

QUARTERLY PROJECT REPORT [2nd Quarter, 2007]

United Nations Development Programme Afghanistan National Area-Based Development Programme [01-04-2007 – 30-06-2007]



Provincial Development Planning Workshop in Parwan, June 07.

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I. PROJECT IMPLEMENTATION CHALLENGES

A. UPDATED PROJECT RISKS AND ACTIONS

1. Community Empowerment Component

NABDP involvement in sub-national consultation process creates delays in delivery of AWP outputs

NABDP's support to the sub-national consultations for preparation of the interim Provincial Development Plans (hereafter abbreviated as SNC-PDP) process, had an impact on the programme's achievement of its original Annual Work Plan objectives. Due to the "emergency" nature of the SNC-PDP process, and the fact that NABDP's support was requested by the ANDS secretariat, the Afghan Development Forum (ADF), and the Ministry of Rural Rehabilitation and Development (MRRD) only after the formulation of its original 2007 workplan, the programme has had to defer other planned activities in order to conduct the sub-national consultation process in all 34 provinces by the end of August 2007. NABDP/MRRD management decided that the request to facilitate the SNC-PDP process merited flexibility in programmatic planning in 2007 due to the fact that it is a top priority for the government and it fits with NABDP's mandate regarding the development of PDPs.

This task has delayed the achievement of the targets of the community empowerment component in the annual work plan, as well as some of the other planned outputs for NABDP as a whole during the reporting period. In particular, the component had to cut back in regard to achieving the output "(1.1) Establish District Development Assemblies, based on CDCs and other Community representatives". However, to prevent possible negative consequences and to minimize delay in delivery, the programme took the following measures:

- Recruited additional personnel, including coordinators, facilitators, finance and administration officers, to support and accelerate the SNC-PDP process;
- Prepared a proposal to mobilise financial resources for the SNC-PDP process, which was submitted to CIDA through the Country Office;
- Prepared a proposal to mobilise financial resources for the SNC-PDP process and submitted this to UNDP's Bureau for Crisis Prevention and Recovery through UNDP;
- Supported the ANDS secretariat in its leading role to mobilise government officials and coordinate with all stakeholders; and
- Prepared the schedule of SNC-PDP workshops and built teams to carry out the plans within the strict timeframe given.

Culture, Politics and Security Threaten Women's Participation in DDAs and DDP Formulation

The presence of cultural constraints within some of NABDP's beneficiary communities has presented an ongoing challenge to the involvement women in the consultation process. Supporting necessary behavioural change for women's participation is a long-term effort and has been undertaken by the programme at different stages of the DDA/DDP process, through the development and application of experience-based guidelines (for the Provincial Planning Process and the conduction of sub-national consultations assigned by the ANDS which specifically broach the issues of women's participation) and strategies and transparent processes and communication. During the reporting period, a guideline to increase women's participation in the DDA/DDP process was developed and piloted by NABDP/MRRD project teams. The guideline *was* reviewed and modified after the pilot based on lessons learned.

Working with communities requires a learning approach which utilizes lessons learnt as the process goes along. During the reporting period, the participation of women was reviewed in the light of the MRRD Community Empowerment Operational Guidelines that was developed in mid-2006. The review resulted in the putting emphasis and paying attention to some practical strategies for involving women in DDA/DDP to overcome the limitations of the previous experience and included the following:

- More time allocated in providing hands-on training to line department representatives including PRRD, DoWA, DoH, DoE to reach out for women (i.e., how to encourage the participation of women in community activities, including the consultation process) and emphasis on winning support of key local leaders to allow women to participate;
- Encouraging identified male participants to bring their wives or other female members of their family which provoked the consideration of the specific needs and circumstances of female participants, including the presence of mahrams¹ and the requirement to provide appropriate accommodation and transportation.
- Increasing the number of female staff in the Community Empowerment unit from 3% to 18%. The CE Unit had also focused on staff team-building exercises which brought together male and female staff members in informal activities that emphasize how all team members need to:
 - appreciate individual contributions and individual strengths;
 - incorporate different working styles and points of view;
 - value and address different needs and wishes of different team members; and
 - value the importance and different roles of *all* team members.

Initial field application on the practical strategies for women outreach was initially tested in selected districts of the provinces of Maidan Wardak, Nuristan and Kabul. The result was an improvement of the number and quality of participation of women in DDA/DDP and indicated the potential for wider adoption and was also used in the PDP/ SNC process.

Each consultation and planning-process presented a unique challenge with regard to women's participation. For instance, some men have tried to invoke cultural gender norms and adherence to tradition as a tactic to manipulate their own district's representation in consultations, saying for example that they do not want women from their districts to participate but then demanding that places reserved for women be filled instead by men from their districts. This tactic will be supported through an awareness-raising campaign of women's rights which is amongst the core themes of subsequent activities with DDAs.

In other cases, resistance to women's participation has been less about the particular issue of women's involvement and more about male representatives wanting to ensure that their own districts are appropriately represented and that representation by women is decided upon within their own communities. For instance, during the preparatory meetings before the SNC-PDP workshops, when it was seen by organizers that some districts had no female representation, a government ministry identified women who had worked in these districts to sit in on the process and represent women's issues. Some male district representatives became angry that women who were invited to participate were not from their own districts, and that these women were identified by parties other than the district representatives themselves. The male members felt this was arbitrary and non-transparent, and they expressed strong resistance to these women's involvement. A more transparent process and

¹ A mahram is a male family member who accompanies a women so that she can participate in events like this one.

better communications on the issue could have avoided this situation, and such will be better ensured in the future.

Security is another major issue affecting women's participation. For example, the inadequate number of women participants identified in Badghis is attributable to the security threat from the Taliban, which scared the women from participating. Nevertheless, the NABDP team managed to get eight women to participate through measures taken in close collaboration with the Department of Women's Affairs (DOWA), the women's line ministry and the governor's office.

2. DIAG Development

Security Conditions Continue to Impair Implementation of DIAG Development Projects

The deteriorating security situation in much of the country, and the lack of ability of the police and military forces to sufficiently protect local people, has lessened the importance of DIAG's weapons collections component in local people's eyes, as they feel that it is justified for Afghan individuals and groups to possess arms for self-defence. Moreover, the security situation has cast doubt among local people and officials on the effectiveness or validity of a law prohibiting people to possess weapons without registration, which is part of the legal foundation for some DIAG operations. Only a radical turnaround in the security situation and a significant political change will result in the revitalization of these DIAG activities.

