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Afghanistan
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Quarterly Project Report Third Quarter, 2008



Fourth Working Group Meeting conducted on 7th August 2008 in the MRRD meeting hall

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Component (MYFF): Goal 2, Service Line 2.7 Public administration reform and anticorruption

Total Budget: \$43,242,339

Unfunded: \$14,848,424

Implementing Partners/Responsible parties: Independent Administrative Reform and Civil Service Commission (IARCSC) and Independent Directorate for Local Governance (IDLG)

Table of Contents

I. Implementation progress	3
II. Project implementation challenges.....	9
Updated project risks and actions	9
Updated project issues and actions.....	9
III. Financial status and utilization	10
Financial status	10
Financial utilization	10
Annexes	12

I. Implementation progress

COMPONENT ONE: The capacity of IDLG to effectively undertake policy design and oversight functions at national and provincial levels strengthened through the development, delivery and institutionalization of technical advice and training aimed at facilitating institutional reforms.

Output 1.1: The capacity in IDLG to design and regulate a new sub-national governance framework is built.

During the third quarter, ASGP contributed to a significant improvement in IDLG capacity in budget making and financial management. With ASGP technical support, the IDLG Strategic Work Plan classifications were aligned with the new programme budgeting and guidelines of MOF. In addition, progress was made on introducing an integrated financial management system compatible with the MOF standard AFMIS (Afghanistan Financial Management System) enabling IDLG to begin generating daily expenditure reports for central and sub-national operations. ASGP facilitated collaborative support to IDLG's financial unit from the Ministry of Finance as well as USAID and DFID projects to introduce financial management systems and to provide training to IDLG staff on programme and provincial budgeting. This heightened capacity will ensure that the IDLG strategic work plan will be implemented in accord with the new MOF guidelines.

Output 1.2: A broad-based understanding of the current sub-national governance system is created.

Following the pilot test of the data collection tool for GOFORGOLD (Good Governance for Local Development), the tool was refined to eliminate questions that were found to be irrelevant or did not yield credible responses from respondents. From the original 25 performance indicators and 60 questions in the tool, there are now 20 indicators and 55 questions. The revised GOFORGOLD is now ready to be applied to all 10 pilot provinces in the coming quarter.

As part of building the IDLG and the sub-national governments' capacity for evidence-based policy making, an agreement between IDLG and the Central Statistics Office has also been reached so that both government institutions will work together in implementing the GOFORGOLD. This cooperative agreement will also increase the likelihood that GOFORGOLD will be a sustainable sub-national governance performance measurement system in the long-term.

ASGP also supports IDLG's broader goal of institutionalizing an information management system. In this quarter, ASGP worked with The Asia Foundation to conduct an ICT and information management needs assessment for IDLG and some selected provincial governments. A presentation to IDLG's senior management is expected to be presented by TAF with support from ASGP in mid-October.

Output 1.3: The design of a revised strategic institutional framework for sub-national governance in place.

IDLG was assisted by ASGP to draft the first ever Afghan Sub National Governance Policy, and in the process built the capacity of not only the IDLG Policy Unit, but over 22 policy directors of ministries, commissions, directorates and high offices of the GoA that were official members of Policy Development Committee as per the Presidential Decree. IDLG was mandated to develop this policy through the Presidential Decree of May 8th, 2008. This decree constituted two committees of Policy Development Committee and Policy Review Committee at the level of deputy ministers and

ministers respectively and set the deadline of October 21st for the policy to be submitted to the Cabinet.

The process of development of SNGP involved three stages. The first stage (June 15th to August 27th) involved 24 meetings of four working groups in the areas of Local governance, urban governance, Participation of women, youth and civil society and Sub national planning and finance. ASGP's Policy Team supported the Policy Unit of IDLG in performing its tasks as the secretariat of the policy development process and provided technical, administrative and logistic support. ASGP facilitated the working groups' participatory process through a series of questionnaires and group works. The second stage (June 12th to October 15th) that began with the launch of the policy development process on June 12th, 2008 involves 5 meetings of deputy ministers and deputy directors of the ministries, high offices, commissions and directorates of the government of Afghanistan. ASGP supported the Policy Development Committee meetings. The PDC is currently reviewing the policy draft that was designed as a result of three months of working group meetings. The third stage will involve high-level meetings held at the level of the ministers and directors and heads of commissions of the GoA led by the Second Vice President. This process is to begin after October 15th, 2008.

