



QUARTERLY PROJECT REPORT [QUARTER - 2, 2008]

United Nations Development Programme

Afghanistan

[Vocational Training Centre Upgrading Project]

[01-04-2008 – 30-06-2008]



Project ID: 00057895
Duration: September 2007 to October 2008
Component (MYFF): Upgrading of Nine Vocational Training Centers
Total Budget: USD 2,056,031
Funded: Japan
Implementing Partners/Responsible parties: UDG/UNDP, JICA and MoLSAMD

Table of Contents

I. Implementation progress.....	3
II. Project implementation challenges	7
Updated project risks and actions	7
Updated project issues and actions	8
III. Financial status and utilization.....	8
Financial status	9
Financial utilization	9

List of acronyms

ANDS	Afghanistan National Development Strategy
CPAP	Country Programme Action Plan
JICA	Japan International Co-operation Agency
MDG	Millennium Development Goals
MoLSAMD	Ministry of Labour, Social Affairs, Martyrs and Disabled
UDG	Urban Development Group
UNDP	United Nations Development Programme

I. Implementation progress

During the second quarter of Fiscal Year 2008, the implementation of the upgrading of nine vocational training centers project continued in accordance with the annual work plan. The project activities have closely been monitored and regularly reported to Ministry of Labor Social Affaires, Martyrs Disabled (MoLSAMD) as well as to the Japan International Cooperation Agency (JICA). This has helped to strengthen the Government involvement and its overall understanding of the development process and the challenges and requirements in implementing this project in 9 provinces. The project progress made towards achievement of outputs is explained under each output below:

Out Put (1): Construction and renovation of Vocational Training Centres:

The selections of all contractors were commenced on 29/01/2008 with an Invitation to Bid (ITB) for construction and rehabilitation works to invite Afghan private sector companies to compete for the works. This would ensure value for money, competition and enable selection of the best contractors from the market. The bids returned were evaluated and the contracts were awarded to three different construction companies.

1. Construction and renovation activities in Nangarhar province

The construction and renovation activities in Nangarhar province was 100% completed on 15 April 2008. In addition, on 06 May 2008, the project was officially handed over to the government. It is worth mentioning that the total contract amount of the project was USD 50,290 which increased to USD58, 208 or in other words USD 7,918 extra because of additional work undertaken in the field. Changes in the project budget and activities were made in close collaboration with the respected donor and government counterparts.

The head of Nangarhar department of Labor Social Affaires Martyrs & Disabled, assigned an inspection team comprising of four technical people including UNDP/UDG National engineers for final inspection and monitoring of the project in order to prepare the complete hand over documents. The responsible team completed entire handover documents and submitted them to UNDP/UDG.

2. Construction and renovation activities in Kandahar province

The construction and renovation activities of Kandahar province was 100% completed on 25 May 2008. On 29 May 2008 the project was also handed over to the government officially. The Kandahar, VTC project handover ceremony took place on 29 May 2008 in Kandahar at DoLSAMD Meeting room.

Total contract amount for Kandahar center was USD 66,558. However, because of an incorrect specification and miscalculation in the Bills of Quantity (BoQ), the contract sum was increased to USD 72,667 or USD 6,109 as an additional amount to be paid to the contractor for extra work done in the field. The project does have a contingency sum from which this sum was paid to the construction companies.

The Director of DoLSAMD, during the ceremony, thanked Government of Japan, JICA and especially UNDP/UDG Kandahar, for implementation of such useful projects in Kandahar Province which facilitate the way to work for disabled and poor people. During his speech he called on UN Agencies to implement such useful projects also at the district level. Eventually, the Director of DoLSAMD added that presently, about 650 disabled women living in Kandahar city and he requested Government of Japan, JICA and UDG to construct training centers for disabled women as well. He further mentioned that they trained about 500 trainees overall in Kandahar city, Daman, Arghandab, and Spin Boldak districts during last year. For the time being, 300 trainees including both men and women will receive training and will be able to get professional skills within 6 months in different sections, such as Computer, Carpeting, Tailoring, Plumbing, Electrical and Welding.