3. Implementation Support Component

Security Conditions Impair the Project Implementation and Monitoring

Due to the increasingly unstable security situation in Kandahar during the reporting period, three of the six large infrastructure projects in Kandahar financed by CIDA had to be halted; contractors said they were unable to continue their work. Smaller projects in different districts of Kandahar financed under a separate CIDA contribution also had to be halted. A clash between Afghan National Army (ANA) and International Assistance Force for Afghanistan (ISAF) forces and insurgents in Chora (Uruzgan) halted implementation of three projects financed by the Dutch government. In Ghor, Daykundi, Baghlan, Takhar, Faryab and Nangarhar, monitoring of provincial activities often could not be conducted as effectively as planned, as it was only during periods when the security situation was judged conducive that Provincial Rural Development Advisors (PRDAs) and PRRD engineers from the provincial ministry (PRRD) were able to visit projects. During these monitoring visits they found at times that contractors had misrepresented their level of progress, demonstrating the importance of monitoring as part of quality control procedures.

The NABDP regional office in Kandahar worked close collaboration with DDAs, through the modality established via tripartite agreement with Community Development Councils (CDCs), to continue identification of community projects. One of the preconditions for the tripartite agreement was that DDAs would provide security guarantees for staff. These guarantees have worked out extremely well thus far, resulting in over a thousand community projects being identified. NABDP's plan is to replicate this approach in other provinces.

Low Capacity of Contractors Cause Delays and Losses of Construction

Improved monitoring of infrastructure construction and of the work of the contractors at sub-project sites has shown that more shortfalls in quality of implementation have occurred than were anticipated. In some cases, the quality of the construction was below standards, or progress was found to be at a lower level than initially reported. Additionally, it was reported that there were a few attempts by contractors to bribe MRRD officials to portray their work in a better light. During the

reporting period, a list of 17 sub-projects were identified as problematic and the responsible contractors have been referred to the legal section of MRRD. Despite these episodes, it has been noted that improved monitoring has created a positive impact in terms of care taken by the construction companies in implementing contracts and reporting progress accurately. Nevertheless the fact that monitoring reveals such discrete instances of contractor fault has made it clear that NABDP/MRRD cannot claim full knowledge of the percentage of projects which are handed over in an appropriate condition. In recognition of the gap between full knowledge and support on progress implementation and the actual information obtained NABDP is considering several options. These will include adding on the technical advisory capacity on the one hand, and the inclusion of independent third parties who could help triangulating information and improving on the work of the current advisors.

During the course of the reporting period, lessons learned from monitoring include: local contractors have very limited or no capacity for certain types of construction projects (in particular, large projects such as bridges, micro-hydro power plants and dams). Many of the underperforming contractors had been contracted from Kabul and it was discovered that they did not visit project sites where the construction was to take place prior to submitting their bids.

In response, emphasis is ongoing on improving procurement systems to ensure that contractor capacity is ensured before implementation begins. The types of precautions that are now being implemented include the organization of pre-bidding conferences, site visits by the contractors have become obligatory prior to the submission of bids, and evaluation systems have been streamlined. Because of NABDP's increasing integration within the MRRD the internal flow of information has improved on projects within the project cycle and for this reason appropriate actions can be taken more rapidly. During the reporting period, specific quality control support to MRRD for the assessment and the monitoring of projects was introduced. Finally, an effort has been made, especially for larger projects², to appoint specific supervisors to assist the contractor and to guarantee the quality of projects. The issue is that large projects are at the same time more expensive as well as more complex in terms of engineering.

Delays in Project Implementation due to Beneficiary and Partner Concerns

On a number of occasions, NABDP has encountered social conflicts within and between villages that stopped further implementation of projects; for example, when two village contested the construction location of the Balabagh bridge in Nangarhar. In this particular case, the provincial governor was brought in to mediate between the two communities, and construction halted until the communities had resolved the situation. The Minister helped to mediate the process.

At times, drawn-out negotiations with partner ministries over project implementation also resulted in delays. To address the types of issues that have commonly been raised, NABDP has been working on a programming agreement between five ministries. On the operational level, however, incidences of political infighting may still occur and cause delays in implementation. When such cases occurred during the reporting period, the minister of MRRD supported NABDP implementation, by encouraging

² A number of qualifications exist: by Afghan law, projects under 37,500 can be approved by the minister; projects under 200,000 are approved by the minister and MoFA, between 200k and 500k projects will be approved by a special procurement committee (SPC), and projects above 500,000 require the signature of the president. In practice, MRRD looks not only at the amount of the contract, but also the type of works to be done in relation to capacity and the engineering requirements demanded of the contractor. E.g. a bridge with a 100 meter deck is a big project or the installing of a MHP of 1 million US\$ (in Takhar). If we speak about 'big projects' – we have about 10 ongoing projects that can be classified as such.

parties to take pro-active measures to resolve disagreements and proceed with the procurement and implementation of projects.

In specific cases, the funding modalities and earmarking of donor agencies have covered financing for the direct implementation of projects without also covering associated operational costs. No solution has been found for this as yet, and although NABDP tries to accommodate the earmarking of donors in this regard, the gaps in coverage of operational costs will be brought to attention at the next steering committee meeting, and donors are requested to consider that the delivery of projects require operational funding. In practical terms, without operational support, it is difficult to maintain effective operational oversight or to continue or upgrade essential monitoring activities.

4. Institutional Development

No risks were reported under this component during the reporting period.

5. Economic Regeneration

Recruiting Consultants for the Sub-Sector Analysis and Business Plan Development Study

The captioned study requires very specialized expertise. Out of ten national and international organizations receiving the Request for Proposal (RfP), seven withdrew from the bidding process, some because of lack of necessary expertise, and others because of the security incidents in the Southern and Eastern regions. Technically qualified consulting firms did not submit proposals for Kandahar and Nangarhar due to security concerns. Efforts are being made to identify competent and relevant facilitating partners who could be engaged for these regions.