ASGP supported IDLG in consulting the International Community as well as the ministries and high offices of the GoA that were not included in the decree. These two meetings were held on 14th and 15th of September 2008. ASGP continued to support IDLG's Policy Unit in collecting and consolidating feedback from international community and left out entities and presenting them to the PDC meetings.

Civil society consultations on the draft policy are being orchestrated by IDLG with assistance from The Asia Foundation.

COMPONENT TWO: The institutional and administrative capacities of IDLG and IARCSC strengthened to manage basic services at the sub-national level.

Output 2.1: A sub-national PAR strategy is finalized and participating Provincial Governor's offices, district administrations, and municipalities strengthened.

ASGP supported the IARCSC to build its understanding of the progress of public administration reform and the shortcomings resulting from its implementation. The tools developed by the central monitoring and evaluation department and sub-national officers were tested in the ministry of justice, foreign affairs, communications, Geodesy and cartography. Reports have been generated on improving the implementation of PAR and gaps identified, such as a report developed on recruitment policies at the sub national level, from the database into which the information collected was entered and analyzed. ASGP supported the department to develop ways of analyzing the information through the creation of a Management Information System, which is the first resource now able to provide accurate statistics on the progress at the sub national level.

More coherent planning in the different civil service entities, both at the central Provincial Affairs Department and the Regional offices resulted during this quarter. ASGP worked with the central and sub national levels, as well as the Project Management Unit, to facilitate the development of joint plans, where all direct stakeholders were able to discuss their goals and how to translate these into achievable results. A reporting structure was also set up during this process to increase the flow of information between all these entities and ensure they are all working towards common goals. In total, 25 participants were involved in this process.

In addition to reporting and planning systems, the Project Management Unit and Regional Offices have been supported to manage the financial aspects of the project. A financial policy was developed with UNDP and the CSC. This policy has increased the ability of the offices to involve

themselves more fully in the implementation of the project, not just as recipients, but as implementers. The capacity of the Project Management Unit in delivering their services has increased through the provision of customer service training and an operational manual has been produced, which sets out the role and services of the PMU. Further systems developed and streamlined include procurement and asset tracking, personnel filing system, recruitment policy and the salary transfer mechanism, thus increasing the efficiency with which the services of the PMU are delivered and increasing the capacity of the PMU. This was accompanied by setting up a more stringent monitoring system to allow for the identification of further improvements.

The understanding of the CSC processes in the regions with the main stakeholders, such as line ministries and the government has increased. Roundtables have been held with representatives of line ministries and leaflets and brochures have been produced and distributed on the role of the CSC and pay and grading specifically. A monthly magazine and newspaper have also been developed and delivered to all provinces.

To increase the understanding of other indirect stakeholders, such as the general public, radio dramas and spots have been developed and broadcast in both Dari and Pashtu. Posters and banners advertising the CSC were also produced and distributed in each province across the country.

The outreach of the CSC has been further strengthened by the development of the website, which includes items such as a transparent and clear recruitment policy. The potential audience for all positions at the CSC has been increased due to the publishing of all positions on the website.

Output 2.2: Skills and knowledge of civil servants to manage basic services upgraded.

Civil servants at the provincial level built their knowledge of basic administration, management, communication, leadership concepts, finance, English and computers. In total 877 civil servants were trained in these subjects in the last quarter, 93 of which were women, in Kabul, Parwan, Wardak, Balkh, Samangan, Jawzjan, Kunduz, Takhar, Kandahar, Herat, Logar, Paktia, Nangarhar, Laghman and Faryab.

An operations manual has been prepared to increase the efficiency of the training centres. A monitoring and evaluation tool has also been drafted and submitted to monitor the training centres allowing for lessons learnt to be incorporated into the further development of the operations of the training centre and the specialised training programmes.

The evaluation of technical proposals has been completed for the internship programme and this programme will start in the coming quarter for the southern region with the coordination of the Kandahar regional office of CSC increasing the number of qualified candidates for permanent positions in the civil service across the region.

Output 2.3: Management of public service delivery in participating provinces and municipalities improved.

