model of recruitment, promotion and retirement, and comparing this with the models developed for CoS to identify similarities, differences and opportunities for improvement and standardization. The domain advisers assisted with initial training for the HRMIS.

**Chief of Staff (COS)**

The financial management work process was mapped. This included developing the 'As-is' financial work process model and preparing a two page "Findings and Next Steps" report presented to Senior Management, who agreed with its recommendations.

The project has also been working with the Ministry of Finance for the full implementation of AFMIS throughout the CoS institutions. Training on the AFMIS application for the relevant staff are scheduled for August, 2008. At the same time, meetings with local software companies are being conducted to plan how further to automate the processes outside the AFMIS.

Cooperation was also extended to the Ministry of Finance in preparing the implementation of the Verifiable Payroll Project (VPP) in the salaries department of the CoS. MoF's subsequent plan is to establish one branch of BRAC bank in OAA for the use of both CoS and OAA staff.

After completing the 'As-Is' human resource management process, the project developed the 'To-Be' model for recruitment, grading review and retirement. The new process have been much simplified by the removal of non-value added parts and now also incorporates best practices. Installation of HRMIS was fully facilitated by the project team.

The kitchen/depot pilot software development for requests, requisitions, receipts, inventory management, issues, meal planning and menus was completed and approved by staff and management.

### **Output 3: The new CoS and OAA organizational structures are implemented per the PRR design.**

Excellent progress has been achieved towards attainment of the deliverables for the second year of the project and the foundation for a very positive leadership attitudinal change across the organization as it pertains to implementing sound HRM policies and procedures. It is therefore fully expected that the second year deliverables will be achieved within the agreed timelines.

Of significance is the range of training activities offered over the past 12 months, which have had a positive impact on the thinking and behavior of both organizations. The apparent change in attitudes that has been observed will have a mitigating effect on many, if not most, of the risks that have been identified in earlier quarterly reports.

For example, management in both organizations are more likely to encourage and support their staff to engage in training by allowing them time away from their regular tasks. At the same time staff is also better able to articulate their own training needs and generally training is more demand-based than previously.

Daily mentoring, coaching and frequent HR symposiums have resulted in the SCoG HR team developing strong working relationships assisting greatly to ensure achievements to date. Consequently, the challenges concerning the “buy-in” of some actors within OAA and CoS to modern human resource management practices have been minimized.

It is anticipated that with continued mentoring and coaching and reinforcement of successful policies, procedures and the complementary “People First” philosophy, full “buy-in” could be achieved in the near term. Senior OAA and CoS leadership/“buy-in” will continue to be the critical factor to ensure long-term success of the HR change management process.

#### ***Office of Administrative Affairs and Chief of Staff***

During the second quarter the team developed and implemented the grievance and leave policies and refined the performance appraisal policy. The employee recognition and promotion policy was refined and is under review,. It will be implemented during the next quarter. The team also refined the recruitment policy to be implemented during the third quarter.

Human resource management and leadership symposiums were conducted for all HR staff and basic and advanced HR training were implemented in addition to daily mentoring and coaching. Additionally, the HRMIS was successfully introduced and training is ongoing.

#### ***Chief of Staff (COS)***

CoS and Presidential Protocol Office staff accepted the recommendations for the Presidential Protocol office. CoS has requested that the assessment recommendations be implemented, but at this stage funding is not available.

**Output 4: All employees, who required additional training in order to perform their jobs, have received the necessary training.**

***OAA and CoS***

During the second quarter of 2008 the training domain has continued to implement its work plan for the second year of the project. The second needs analysis, which focused on job-specific training needs was completed as envisioned in the previous report.

English language courses are attended by 129 staff at OAA and CoS and 110 staff are enrolled in various computer application courses. The first Cisco course has been completed and the second has already been commenced. Planning for ICT training for technical staff and management is underway.

Additional highlights of the quarter are the participation of one executive-level officer in the Kennedy School of Government courses at Harvard University and the participation of another fifteen executives in courses at the Administrative Staff College of India (ASCI) in Hyderabad India. Three specialized exposure visits and participation in executive development courses at reputable institutions within the region are planned. This includes a study visit of policy experts to Malaysia and a study visit for HR staff within the region.

A “Management and Leadership Development” programme was initiated in partnership with a local provider. A Steering Committee was established with representatives from OAA, CoS and TAF to identify the capabilities of local institutions and service providers.

To enhance the administrative infrastructure for the sustainability of training, the team continues to develop the Access application as needs and activities change over time, and has furthermore developed a User’s Manual to hand over to the capacity development functions in CoS and OAA when the SCoG project comes to an end. The team also developed and implemented a training policy for both organizations.

**Output 5: Both the OAA and CoS have the necessary information technology and communications infrastructure to function at international standards.**

***Office of Administrative Affairs (OAA):***

To enable real-time communications between the Services department and the main building, a complete network and voice ICT infrastructure was deployed within the Services department. This included insertion of the Services department building into the OAA LAN via a combination of wireless and mini radio link network technology.