B. UPDATED PROJECT ISSUES AND ACTIONS

1. Community Empowerment

Selection of Facilitating Partners Took More Than Four Months

In the beginning of 2007, NABDP initiated the selection process for Facilitating Partners (FPs) for the establishment of District Development Assemblies (DDAs) and the formulation of District Development Plans (DDPs) in target districts. The evaluation of proposals submitted by potential FPs was evaluated and submitted to the procurement department of MRRD in March. However, the procurement department did not approve the evaluation report until May. This delay greatly affects delivery of the targets set in the work plan.

To accelerate the approval process, NABDP organised a series of meeting with the Deputy Minister; his support led to the selection process being finalized; contracts with two FPs were signed in June 2007. To improve the procurement process, MRRD (i) made adjustments to its personnel in the procurement department, and (ii) planned to create a procurement unit within NABDP to facilitate the procurement process.

Inadequate Numbers of Female Personnel in the Community Empowerment Component

At the start of the quarter, there were just two female CE team members. Recruiting competent female staff that could travel to all parts of country was a challenge. Three female Community Development Advisors, four female facilitators and one co-facilitator were finally recruited.

2. DIAG Development

Lack of Capacity Delays DIAG Development Projects

The lack of capacity in the RITS and Procurement departments often delayed project implementation related to DIAG. For instance, the design of one of the DIAG projects has not been finalized after several months. Without significant structural reform in these departments, substantial improvement cannot be expected.

3. Implementation Support

Low Capacity within the PCM Departments in the MRRD Cause Mis-Identification and Poor Surveying, Delays in Procurement and Weak Monitoring

Severe delays in project implementation, sometimes up to three months, have been identified, and evaluation of documents showed that mistakes were made in following the project cycle. The Planning Department, which manages the cycle, should register projects and install a system to track documents as it is processed for follow-up actions through other departments. NABDP however found that three projects for Nimruz had been 'forgotten' for nearly two years. The Monitoring and Evaluation (M&E) department certifies the progress and payments of projects. The criteria for certification are unclear, and contractors continued to attempt to bribe M&E certifiers to certify construction progress beyond the actual real progress, in order to obtain payments in advance.

These issues in the execution of the project cycle and tracking projects result from a number of factors. Firstly, MRRD is extremely centralized in its rules, clearance, and management processes, but internal control systems and procedures from the centre, especially when it comes to tracking documents and information, have not yet been streamlined and implemented comprehensively across all departments. This is aggravated by a long-standing culture of top-down management and enforcement of by-laws and regulations which perpetuate this culture and its flaws. Internal checks and balances are not institutionalized or streamlined and are therefore often open for interpretation by various departments. In addition, many employees are not fully qualified for the job they do and capacity building in project management and assurance continues to be a relevant need.

NABDP assisted in abating these issues by placing competent contracted staff within departments to reduce the competency gap. In line with the programme intentions, a process was engaged to strengthen and empower decentralized structures through regional offices, PRRDs and DDAs.

Increasing Demands from MRRD for Additional Capacity Assistance by NABDP Reduces Quality of NABDP Core Tasks

MRRD has about 2,500 civil servants and about 500 contracted staff working within the ministry. Out of these, about 300 are NABDP contracted staff. A trend has emerged where NABDP contracted staff are in high demand for work which requires a higher level of expertise. As an illustration: there are 45 NABDP engineers placed in the regional offices. These engineers very often are requested disproportionately often to carry out work by provincial governors, PRRD directors and others. At this stage NABDP has not yet formulated a response to this trend. Possible ways to overcome this are: including MRRD civil servants in the capacity-building activities of our institutional development component, reviewing together with the MRRD leadership the demands made of NABDP and evaluating these demands in comparison to other programs and to share the demands and burden equally.

Weak Coordination between Programmes Delays Implementation of Contracts

On several occasions UNDP/NABDP has raised funds for the implementation of other programmes within MRRD, including the National Rural Access Programme (NRAP), the National Solidarity Programme (NSP) and Water and Sanitation programmes, and as a result, acted as the contract holder. Memoranda of Understanding were signed between NABDP and other programmes in order to regulate the responsibilities and roles between NABDP and the respective programmes, including reporting, however, it has been found that such arrangements often results in weaknesses in reporting to NABDP and UNDP by these programmes has been weak. This has resulted in weak reporting by UNDP/NABDP to the donors, and as a consequence, several donors have questioned the internal strength of NABDP as a UNDP programme. Donor agencies have been informed about the complexity of the arrangements and NABDP is working on strengthening coordination between the programme and other MRRD programmes. In particular, it has been recognized that such arrangements, which are normally set up to facilitate the work of MRRD programmes or donor requests, should be examined very carefully before funding is channelled through NABDP, in order to ensure that programmes are prepared to respect contractual obligations in relation to reporting, and if not, to explore other options to facilitate the work of all programmes working with MRRD while maximizing internal and external relations.

NABDP's Role, Functions and Mandate are not Always Well Communicated to PRRDs Causing Conflicts in Priority Setting for NABDP Regional Managers

The MRRD leadership has worked to regulate the existence and functions of the NABDP regional office through an official correspondence directed at all PRRD and MRRD directors. Many PRRD directors have not taken the provisions of this correspondence into account and have continued issuing instructions to regional managers. More intensive consultation will have to be developed within the MRRD leadership.

4. WatSan (USAID)

Low-Performing Contracted Company

In Barak and Pul Alam districts, Logar province, the company which was earlier recommended by WatSan for termination of the contract due to low technical capacity was called by MRRD commission to clarify its reasons for delay. The company expressed a willingness to improve its technical capacity. The company then provided an adequate number of drilling machines and resumed construction activities.

Low-Performing Implementing Partner

In Daykundi province, the Implementing Partner for hygiene education and sanitation component of the project has progressed slowly in its work. The Implementing Partner will be invited to clarify the situation and make plans for improvement.

Ramadan Could Delay Project Implementation

There is risk for delay in project implementation in September due to the start of Ramadan in Afghanistan. To avoid any delay, WatSan has planned to conduct all main training activities before the start of the month of Ramadan in mid-September.

Flooding

Due to river flooding in the Nili district of Daykundi province, the bridge providing access to the construction site was destroyed and work was stopped. The reconstruction of the bridge was finished in May and work was restarted. A delay in completing the project is not expected.