2.3.1 Provincial Affairs Section

ASGP provided support to the ongoing Public Administration Reform. Implementation of modern office management procedures started in 11 provinces with introduction and practical implementation of the District Operating manual in Balkh, Faryab, Samangan, Jawzjan, Sari Pul, Kunduz, Baghlan, Kandahar, Herat, Badghis, Daikundi (the first round of training in Logar and the second round of training in Badghis had to be postponed – see the Issues Section). Overall, about 460 provincial and district officials (including 10% women) received training and on-the-job training in the new district operating procedures.

The provincial strategic planning policy was developed as part of the Subnational Governance Policy and received approval of IDLG. A team of provincial strategic planning specialists was prepared and relevant materials developed to ensure the launch of provincial strategic planning in the 4th quarter. The Operational Planning Guide was completed and submitted for IDLG approval. Implementation of the Operational Planning Guide started in 7 provinces (Balkh, Faryab, Jawzjan, Sari Pul, Samangan, Kunduz, Badghis). About 200 district and provincial officials in these provinces received training in results-based planning and implementation of the Operational Planning Guide (including mainstreaming gender in provincial and district planning).

The capacities of Provincial Governors' Offices to plan and direct local development have increased due to better access to relevant socio-economic data. The Faryab provincial yearbook was published and the first draft yearbooks were produced in Jawzjan and Sari Pul. All yearbooks contain gender disaggregated information. A joint ASGP/IDLG team prepared Provincial Fundraising Conference in Badghis, assisting provincial authorities in development of 23 draft project proposals and converting them into an internationally-recognized format complete with necessary details and data.

Assessments of information management systems were completed in 4 provinces (Balkh, Faryab, Jawzjan, Sari Pul) and proposals were developed to improve information management infrastructure (including ICT networking) in these provinces. In cooperation with AIMS, MRRD, Ministry of Economy and Ministry of Communication, three types of electronic databases were identified for introduction in Provincial Governors' Offices: Human Resources, Registry/Documentation Management, and Development. Both HR and Development databases include tools for gender disaggregated data. In consultation with the Ministry of Justice, a project was developed to publish a two-volume collection of laws in the area of subnational governance.

2.3.2 Local Economic Development Section

The new Local Economic Development section of ASGP was formed during the quarter. This supports the IDLG Coordination and Development Unit. Staff were recruited and a regional work plan was prepared. A preliminary assessment Maimana city for upgrading of city master plan was completed. A one-day workshop on rapid Municipal Profiling was organized and conducted for IARCSC regional liaison officers.

In addition, the unit organized four sub-national governance policy working group meetings on local finance and planning issues. A task order to support the coordination and development department of IDLG has been drafted.

This unit is also gearing up to support the IDLG PRT coordination secretariat beginning in the fourth quarter.

2.3.3 Municipal Affairs Section

The main work of the Municipal section continued in the areas of revenue generation and service delivery. However, the work on organizational development had to be curtailed for the quarter because the technical staff were diverted to supporting the conduct of the municipal sections of IDLG sub-national governance policy working groups. A detailed municipal policy paper was produced from this process. Further, a request was received in September from the IARCSC to focus attention on the municipality of Mazar-I-Sharif in the fourth quarter in order to complete a full restructuring and merit-based recruitment process.

Monthly revenue collection reports of the five pilot municipalities have been prepared and consolidated. This provides revenue administration data for analysis to determine the progress and shortcomings. Municipal tax mapping was introduced to orient the pilot municipalities on the

basis for a real property tax system. Guidelines were drafted for municipal staff to understand its use in their revenue collection activities.

The service delivery process in three municipalities (Mazar, Maimana and Sheberghan) was documented and analyzed. Significant progress has been made in this area in Maimana and Mazar-I-Sharif. The city cleaning departments are operating more efficiently in organizing effective waste storage and collection systems. The citizens in pilot municipal districts of Mazar and Maimana municipalities have expressed their satisfaction with cleaning operations, saying they are willing to cooperate with government to continue the regular waste collection services because of cleaner streets and unclogged canals in district 2. Solid Waste Management Policy and Enforcement drafts for Maimana and Mazar and SWM Conceptual Framework for Aybak, Saripul and Sheberghan have been drafted and the SWM plan for Mazar and Maimana was finalized. Plans for closure and rehabilitation of the current disposal facilities for Mazar and Maimana formulated with the respective municipalities and a design for the final disposal facility for Mazar has been prepared. The work on a Manual for preparing a Medium Term SWM Plan is complete.