3. Construction and renovation activities in Bamyan province

The construction activities in Bamyan VTC were delayed because of a very low quality and non-technical work of the building was constructed by a local Construction Company in 2005. There were many horizontal and vertical structural cracks observed in the building. Hence, UNDP/UDG Engineers advised

that renovation works be avoided until the full extents of the required repairs are known. In response to this, advice, the JICA team requested UNDP/UDG to provide a comprehensive quality report to explain the technical deficiencies of the building. A comprehensive report was prepared by the project manager of the project and submitted to both MoLSAMD and JICA.

It is also necessary to be mentioned that this was decided to spend USD 36,000 on the renovation of Bamyan VTC, before, the project board meeting. This issue was only present to project board meeting for their information. On May 25, 2008, UNDP/UDG had a meeting with Japan International Cooperation Agency (JICA). In the meeting JICA formally requested UNDP/UDG to spend USD36, 536 on the renovation of Bamyan VTC and the remaining amount (USD 20,664) should be spent on the renovation of Jowzjan VTC.

Before the project board meeting UDG had an assessment and prepared comprehensive monitoring report, in which it was stated that there are two solutions for Bamyan cracked building, one is short term solution in which UDG will spend the above mentioned amount only for minor repairing not for repairing structural cracks of the building.

For long term solution JICA and MoLSAMD should find budget to construct new building.

Now JICA is going to start vocational training in Bamyan and on the other hand they do not have budget now to start the construction of new building. Hence, both Ministry and JICA requested UNDP to renovate only minor repairing to use this building for a few years.

It was also decided in the project board meeting that independent report should be prepared to find best solution.

On 25 June 2008 UNDP/UDG, UNOPS, RRD of Bamyan and MoLSAMD prepared another independent report in which all the concern parties were agreed to have minor repairing in Bamyan VTC for short term solution. For long term solution JICA or MoLSAMD should construct a new building some where else in Bamyan.

On July 10, 2008 as per the request of MoLSAMD, Ministry of Urban Development (MoUD) prepared also a report stating that for short term solution minor repairing should be done in Bamyan VTC.

4. Construction and renovation activities in Herat and Gardiz provinces:

The construction and renovation work of Gardiz is 100% completed and the percentage in Herat is 50% completed. However, at the beginning of Gardiz vocational training center project, there were some difficulties and problems with the contractor. As UNDP/UDG undertook close supervision and monitoring, the construction work quality improved significantly and the problems were solved. The head of the Gardiz training center expressed his satisfaction of the renovation and construction works completed for the Gardiz VTC. However, technical monitoring of the project found the following problems:

4.1 The VTC building is in urgent need of one bore well inside VTC boundary wall, with hand pump and complete installation.

4.2 There is a need for leveling of Gardiz VTC ground so that it could be utilized for planting trees and garden.

For the above mentioned activities, the project does not have enough allocated budget. The cost estimation of the above activities has already been submitted to JICA (the donor) so that the fund should be identified for the next phases of the project.

5. Construction and renovation work of Kabul, Jowzjan, Mazar and Kundoz VTCs:

Jowzjan VTCs project work is approximately 92% completed. However, the construction work was suspended for 20 days as the head of the VTC wanted the roof to be of Isogum. However, the bills of

quantity for repairing the roof does not provide for this requested specification. Finally as per the decision of the project board, it was decided that USD 20,000 to be spent in Jowzjan instead of Bamyan. In accordance with UNDP procurement policy, Mashal Construction Company will complete the Isogum of the mentioned VTC as soon as possible.

The construction activities in Kundoz is progressing well and approximately 80% of the project has been completed successfully. The construction activities in Mazar-e-Sharif is not proceeding as per work plan as the head of Mazar-e-Sharif VTC asked for extra work in the VTC of Mazar-e-Sharif. Now, JICA has allocated approximately USD 5,000 for the requested extra work that will be contracted with another construction company by JICA. It was agreed that UNDP will only monitor the construction work.