Community Rejection of Site

In Maidan Wardak, a previously-selected spring for connection to a pipe scheme was rejected by the local community, which has houses near the spring. RRD officers and an implementing partner will conduct a survey of the area and propose a new spring for connection to the pipe scheme.

Poor Security

Due to poor security conditions in Nuristan province, district Paroon, the construction of two pipe schemes was delayed, as a monitoring team from MRRD was not allowed to visit the site. Monitoring will be conducted by RRD officers and a handover will be done by a joint team made up of a district governor's representative, an RRD officer and a local community's representative.

5. WatSan (Belgium)

Flooding

The site in Daykundi province is also part of the WatSan Belgium and this risk was reported under the USAID portion of the report.

Security in Ghor Province

The contract for construction of 111 water points in Chagcharan and Murghab districts of Ghor province was signed with Nematyar Construction Company (NCC). As the project began, however, looters killed one of the NCC engineers; NCC then resigned from the project. It was agreed that NCC can sub-contract a local company, Lali Construction. The work was slow; according to the WatSan monitoring team, the company had constructed only 31 water points. The company was called for a meeting and promised to increase the number of drilling machines and complete the work.

Community Demands Bore Wells

In Lal wa Sarjantal district, a contract for the construction of 50 bore wells was signed with MACEC. A deep hydro-geological survey of the site by DACAAR found only a 20% possibility of undertaking bore wells there, and it recommended hand dug wells instead. The community was insisting on bore wells and warned the company to leave the site or construct bore wells. Their concern was the difference between costs of the different wells. The community was informed through their representative that the funds allocated for this district will be utilized and the number of wells will be increased. The MACEC team resumed working on the site and it very much has the support of the community.

Community Latrine Practices

The residents of Lal Wa Sarjantal district of Ghor province, due to multiple use of the latrines, make a separate place for the use of water relating to the disposal of defecation and installed a drainage pipe to drain off this water. The people are not ready to install RCC latrine slabs and instead suggested PCC latrines and making a separate place for draining the water and use of a drainage pipe. The FP requested the RCC slabs to be changed to PCC slabs.

6. Institutional Development

There are no issues to be reported.

7. Economic Regeneration

There are no issues to be reported.

II. IMPLEMENTATION PROGRESS ACHIEVED TOWARDS PROGRAMME OUTPUTS

1. Community Empowerment

Output 1 (AWP): Comprehensive rural development plans, based on participatory community development processes and economic regeneration assessments and strategies.

(1) Establishment of DDAs and formulation of DDPs

During the reporting period, NABDP/MRRD established seven DDAs in five provinces (Kabul, Kapisa, Herat, Badghis, and Nangarhar). There are 30 to 32 members in each DDA, which makes a total of more than 224 members in the seven districts. In total about 700 community members participated in the DDA establishment processes.

Two women's sub-committees, with a total number of 55 participants, were established in two districts of Herat; two women sub-committees with a total number of 21 participants were established in two districts in Badghis; and one women's sub-committee with eight participants was established in one district of Kapisa.

A female staff or a gender focal point was present in the whole process of the DDP formulation to make sure that the communities were completely aware of the women-specific priority projects. In the provinces where PDCs exist, through a briefing and follow-up, PDC members have started supporting women's participation and enhanced the establishment of women's sub-committee.

(2) Sub-National Consultations of ANDS and Interim Provincial Development Planning Workshops

As was mentioned earlier in this report, the government of Afghanistan asked NABDP/ MRRD in May 2007 to provide technical support for conducting sub-national consultations and preparing the interim provincial development plans (SNC-PDP) in 34 provinces by the end of August.

NABDP prepared a handbook for facilitators and recruited additional personnel. The SNC-PDP workshop methodology was piloted in Kapisa and Parwan provinces and feedback was used to improve the handbook. SNC-PDP workshops were conducted in 10 provinces in total, where 1,362 community representatives (rural and urban residents, Kuchis, refugees and people with disabilities and women were included), and 384 representatives of government, donor community, UNAMA, and NGOs participated. In average 31% (some provinces up to 50%) of the participants were women.

The SNC-PDP workshops were a platform for discussion of development strategies between community representatives and government. NABDP facilitated the SNC-PDP process and produced a comprehensive SNC and interim PDP report. The SNC-PDP workshop also enhanced participatory decision-making processes, which NABDP has been doing through DDA and DDP process countrywide.

2. Implementation Support

Output 3 (AWP): Strengthened management and implementation capacity of MRRD and relevant partner institutions to address rural development and economic regeneration needs and priorities.

(3) Review Programme Management Cycle with participation of key departments and programmes involved, to establish a clear process and assumption of accountability

A manual was developed that describes the project cycle treatment within NABDP, per consultations with different departments in MRRD. The next steps include the approval of the MRRD leadership and the mainstreaming within the programme.

Identification of projects has been increasingly performed after consulting with the DDAs. Projects are not always chosen on the basis of district development plans, however, in many cases, the projects are at least discussed with the DDA in the districts where they take place.

Technical surveys are done by TSU engineers, when they have the possibility to visit the area. The number of surveys to be done for NABDP and other programmes, however, surpasses the capacity available, and delays occur. Social economic surveys are not yet done.

Monitoring has improved. PRDAs are better tasked and provide sufficient feedback. The communication with PRRDs has improved and more information is received through a weekly reporting system. This has, however, also resulted in a better insight on weaknesses of contractors. This causes delays in the short term, however will yield better results on the medium and long-term. DDAs are now also involved in monitoring and thus can assist in triangulating information with other information sources.

(5) Support the establishment of appropriate coordination and consultation structures at national and provincial levels

On provincial and regional level, NABDP has tasked the PRDAs and Regional Managers to represent the programme in Provincial Development Council meetings. Within these meetings, ministries set the priorities under the leadership of provincial governors. Coordination is also done with relevant other programmes as NSP, PRT programmes, DIAG, EQUIP, BPHS, and others.

Output 4 (AWP): High-quality and sustainable community-led rural development and economic regeneration investments that reduce poverty and improve livelihoods.