COMPONENT THREE: Public service delivery improved through collaborative working relationship built between citizen groups and sub-national governing bodies.

Output 3.1: The capacity of elected sub-national representative bodies to undertake their roles in citizen participation, public service monitoring and conflict resolution, strengthened.

Assistance during the quarter was focused on the IDLG Provincial Council Relation Coordination Department (PCRCD) organizational capacities. Three provincial councils offices (Mazar-Maimana and Samangan) were equipped with IT equipment.

The reporting mechanism for PCRCD regional coordinators was streamlined through the introduction of a monthly reporting system and conducted regular technical sessions that enabled PCRCD regional coordinators to better address the PC's needs and priorities.

Output 3.2: A platform to facilitate coalition building and networking among sub-national elected representatives created.

The physical location for the Provincial Council resource center was established and staff are under recruitment. The center will be fully functional in the fourth quarter.

COMPONENT FOUR: Management of ASGP built capacity of GoA to undertake full programme implementation strategy.

Preliminary planning for an external consultant to conduct a capacity assessment of IDLG and IARCSC, to create a timeline for transfer from NEX to DEX and outline the necessary activities and modalities to ensure this process is doing smoothly. The consultant will support the capacity building team and the other consultants in their components to create this plan. In addition to this, in the quarter, a capacity building programme was developed for IDLG, which covers the directorate in all areas that would be needed for NEX as well as to carry out its functions, such as administration, communication and finance at the central and sub national level.

Gender Mainstreaming:

Component two has been encouraging the civil service commission to ensure that women are participants in all training centers; this has been effective in the majority of the training centers that now have female civil servants as part of their trainees. Component II has also pursued an equal recruitment policy while recruiting staff under task orders, promoting the inclusion of female candidates in all recruitment. Gender sensitivity training is still being discussed for inclusion in the training center curriculum.

II. Project implementation challenges

Updated project risks and actions

Security – There are increasing uncertainties in the security situation across the country which are beyond the control of ASGP and may adversely impact on the smooth and timely implementation of different program activities at the sub-national level. As such, strategies have been prepared and used to mitigate the unfavorable environment. For example, the TOT for Logar staff was conducted in Kabul because of insecurity on the road. Later all activities in Logar were suspended because of the deteriorating situation.

Technical/Operational: ASGP continues to lose staff to USAID and DFID projects because they are able to pay significantly higher salaries. In addition, the new recruitment requirements of UNDP have added many weeks to the process, further reducing the project's ability to attract qualified personnel.

Updated project issues and actions

Progress in the third quarter was less than expected because of cash flow difficulties. The mechanism of funding the project through individual donor commitments that are disbursed in small tranches over a period of time has caused cash flow problems to occur at several instances. The mid-term review of the project's accomplishments will also assess a possible change in the nature of its funding modalities.

III. Financial status and utilization

Financial status

Table 1: Contribution Overview (2006–2011)

DONOR NAME	Contributions		Contribution Balance
	Committed	Received-08	
UNDP	1,231,384	1,231,384	-
Norway	11,495,283	4,578,188	6,917,095
Canada	5,096,840	1,862,067	3,234,773
Italy	374,532	374,532	-
SDC	2,631,579	1,785,714	845,865
EC	7,564,297	3,025,719	4,538,578
Total	28,393,915	12,857,605	15,536,310

Financial Utilization

Table 2: Quarterly Expenditure by Activity [01-Jan-08 to 30-Sep-08]

Activitiy		Budget [2008]	Quarterly Exp Report			Total	Balance	Delivery
			Qtr 1	Qtr 2	Qtr 3			
Activity01	Support to Policy	2,339,538	240,330	875,389	788,943	1,904,661	434,877	81%
Activity02	Support to PAR	2,880,742	568,187	1,130,335	862,215	2,560,737	320,005	89%
Activity03	Support to PC	550,635	43,172	91,628	81,933	216,733	333,902	39%
Activity04	Management	1,476,177	344,364	352,093	465,837	1,162,294	313,883	79%
Activity05	Support to province	347,257	66,291	108,462	94,729	269,482	77,775	78%
UNDP GMS (7%)		533,983	95,015	187,684	162,094	444,793	89,190	83%
Total		8,128,332	1,357,358	2,745,590	2,455,750	6,558,699	1,569,633	81%