To enhance the data backup system a Network Attached Storage (NAS) device was purchased and the OAA Directors Secretariat was provided with 7 desktop computers.

To improve web filtering and optimizing bandwidth, a Websense Enterprise within OAA was installed and tested. This will avoid the need to increase the bandwidth, saving thousands of dollars a year in internet access costs. The project also procured and delivered licensed Microsoft, Adobe and Corel software to support client office productivity needs within OAA.

The team deployed the HRMIS application and coordinated user and technical staff training with the MoCIT. In response to a request from the Deputy Director of Policy, Dr Sadeq Mudaber, the SCoG team developed an application for tracking rewards and medals by the President.

The team arranged participation of OAA IT staff in a Cisco Certified Network Associate (CCNA) training course and to ensure maximum attendance, this training’s related transportation costs were funded by the project.

An Acceptable Use Policy for the OAA ICT was drafted and on-site helpdesk and technical support continued to be provided. Moreover, the team continued troubleshooting, labeling and mapping the previously installed network and voice cabling infrastructure in the OAA main buildings. The as-installed documentation is an essential tool for infrastructure management.

Finally, in cooperation with BearingPoint, the team performed bid analysis and vendor assessment for the Council of Ministers building ICT network cabling infrastructure.

### **Chief of Staff (CoS):**

The SCoG IT team completed the ICT infrastructure installation in the new CoS building (Stone Palace, formerly called the Telephone Khana) in close coordination with Capacity Development Programme (CDP) - BearingPoint. This included installation of raised flooring in the server rooms, Cisco devices, a high capacity Uninterruptible Power Supply (UPS) and power stabilizer, as well as dedicated electrical wiring in the ICT server room. To connect more end users in the barracks and the kitchen, additional access points and network interface wireless cards were included in the LAN.

In response to the OAA and CoS concerns expressed at the previous Project Board about the sustainability of the IT functions, a detailed job-specific training plan has been developed for IT staff in both organizations and specialized training institutions in the country and within the region were identified.

The project also arranged a free of charge advanced level training on Siemens PABX for CoS Telecom staff in Mumbai, India, and thereby saved USD10,000.

Besides, the team assisted the CoS and PPS in conducting interviews for the CoS ICT Manager position. As for the OAA, the team continued to provide on-site helpdesk and technical support.

## **Output 6: Policy facilitation and decision making procedures are clear, effective and working as designed.**

### **Office of Administrative Affairs (OAA)**

In order to streamline the policy facilitation process at OAA, the project team mapped the entire policy process from the originating ministry through to Council of Ministers and suggested a comprehensive set of recommendations to the Ministries and OAA. One of the recommendations was to equip the policy experts at OAA with sufficient policy research and analysis skills to facilitate the policy process and to provide professional policy advice to the President and to the Council of Ministers on policy proposals.

The project team worked on a one-on-one basis with policy experts on actual policy proposals received at OAA to coach them on all aspects of the policy process with a focus on policy secondary analysis and how to improve inter-ministerial consultation and coordination. This exercise offered a learning opportunity for professional development with the ultimate aim of ensuring that sound policy proposals are being submitted to CoM and to the President for approval.

The project team submitted a report to the OAA management on their findings and also presented recommendations for immediate implementation to OAA Deputy Director of Policy and the Policy Directors in a mini-workshop convened by OAA management.

The team has also been assisting OAA to follow up on making the Cabinet Liaison Officer (CLO) network operational in Ministries and Government agencies and the Civil Service Commission, and to reach agreement on the final steps necessary to approve and implement the CLO.

In response to OAA's desire, expressed at the previous Board Meeting, to have international policy expertise to assist with streamlining the policy facilitation process at OAA, Policy and Organizational Development specialists (Patricia DeGennaro & Suzanne Zaldivar) joined the project on May 2nd to build on the efforts made earlier in this area. The new colleagues proposed a consulting process, which would combine policy expertise and change management and met with OAA and CoS executive management and senior advisors to seek their input and to secure their sponsorship. The project team interviewed OAA Policy Directors and hosted meetings to discuss the interview findings as well as the enablers and obstacles to change at OAA.

***Chief of Staff (COS)***

The Policy Domain team plans to help mentor an internal change management team sponsored by the Chief of Staff and the Technical Deputy Chief of Staff. The goal of the CoS team is to assess strengths and weakness of the Office of the Chief of Staff and make recommendations to improve its performance. The SCoG project will help this team to coordinate with other efforts of organizational improvement by SCoG in the HR, Training, and Work Process domains.

## II. Project implementation challenges

### *Updated project risks and actions*

No new risks surfaced during the quarter in conducting activities to attain the outputs of the IT, Admin Work Processes Improvement, Organization and Training domains.