Work in Kabul VTC is in progress around 90% of the project is completed and the remaining part will be completed soon.

Out Put (2): Upgrading of Nine Vocational Training Centres through procurement of common tools and spare parts

Under the project, UDG has procured essential assets such as generators, common tools and spare parts and have completed the procurement process of mini-buses for the training centers to make them operational.

The procurement plan was developed. Hence; Request for Quotations (RFQs) and Invitation To Bids (ITB) were sent out for generators, mini buses as well as furniture. CAP meetings of some of the items were also conducted and some contracts were signed with sub-contractors for generators, furniture, common tools and spare parts and mini buses.

The procurement process of common tools was completed. The supplier has already supplied the following common tools and spare parts that are stored in the vocational training centers.

The common tools and spare parts listed in the table below are being delivered to relevant centers. However, the welding machines were rejected by the inspection team (JICA, MoLSAMD and UNDP). Hence, the supplier changed the machines and provided new ones as per the given specifications and requirements (BX1 400-500, un/off switch working with both 220v and 380v, with moving fans). These machines were also delivered to the related centers.

The procurement process of six generators was also completed; the supplier (Catter-Pillar) has provided all 6 generators and delivered them to the related provinces.

Furniture

One sample of the furniture was prepared and stored in JICA vocational training center in Kabul. The inspection team has approved the sample and the supplier provided all furniture as per the sample and delivered to all nine provinces.

II. Project implementation challenges

Updated project risks and actions

RISK LOG

Identification of Issues	Assessments/Options	Implications/Mitigation Measures
Security in Gardiz, Kandahar and Jowzjan	The security was always a major risk to the project, which might delay the implementation of activities of the project in different centers. This could be a problem especially in some insecure provinces like Kandahar and Paktia (Gardez), Herat as well as in Jowzjan. For example 5-unit coasters are ready to be delivered to Kandahar and Herat, but due to security problems it is difficult to deliver them to the mentioned provinces.	UNDP/UDG monitoring team will monitor the projects, considering UN security roles and regulation, for example the monitoring team do not have to use the same road, will not use UN vehicle, must take clearances before the travel. In addition, UNDP/UDG monitoring team will involve teachers and students of the VTC in supervision process and regularly report by telephone to UNDP/UDG monitors.
Poor quality construction of all nine vocational training centers	One of the main risk of the project is the low quality of all nine building constructed by local construction company in 2005 under Japanese Grassroots fund during DDR process.	There is no any solution for such bad quality work. UNDP/UDG monitoring team tried their best to keep best quality work and as a result of their good monitoring system, now the quality of repairing is satisfactory to donor as well as to the government construction department. UNDP/UDG has used some technical techniques and did repair it for a few years to be used.

The project is moving as per the initial work plan, but there were some issues that hampered the smooth progress of the project. A major issue that the project faced during the reporting period was the incorrect specification prepared by UNDP/UDG engineers, that is why all Bill of Quantities were revised and still some of the BoQ needs to be revised such as BoQ of Bamyan center in which the huge problem was not stated and this was not observed that the building should not be renovated. This affects also Heart, Mazar and Jowzjan.

There was some budget in contingencies, which is planned for the revised contracts as well as the contracts that have been revised as per UNDP procurement policy.

Updated project issues and actions

Staff recruitment was a major issue to the project team. The current competitive labor market has resulted in lack of staff availability taking-up temporarily based contracts for the project. For example it has proved difficult to recruit people to work in Kandahar province under a six months contract possibly because people are reluctant to work in this insecure area.

There were other issues also faced by the project team during this quarter some of the required items were not available in the local market and the international suppliers were unable to supply the items on time.

The procurement of equipment is a necessarily long procurement process with long leading-in period to enable the required steps to be followed such as: Contract Assets Procurement (CAP) committee submissions, and for contracts amounting to more than 300,000 USD requiring higher level approval from UNDP HQ in New York. In anticipation of this, Procurement activities were begun earlier at the beginning of the project. These are on-going and will take approximately another month to complete.