(1) Prepare proposals for viable community-based economic regeneration and rural development projects in accordance with the priorities in the regional economic regeneration strategies and the comprehensive rural development plans

The strategies that have been piloted in Kandahar for identification and surveying of community projects are slowly extending into other provinces. 2,984 projects have been identified and surveyed with the inclusion of community forums.

(2) Undertake consultation/ negotiation with the private sector, the government and the international community to promote investment and mobilise resources for projects

No consultation took place with the private sector during this period. Identification missions were held in Balkh and Bamyān. DDAs are not yet fully operational. Since the sub-national consultations on behalf of ANDS, an unplanned additional activity, the operationalization of DDAs has been considerably slowed down.

(3) Establish partnerships/ MoUs with UNHCR, ANBP, UNICEF and relevant Ministries/ Departments for the implementation of Reintegration, DIAG and Alternative Livelihoods activities

The agreement with UNHCR has come to an end in the previous reporting period and was not renewed. The DIAG programme continues and regular interaction and consultation is done through a joint secretariat. With regards to alternative livelihoods the programme in Kandahar under CIDA,

funding continues and has been extended. Discussions were initiated for programme linkage between NABDP and the CNTF. Discussions were also held to construct housing for IDPs and returnees in Kandahar under USAID funding.

Assistance was rendered to the emergency department of MRRD.

(4) Prepare proposals for improving livelihoods and living conditions for poppy farmers, disbanded illegal armed groups, returnees and other vulnerable groups within the framework of the comprehensive rural development plans.

NABDP supported the MRRD to prepare 20 projects to date for submission to the Counter Narcotics Trust Fund. Currently 18 projects are ongoing.

(5) Undertake consultation/ negotiation with the government and international community to mobilize resources for the projects

Through Steering Committee meetings and donor field visits, regular interaction has been established with the donors and supporters of NABDP: CIDA, USAID, Japan, Belgium, Norway, UNDP and the Netherlands. All indicated willingness to extend their collaboration this year. Another promising contact was made with the British embassy. The negotiations for investments in Helmand province are ongoing.

NABDP now implements on behalf of MRRD, the Policy Action Group allocation for 31 projects in the south of Afghanistan, and manages the CNTF window under the office of the Deputy Minister for Programmes. Regular consultations took place for these programmes. A one-time donation of vehicles to MRRD is under negotiation with the ANBP programme.

(6) Coordinate, determine and execute implementation arrangements among all relevant partners and stakeholders

Within the regions, regular exchange took place with PRTs, donor funded programmes and governors. This was in the framework of the PDC or on bilateral level.

3. Institutional Development

Output 3 (AWP): Strengthened management and implementation capacity of MRRD and relevant partner institutions to address rural development and economic regeneration needs and priorities.

NABDP supported the Office of the Deputy Minister for Programmes in incorporating the Planning and Provincial Liaison Departments as a foundation/ structure for monitoring, coordination and planning.

A series of consultations with the planning department and its new director resulted in finalization of the logframe of the three-year MRRD workplan both in English and Dari. The follow-up workshop on operationalization of the MRRD Strategic Intent has been conducted.

NABDP supported the office of the Deputy Minister for Programmes to take responsibility for programme management, developing appropriate policies, planning, budgeting and conducting regular reviews/ reporting.

Based on the request of H.E. Asif Rahimi, NABDP has provided technical assistance to the NRAP programme. There were several meetings with NRAP staff, which resulted in documents about future project implementation arrangements being produced which were submitted to the World Bank.

NABDP supported the establishment of appropriate coordination and consultation structures at national and provincial levels.

The evaluation of two technical proposals on the PDC database is ongoing.

NABDP improved the efficiency of key departments/ programmes by providing managers and other key staff with appropriate supervisory and people management skills and tools: The Institutional Development team facilitated the MRRD Departments' Directors workshop in June 2007, and provided follow-up technical assistance to directors, who requested such support after the workshop. As a result, directors were able to fill in the Implementation Plan Matrix and submit it to minister's office in a timely manner. The workshops on the operationalisation of the MRRD Strategic Intent for Rural Livelihood and Energy (RLED) and WatSan departments have been completed. There was a series of meetings with the RLED director to formulate the departments' purpose.

NABDP improved technical capacity through providing specialised/ technical support in finance, procurement, human resources, engineering, etc.

The NABDP procurement team has handled 74 work contracts and eight services contracts in various provinces (Kabul, Bamyan, Daykundi, Faryab, Mazar, Baghlan, Badakhshan, Takhar, Helmand, Uruzgan and Zabul). Contracts handled during last quarter: 35 contracts signed, eight contracts ready for signing and 31 projects at various stages of procurement.

In Kandahar NABDP has established a small procurement unit (involving one Procurement Support Officer and two Junior Procurement Support Officer). Contracts handled during the last quarter in Kandahar region are as below: 73 contracts signed, 34 work contracts are on various stages of procurement, 80 contracts to be implemented by the communities and the total number of contracts handled is 187.

4. Economic Regeneration

Output 1 (AWP): Comprehensive rural development plans, based on participatory community development processes and economic regeneration assessments and strategies.

(1) Expert socio-economic assessments of provinces/ regions

The initial socio-economic assessments of the provinces/ regions have been completed and niche sectors for economic regeneration have been identified. For detailed socio-economic characterization and economic potential realization, feasibility studies in the niche sectors in selected provinces/ regions, namely the northern region (Balkh) and the western region (Herat) have been contracted to Afghanaid and DACAAR respectively.

(2) Develop economic regeneration scenarios and strategies

Another strategy, in addition to the feasibility analysis, is the *Mass Mobilization into Entrepreneurship* (MME). The main objective is to stimulate the creation of a large number of micro enterprises by individuals or groups drawn from the poorest sections of rural communities, particularly women, to generate local employment and increase local economic activity, and thus contribute to rural poverty

alleviation. The expression of interest (EOI) for MME has been published in two national newspapers and on the MRRD/ NABDP and UNDP websites.