The only risk prone domain remains the Policy Domain.

The risks involved in the activities carried out in this domain include the obstacles presented by the limited engagement in the change process, limited national ownership and lack of adequate human resources.

The obstacles presented include the challenge of trying to support change during a pre-election period, within a normally highly political environment. Leadership support for change efforts to date also needs to be strengthened by Center of Government stakeholders. Additionally, despite repeated communication on the part of the team with counterparts, there has been a limited response to date. Counterparts clearly face lack of adequate human resources and the challenge of engaging in a change process while performing their day-to-day tasks under considerable pressure. Resistance to change, normal in any organization, has had a considerable impact on the work of this domain. Finally, the nature of the policy process is not properly understood and there is no existing legal recourse to encourage transparent policy development and implementation.

All of these risks limit the ability of the team to implement change to streamline policy facilitation and decision-making in cooperation with counterparts. Measures taken by the project to these risks include constant re-evaluation, constant re-strategizing, on-going dialogue with the counterparts, persistent attempts at moving the process along, attempts at involvement of high level sponsors for support, use of both process and content expertise approaches and a sense of humour.

### *Updated project issues and actions*

Three issues beyond the control of the SCoG project continue to affect progress: limited sponsorship for the project at the highest levels of the Government of the Islamic Republic of Afghanistan, prolonged delay in processing access passes to the Arg for the SCoG consultants, and a lack of localised software applications and the need to align with timelines of other whole-of-Government initiatives.

The issue of project sponsorship can only be resolved by frequent meetings with the most senior executives in CoS and OAA to discuss progress and maintain the momentum of the project. The Chief of Party has initiated meetings with the Chief of Staff and Director General, and will endeavour to meet with the leadership of both CoS and OAA at least monthly.

The lack of access passes has several consequences, which severely affects both productivity and morale. The few consultants that have passes are treated with respect and cordiality by the guards, and can be much more flexible in attending meetings and carrying out project activities inside the Arg. Despite repeated follow-up by the Chief of Party, passes have not been issued.

Few localised, robust, scalable software applications exist. Our experiences with local software developers suggest that lead times on development are significantly longer than one would normally expect. The SCoG project has investigated other avenues, such as leveraging successful applications in other ministries. To this end, the project is piloting the HRMIS developed by MoCIT and has accelerated the implementation schedule for AFMIS.

### III. Financial status and utilization

#### Financial status

Table 1: Contribution overview [September, 2005 – June, 2009]

Resources			
DONOR NAME	CONTRIBUTIONS		CONTRIBUTIO N BALANCE
	Committed	Received	
USAID	5,000,000	5,000,000	-
DFID	9,720,101	5,130,710	4,589,391
UNDP	630,000	630,000	-
<b>TOTAL</b>	<b>15,350,101</b>	<b>10,760,710</b>	<b>4,589,391</b>

#### Financial utilization

Table 2: Quarterly expenditure by activity [01/04/2008- 30/06/2008]

Activity	BUDGET [2008]	QUARTERLY EXPENDITURE	BALANCE	Delivery %
Activity 1 [PD Formulation]	4704405	3,449,223	1255,182	73%
Activity 2 [Leading SCoG reform]	45,371	96722	-51351	213%
UNDP GMS 5% and 7 % *	312077	279863	32214	90%
<b>Total</b>	<b>5,061,854</b>	<b>3,825,808</b>	<b>1236046</b>	<b>76%</b>

\*UNDP charge 7% GMS on the fund received from DFID under the amendment agreement for additional 2 million GBP

Table 3: Quarterly expenditure by donor [01/04/2008- 30/06/2008]

DONORS	ACTIVITY	2008 Budget	Q1 EXPENDITURES	BALANCE	DELIVERY RATE
	(as per approved budget)		01/04/08 - 30/06/08	as of 30/06/08	%
<b>UNDP</b>	Activity 1: PD Formulation	-	5,280	-5,280	8%
	Activity 2: Leading SCoG reform		74,858	-74,858	
	GMS 0%		-	0	
<b>Subtotal DONOR I</b>		<b>-</b>	<b>80,138</b>	<b>-80,138</b>	
<b>DFID</b>	Activity 1: PD Formulation	1,906,661	778,887	1,127,774	0%
	GMS 7%	155,193	63,398	91,795	
	<b>Subtotal DONOR II</b>		<b>2,061,854</b>	<b>842,285</b>	
<b>USAID</b>	Activity 1: PD Formulation	2,796,734	2,665,056	131,678	97%
	Activity 2: Leading SCoG reform	45,371	21,864	23,507	
	GMS 5%	157,895	216,465	-58,570	
<b>Subtotal DONOR III</b>		<b>3,000,000</b>	<b>2,903,385</b>	<b>96,615</b>	
<b>Total</b>		<b>5,061,854</b>	<b>3,825,808</b>	<b>1,236,046</b>	<b>76%</b>