Table 3: Quarterly Expenditure by donor [01-Jan-08 to 30-Sep-08]

DONORS	Description		2008 Budget	Qrtr 1	Qrtr 2	Qrtr 3	Total	BALANCE	DELIVERY RATE
	(as per approved budget)			Jan -Mar	Mar-Jun	Jul-Sep	Jan-Sep		%
UNDP Loan	Activity01	Support to Policy	137,991	5,751	118,344	11,770	135,864	2,126	
	Activity02	Support to PAR		-	-	-	-	-	
	Activity03	Support to Provincial councils		-	-	-	-	-	
	Activity04	Project Management		-	-	-	-	-	
	Activity05	Support to Provinces		-	-	-	-	-	
GMS 7%			10,386	433	8,908	886	10,226	160	
Subtotal			148,377	6,184	127,251	12,655	146,091	2,286	98%
CIDA	Activity01	Support to Policy	294,319	123,656	152,116	18,349	294,121	198	
	Activity02	Support to PAR	-	-	-	-	-	-	
	Activity03	Support to Provincial councils	18,539	-	8,911	9,629	18,539	(0)	
	Activity04	Project Management	579,567	236,397	216,265	126,660	579,323	244	
	Activity05	Support to Provinces	73,049	-	54,818	18,231	73,049	(0)	
GMS 7%			72,670	27,101	32,524	13,012	72,637	33	
Subtotal			1,038,144	387,154	464,635	185,881	1,037,670	474	100%
SDC	Activity01	Support to Policy	773,634	47,027	254,195	472,146	773,367	267	
	Activity02	Support to PAR	-	-	-	-	-	-	
	Activity03	Support to Provincial councils	505,510	43,172	76,317	71,031	190,520	314,990	
	Activity04	Project Management	381,570	99,867	70,182	199,055	369,104	12,466	
	Activity05	Support to provinces	-	-	-	-	-	-	
GMS 7%			125,000	14,306	30,160	55,867	100,333	24,667	
Subtotal			1,785,714	204,372	430,854	798,099	1,433,325	352,390	80%
EC	Activity01	Support to Policy	619,201	63,896	301,123	254,182	619,202	(0)	
	Activity02	Support to PAR	2,106,680	503,237	965,898	637,253	2,106,388	292	
	Activity03	Support to Provincial councils		-	-	-	-	-	
	Activity04	Project Management	-	-	-	-	-	-	
	Activity05	Support to Provinces	88,037	7,320	21,912	58,805	88,037	0	
GMS 7%			211,800	43,238	97,017	71,523	211,778	22	
Subtotal			3,025,719	617,691	1,385,950	1,021,764	3,025,405	314	100%
Norway	Activity01	Support to Policy	455,821	-	-	27,000	27,000	428,821	
	Activity02	Support to PAR	774,062	64,950	164,437	224,962	454,348	319,714	
	Activity03	Support to Provincial councils	-	-	-	-	-	-	
	Activity04	Project Management	15,040	8,100	1,256	-	9,356	5,684	
	Activity05	Support to Faryab	186,171	58,971	31,732	17,693	108,396	77,775	
GMS 7%			107,717	9,937	14,860	20,297	45,094	62,623	
Subtotal			1,538,811	141,957	212,285	289,951	644,193	894,617	42%
Italy	Activity01	Support to Policy	58,572	-	49,610	5,496	55,107	3,465	
	Activity03	Support to Provincial councils	26,586	-	6,400	1,273	7,673	18,913	
GMS 7%			6,410	-	4,216	510	4,725	1,684	
Subtotal			91,568	-	60,226	7,279	67,505	24,063	74%
UNDP Core Fund	Activity01	Support to Policy						-	
	Activity02	Support to PAR						-	
	Activity03	Support to Provincial councils						-	
	Activity04	Project Management	500,000	-	64,389	140,122	204,511	295,490	
	Activity05	Support to Faryab						-	
GMS N/A			500,000		64,389	140,122	204,511	295,490	41%
Grand Total			8,128,332	1,357,358	2,745,590	2,448,876	6,551,823	1,281,020	81%

Annexes

Annual Work Plan (annexed separately)