(3) Conduct feasibility studies of prioritized economic regeneration projects in collaboration with UNDP's Partnerships for Private Sector Development

The process for hiring the consultant for sub-sector analysis and business plan development continued. The Request for Proposals (RFP) was sent to 10 short-listed consulting firms. A pre-proposal conference for the project was conducted on 29 May 07. The objective of the conference was to clarify issues related to ToRs of the project. 14 participants, including the NABDP Programme Manager and a MRRD Procurement Unit representative, participated in the conference. The conference minutes were sent to all the participants. By the deadline for the proposal submission seven organizations had withdrawn from the bidding process and only three organizations submitted their proposals. A committee approved by the Deputy Minister carried out the technical and financial evaluation of the proposals. Afghanistanid, with a score of 91, and DACAAR, with a score of 89, qualified in technical evaluation. For the western region (Herat) DACAAR and for the Northern region (Balkh) Afghanistanid were awarded the contract on 17 June 2007.

Output 2 (AWP): Rural development policies developed and adopted by the Government and other relevant stakeholders, providing frameworks for viable interventions for economic regeneration, poverty reduction and improving livelihoods

(1) Support to the Afghan Institute for Rural Development (AIRD) to secure additional funds

The AIRD prepared a business plan for 2007 and it was submitted to various organizations, including UNDP, for generating more financial resources for the AIRD. The AIRD continued the work for developing the concept paper on training needs of MRRD.

(2) Ongoing monitoring and analysis of preparation and implementation of comprehensive rural development plans and regional economic regeneration strategies

The economic development priorities identified in DDPs and PDPs will be analyzed for their technical feasibility and economic viability. The output of these feasibility studies will contribute to economic regeneration strategies and the rural development plans.

(3) Policy feedback and ongoing review of rural development policy framework

Work on improvement of the Rural Enterprise Development (RED) policy framework continued. Analysis of research in rural enterprise development programming revealed that the typical barriers and constraints to the development of rural enterprises are described as: (i) lack of capital needed to purchase equipment, inputs, services, etc. due to unsuitable, non-existent or inaccessible formal financial sources; (ii) lack of knowledge about basic business management, regulations, standards, market identification, appropriate technology, etc.; (iii) lack of infrastructure (such as roads, electricity, communications, community market venues, cold storage, etc.) needed to improve productivity and access to markets; (iv) lack of basic and technical education (such as literacy, computer use, vocational skills, etc.) needed to improve productivity, product quality and personal confidence; and (v) lack of an enabling and supportive regulatory environment geared to facilitate the creation of micro and small enterprises.

5. DIAG Development

Output 1 (AWP): Comprehensive rural development plans, based on participatory community development processes and economic regeneration assessments and strategies.

(9) Determine rural development priorities for implementation including those targeting poppy farmers, disbanded illegal armed groups and returnees

The District DIAG Implementation (DDI) project, a newly launched project within DIAG, requested the NABDP DIAG Coordination Unit (DCU) to accelerate the establishment of DDAs and the formulation of DDPs for the DIAG target districts selected by the project. The eventual aim is to identify projects suitable for the community needs and the objectives of DIAG. This should also regenerate momentum of DIAG. The DDI project allowed NABDP DIAG more freedom to implement development projects. DDA establishment and formulation of DDPs have been done in 9 target districts; there are five more to go. Currently 10 DIAG development projects are in the waiting list at either procurement stage or designing stage; implementation of projects should happen in the next quarter.

6. WatSan (USAID)

Output 3 (AWP): Strengthened management and implementation capacity of MRRD and relevant partner institutions to address rural development and economic regeneration needs and priorities.

During the reporting period, meetings with implementing partners and RRD representatives took place on a weekly basis. Monitoring teams have done the handover of one pipe scheme, in Nuristan Province. Training on hygiene education for hygiene education trainers involved in projects in the provinces of Logar, Kapisa, Daykundi, Maidan Wardak and Nuristan was conducted.

The USAID contractor IRD made site evaluation of the projects. MRRD officers also took part in activities on the site. The final evaluation report is currently being finalized.

For the operation and maintenance programme component, a modified proposal was reviewed. According to the instruction by the procurement department a modified proposal was sent for re-announcement. Expecting date for the start of projects is 29 of July.

In Khorasan district, Kabul province, after the selection of a new well location and the assurance of no objection from the local community to start construction activities, the project was started and construction work is now ongoing.

In the provinces of Logar, Kapisa, Kabul, Daykundi, Maidan Wardak and Nuristan, hygiene education and the sanitation component of the projects are on-going (see table below).

The following table provides an overview of ongoing project locations, project status and percentage of progress in construction of water points:

Table 1. Q2 2007 Progress of Water and Sanitation Projects Funded by USAID

No	Project Location		Planned Activities of the Project				Well Status		Progress (%)
	Province	District	Wells	Pipe Scheme	Water Reservoir	Stand Post	Completed	Ongoing	
1	Maidan-Wardak	Maid-Shar	24				8		33%
2	Kabul	Zere Kotal		1	1	36			60%
4	Kabul	Khorasan		1	1	30			40%
5	Daykundi	Nili	9				7	2	80%
6	Maidan-Wardak	Maid-Shar		1		149			95%
7	Logar	M.Agha	18				17	1	90%
8	Logar	Pul Alam	32				13	7	45%
9	Logar	Baraki Barak	37				9	6	35%
11	Kapisa	Kohistan (II)	24				10	4	45%
13	Nuristan	Paron		1	1	11			100%
14	Nuristan	Paron		1	1	20			90%

7. WatSan (Belgium)

The following table provides an overview of ongoing projects, their status and progress in %:

Table 2. Progress of hard component projects funded by Belgium to date

Sn	Location		Planned Activities			Completed Activities			Progress In %
	Province	District	Wells	Pipe Scheme	Stand Posts	Wells	Pipe Scheme	Stand Posts	
1	Daykundi	Neli, Sharistan, Sang Takht Bandar	72	0	0	30	0	0	41.67
2		Khidar and Geti	44	0	0	28	0	0	63.64
4	Ghor	Lal wa Sarjanganal	50	0	0	15	0	0	30
5		Chigchiran, Murghab and Qurullah	111	0	0	31	0	0	27.93
6		Pasaband-dolaina, Chighchiran,	90	0	0	40	0	0	44.44

		Qara allahyar						
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Table 3. Progress of soft component projects funded by Belgium to date

Project Location		Planned Activities		Completed Activities		Progress %
Province	District	Latrines	Hygiene Education (Person)	Latrines	Hygiene Education	
Daykundi	Neli, Sharistan, Sang Takht Bandar, Khidar and Geti	363	63,525	70	2nd round of house visits in progress	19.28*
Ghor	Lal wa Sarjantal, Chigchiran, Murghab, Qurullah, Pasaband-dolaina, Chighchiran, Qara allahyar	375	65,625	12	2,100	3.2**

*In Daykundi the Rehabilitation Organization of Afghanistan is progressing very slowly. Further they have not attended monthly meetings over the last two months although they have been regularly informed; their reports are collected by phone.