The major issue for JICA project was the low quality of construction nine vocational training centers in nine different provinces of Afghanistan. This was the case especially in Bamyan province, where the quality of the work was extremely poor and the building collapsed and practically went down. There have also been both horizontal and vertical structural cracks observed that could not be repaired. Therefore, UNDP/UDG was not going to start the renovation activities in the mentioned building in Bamyan. JICA requested UNDP/UDG to provide comprehensive monitoring report to the project board meeting. This report was provided to the project board meeting by Eng. Mohammad Salim (Project manager for upgrading of nine vocational training center project) and shared the report of recently conducted monitoring mission. Discussing the issue, His Excellency Deputy Minister mentioned that they have also received reports on the center from their own technical team as well as the sub-contractor of the project. He further explained that the reports of UNDP and MOLSAMD have specified that the construction quality of the building is very low whereas the sub-contractor has reported that the quality was fine. He suggested that another team comprised of UNDP, the Ministry and a member of third party organization should conduct another assessment of the building and based on the report of the committee, a decision should be made. He further mentioned that for the time being UNDP/UDG should spend only little amount of money for the repairing of Bamyan VTC and the rest of money should be spent on Jowzjan VTC. He requested UNDP to estimate the repairing cost of Jowzjan VTC and proceed with UNDP procurement rules and regulations.

UNDP/UDG engineering team estimated that USD 28,080 should be spent on repairing work of Bamyan and USD 30,000 to USD 35,000 can be spent in Bamyan.

As per the above decision, UDG has started the renovation activities of Bamyan VTC and will nominate two structure engineers in the end of June to join Bamyan PRT international engineers for preparing an independent report.

The project needs to be extensively monitored while it was being implemented by sub-contracted construction companies. The monitoring process was led by UDG engineers who were placed in each project site. If necessary, a Project Manager/Chief Engineer will visit project sites and supervise them. The

monitoring involves provincial staff of MOLSAMD. All monitoring was conducted in close consultation with the provincial departments to ensure that there was full Government ownership, oversight and understanding of the process.

UNDP-UDG monitors and evaluates progress, performance and the results of its activities under the project through weekly field reports prepared by UDG engineers at each project site. UDG Kabul office compiles weekly reports as well as monthly reports and shares these with both MoLSAMD, and JICA. Therefore all stakeholders are very much aware of the activities being conducted and progress made.

Regular coordination and consultation on the project is also being undertaken by holding quarterly project board meetings. Chaired by UNDP, the project board meetings comprise UNDP, MOLSAMD, and JICA. Consultative and participatory joint decision making will be undertaken at these project board meetings.

III. Financial status and utilization

Financial status

Table 1: Contribution overview September 2007 – October 2008

DONOR NAME	CONTRIBUTIONS		CONTRIBUTION BALANCE
	Committed	Received	
Japan	2,056,031	2,056,031	-
TOTAL	2,056,031	2,056,031	-

Financial utilization

Table 2: Quarterly expenditure by activity

Activity	BUDGET [2008]	QUARTERLY EXPENDITURE	BALANCE	DELIVERY (%)
Upgrading of Nine Vocational Training Center	1,631,334	635,752	995,582	38.97
UNDP GMS (based on donor agreements)	114,193.38	44,502.64	69,690.74	61.028
Total	1,745,527.4	680,254.64	1,065,272.74	49.999

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

DONORS	ACTIVITY (as per approved budget)	2008 Budget	Q2 EXPENDITURES 01/04/08 - 30/06/08	BALANCE as of 30/06/08	DELIVERY RATE %
JICA	Upgrading of Nine Training Vocational Centers	1,631,334	635,752	995,582	
GMS 7% (see agreement)		114,193	44,503	49,779	50%
Total		1,745,527	680,255	1,045,361	0

Note: These are interim figures.