** It was wrong reported in the previous report (375 latrines completed), DACAAR had only completed 147 latrines and material was ready to distribute for the remaining latrines.

III. FINANCIAL STATUS AND UTILISATION

A. FINANCIAL STATUS

Table 1: Contribution Overview [February 2006-December 2008]

Donor	Contributions		Contribution Balance
	Committed	Received	
Belgium	17,904,509	11,285,220	6,619,289
CIDA	25,160,816	25,160,816	-
Italy	5,767,087	5,767,087	-
Japan	42,284,864	42,284,864	-
Norway	2,880,099	1,880,099	1,000,000
UK	1,562,500	1,562,500	-
UNHCR	4,574,496	4,574,496	-
USA	18,165,309	18,165,309	-
UNDP	3,189,381	3,189,381	-
Netherlands	2,100,000	1,470,000	630,000
Total	123,589,061	115,339,772	8,249,289

B. FINANCIAL UTILIZATION

Table 2: Quarterly Expenditure by Activity [1 January – 30 June]

ACTIVITY	BUDGET 2007	1st QTR (Jan-Mar 2007)	2nd QTR (Apr-Jun-07)	2 nd QTR exp not yet reflected in ATLAS	Obligations	Total Expenditures (1 Jan – 30 Jun)	BALANCE	DELIVERY (%)
ACTIVITY16 [ECONOMIC REGENERATION]	228,799	75,719	135,060	60,952	-	271,731	(42,932)	119%
ACTIVITY17 [CAPACITY BUILDING]	4,358,575	279,288	1,507,151	1,048,352	-	2,834,791	1,523,784	65%
ACTIVITY18 [IMMEDIATE RECOVERY PROJECT]	30,857,954	450,686	1,215,114	3,003,051	9,622,595	14,291,447	16,566,507	46%
ACTIVITY19 [PROGRAMME MANAGEMENT]	2,002,101	373,515	352,660	327,512	-	1,053,687	948,414	53%
ACTIVITY20 [COMMUNITY DEVELOPMENT]	1,874,036	110,630	80,902	108,286	-	299,817	1,574,219	16%
ACTIVITY21 [KANDAHAR IALP, 200K..]	9,072,619	-	366,951	1,027,685	5,440,875	6,835,511	2,237,108	75%
ACTIVITY22 [DIAG]	14,285,714	-	5,768	217,979	450,000	673,747	13,611,967	5%
ACTIIVTY5 [UNHCR WATSAN]	686,044	2,145	118,978	21,028	334,378	476,529	209,515	69%
ACTIVITY7 [USAID WATSAN]	1,827,170	45,875	212,199	204,080	1,272,872	1,735,025	92,145	95%
ACTIVITY1 [PROGRAMME MANAGEMENT-DEX]	808,704	100,633	112,330	44,004	12,566	269,532	539,172	33%
GMS	3,110,605	-	53,079	476,067	776,091	1,305,237	1,805,368	42%
Total	69,112,321	1,438,490	4,160,191	6,538,996	17,909,376	30,047,054	39,065,267	43%

Table 3: Quarterly Expenditure by Donor [1 January – 30 June]

Donors	Activity	Budget	1st QTR	2nd QTR	2 nd QTR exp	Obligations	Total	Balance	Delivery Rate
		2007	(Jan-Mar-07)	(Apr-Jun 07)	not yet reflected in ATLAS		Expenditures		
UNHCR	UNHCR Water Supply	686,044	2,145	118,978	21,028	334,378	476,529	209,515	
	UNHCR Reintegration	-			-		-	-	
	GMS* 5%	34,302	-		7,108	16,719	23,826	10,476	
Sub Total (UNHCR)		720,346	2,145	118,978	28,136	351,097	500,355	219,991	69%
Belgium	Economic Regeneration	25,051	28,574	15,149			43,723	(18,672)	
	Capacity Building	1,106,589	63,475	306,900	73,735		444,111	662,478	
	Immediate Recovery Project	5,318,825	208,888	598,802	51,923	2,755,808	3,615,421	1,703,404	
	Programme Management	348,583	-	140,596	61,901		202,497	146,086	
	Community Development	400,000	63,735	15,334			79,068	320,932	
	Programme Management DEX	433,820	2,179	56,333			58,512	375,308	
	GMS* 3%	228,986	-	21,278	29,379	82,674	133,331	95,655	
Sub Total (Belgium)		7,861,854	366,851	1,154,391	216,938	2,838,482	4,576,662	3,285,192	58%
Japan	Economic Regeneration	203,748	47,145	119,912	60,952		228,008	(24,260)	
	Capacity Building	1,996,900	231,838	1,062,862	156,332		1,451,031	545,869	
	Immediate Recovery Project	17,647,659	46,411	22,970	606,931	1,834,990	2,511,303	15,136,356	
	Programme Management	1,277,770	249,268	176,591	220,539		646,398	631,372	
	Community Development	975,600	46,895	50,408	59,461		156,764	818,836	
	Programme Management DEX	37,800		8,165			8,165	29,635	
	GMS* 5%	1,106,974	-	1,890	156,413	91,750	250,052	856,922	
Sub Total (Japan)		23,246,451	621,557	1,442,797	1,260,628	1,926,740	5,251,721	17,994,729	23%