Upgrading Nine Vocational Training Centres /Project ID: 00057895 Annual Work Plan for 2008							
UNDAF Outcome 2	Area of Cooperation: Sustainable Livelihoods, by 2008 opportunities, skills, land and infrastructure that allow for active participation in formal economy and private sector are improved, particularly for poor, vulnerable groups and sust						
CPAP Outcome 7	Strengthened domestic economic opportunities through area-based / community led initiative, private sector partnership, trade and access to relevant trade platforms						
CPAP Output(s) 7	Access to social and economic opportunities (local poverty initiatives, private sector development, alternative livelihoods) in vulnerable groups						
A. Development activities							
Output 1: Vocational Training Centres equipped to perform their functions.							
Annual Target / Deliverables By 2008 we will provide 9 vehicles, 6 power generators, and extra vocational equipments for 9 VTCs.				Indicators) Providing equipments for Nine VTCs Baseline : 0 benchmark : 9 vehicles, 6 generators, and vocational equip			
Planned Activities	Responsible Party	Planned Budget			Funded		
		Inputs description	Acc. Code	Budget description	Total Amount	Donor	Funded
Procurement of generators, minibuses	UNDP	Procurement of Generators and Minibuses	72100	Contractual Services - Companies	529,590	Japan	529,590
		GMS 7%	75100	Facilities and administration	39,682	Japan	39,682
Output 1 Sub-Total					569272		569272
Output 2: Vocational centres upgrading.							
Annual Target / Deliverables by 2008 we will upgrade nine VTCs and construct boundary walls for 6 VTCs and renovate 9 VTCs.				Indicators) Boundary walls construction and renovation of 9 VTCs Baseline : 0 Benchmark : Upgrading and renovation of Nine VTCs and construction			
Planned Activities	Responsible Party	Planned Budget			Funded		
		Inputs description	Acc. Code	Budget description	Total Amount	Donor	Funded
Construction of boundary walls of 6 vocational Training centres in Kandahar, Kunduz, Gardez, Jalalabad, Jawzjan, Herat, and Rehabilitation of Nine VTC in		Constructions companies	72100	Contractual Services - Companies	746,525	Japan	746,525
		GMS 7%	75100	Facilities and administration	56,190	Japan	56,190
Output 2 Sub-Total					802715		802715
A. Development activities Total					1,371,987		1,371,987
B. Other project costs							
Management Costs	Responsible Party	Planned Budget			Funded		
		Inputs description	Acc. Code	Budget description	Total Amount	Donor	Funded
Staff		National Project Manager	71400	Contractual Services - individ	28145	Japan	28145
		4 National Engineers	71400	Contractual Services - individ	42840	Japan	42840
		3 Senior Engineers	71400	Contractual Services - individ	57120	Japan	57120
		50 % of 2 Admin Staff	71400	Contractual Services - individ	5100	Japan	5100
		Community Coordinator	71400	Contractual Services - individ	16800	Japan	16800
		7 Drivers	71400	Contractual Services - individ	42840	Japan	42840
		GMS 7%	75100	Facilities and Administration	14515	Japan	14515
Equipment and running Costs		Fuel	73400	Rental & Maint of Other Equip	15000	Japan	15,000
		Supplies	72500	Supplies	60000	Japan	60000
		Offices rent at three regions	73100	Rental & Maintenance- Premises	64992	Japan	64,992
		GMS 7%	75100	Facilities and Administration	10537	Japan	10,537
Project Communication, monitoring, travels and Reporting.		DS A/T travels	71600	Travel	150121	Japan	150121
		Communications and Report	72400	Communist & audio Visual Equip	25643	Japan	25643
		GMS 7%	75100	Facilities and Administration	13229	Japan	13,229
Management Costs Sub-Total					546882		546882
Evaluation		Contribution to outcome evaluation	72100	contractual services- companies	20000	Japan	20000
		GMS 7%	75100	Facilities and Administration	1505	Japan	1505
Evaluation Sub-Total					21505		21505
Audit			74100	Audit	30860	Japan	30860
		GMS 7%	75100	Facilities and Administration	2323	Japan	2323
Audit Sub-Total					33183		33183
B. Other project costs Total					601570		601570
GRAND TOTAL (A+B)					1,973,557		1,973,557