USA	Economic Regeneration	-			-		-	-	
	Capacity Building	-			-		-	-	
	Immediate Recovery Project	4,761,905		127,530	1,476,519	1,377,956	2,982,005	1,779,900	
	Programme Management	-	540				540	(540)	
	Community Development	289,636			37,500		37,500	252,136	
	USAID Water Supply	1,827,170	45,875	212,199	204,080	1,272,872	1,735,025	92,145	
	Programme Management DEX	16,441	28,545				28,545	(12,104)	
	GMS* 5% & 3%	308,214	-	13,275	82,247	107,084	202,606	105,608	
Sub Total (USA)		7,203,366	74,960	353,003	1,800,346	2,757,912	4,986,221	2,217,145	69%
CIDA	Capacity Building	1,224,986	(16,025)	137,389	818,285		939,649	285,337	
	Immediate Recovery Project	1,613,995	195,387	465,812	810,607	2,354,667	3,826,473	(2,212,478)	
	Programme Management	339,648	1,817	19,581	45,072		66,470	273,178	
	Community Development	-			-		-	-	
	Kandahar Activity (IALP+200K ...)	9,072,619		366,951	1,027,685	5,440,875	6,835,511	2,237,108	
	Programme Management DEX	284,663	69,909	47,833	44,004	12,566	174,311	110,352	
	GMS* 5%	626,796		14,758	185,074	390,405	590,237	36,559	
Sub Total (CIDA)		13,162,707	251,087	1,052,323	2,930,726	8,198,513	12,432,650	730,056	94%
UK	Programme Management NEX	-	(5)		-		(5)	5	
	Programme Management DEX	13,987			-		-	13,987	
	GMS* 3%	420		721			721	(301)	
Sub Total (UK)		14,407	(5)	721	-	-	716	13,691	5%
UNDP	Programme Management	-	123,690	4,650			128,340	(128,340)	
	UNDP TTF (IDP Project)	-					-	-	
Sub Total (UNDP)		-	123,690	4,650	-	-	128,340	(128,340)	0%
Japan-DIAG	DIAG Activity	14,285,714		5,768	217,979	450,000	673,747	13,611,967	
	GMS* 5%	714,286			11,187	22,500	33,687	680,598	
Sub Total (Japan DIAG)		15,000,000	-	5,768	229,166	472,500	707,434	14,292,565	5%

Norway	Capacity Building	30,100			-		-	30,100	
	Immediate Recovery Project	1,515,570			57,071	1,299,174	1,356,245	159,325	
	Programme Management	36,100		11,242			11,242	24,858	
	Community Development	208,800		15,160	11,325		26,485	182,315	
	GMS* 5%	89,529			4,660	64,959	69,619	19,910	
Sub Total (Norway)		1,880,099	-	26,402	73,056	1,364,133	1,463,591	416,508	78%
Italy	Programme Management DEX	21,993					-	21,993	
	Programme Management NEX	-	(1,794)				(1,794)	1,794	
	GMS* 5%	1,100		1,158		-	1,158	(58)	
Sub Total (Italy)		23,093	(1,794)	1,158	-	-	(637)	23,730	-3%
Grand Total		69,112,321	1,438,490	4,160,191	6,538,996	17,909,376	30,047,054	39,065,267	43%

* The budget allocation is initiated and will be reflected in the system soon.

ANNEX I. PROGRESS SUMMARY BY DONOR

A. CIDA

I. Resource Summary

Contribution to NABDP General, IALP Kandahar									
	Type	Phase/ Description of Allocation	Commitment (Local Currency)	Received (USD)	2003-2006 Disburse- ments	2007 Disbursed (USD)	Obligation (USD)	Balance	Contract End Date
A	Un-earmarked	Phase I		15,327,191	11,998,110	0	0	3,329,081	Closing balance 2006
		Transferred to 2007		3,329,082	-	2,771,653	2,485,594	(1,928,165)	31 Mar 08
	Total Un- earmarked		-	3,329,082	11,998,110	2,771,653	2,485,594	(1,928,165)	
B	Earmarked	Phase II							
		IALP Kandahar	C\$ 5,000,000	4,385,964	-	233,996	2,011,272	2,140,697	31 Dec 08
		QIP Kandahar	C\$ 6,100,000	5,447,660	-	1,228,488	3,701,647	517,525	31 Mar 08
	Total Earmarked			9,833,625	-	1,462,484	5,712,919	2,658,222	
	TOTAL		-	13,162,706	11,998,110	4,234,137	8,198,513	730,056	

II. Implementation Progress Supported by CIDA during the Reporting Period

A. Earmarked

Implementation Support:

- 55 projects have been identified under this funding, most often through the minister's office. 25 of these have been completed. 17 are still being constructed, while 5 are being procured. 7 are kept 'on hold'.
- The full project cycle management is done for these projects: identification, surveying, procurement, contracting and monitoring.
- There are now 7 regional offices in place (Herat, Kandahar, Jalalabad, Kunduz, Gardez, Bamyan and Mazar-i Sharif), 4 of which receive support from international advisors.

- 7 projects were kept 'on hold' for various reasons. These included ambiguity about the Bill of Quantity, contractors that were unable to fulfil their obligations, and mis-identification. These projects are now reviewed within the provinces and will eventually be re-introduced.

IALP-K:

- 101 projects were introduced for funding by MRRD, of which 54 are ongoing, 44 are completed and 3 have been postponed
- MoAgr introduced 1 project – the construction of an agricultural centre in Maiwand – however the wrong BoQ during the bidding process halted the procurement and inception. MoAgr has 2 additional projects in preparation
- Ministry of Irrigation introduced one project – the 22 km canal cleaning in Tarnak
- The coordination committee in Kandahar met during the reporting period twice
- A request was approved for changing Marouf district for Shahwalikot district. Marouf is now nearly inaccessible because of the insurgency, and the DDA advised NABDP to postpone its support to the district
- Not all ministries understand the necessary procedures, and have requested advice on how to make the processes between ministries more equitable; it is for this reason that the ToRs need to be translated into Dari and distributed between all ministries.

QIP:

- Identification and surveying of community projects. The RSU in Kandahar identified over 1400 projects, of which a part was implemented under CIDA 200k
- 78 projects were procured in Kandahar, and in a tripartite agreement between CDCs and DDAs implemented. These projects concerned the districts of Arghandab, Arjistan, Dand, Ghorak, Maruf, Panjwai, Shurabak, Spin Boldak and Takhtapul.
- Follow-up was done from the office in Kandahar and DDAs became involved in providing information
- Lack of security stopped implementation in the districts of Registan, Maruf. The DDAs informed the regional office of this and advised to wait with assistance to implementation till the situation would improve

6 Large Infrastructure Projects:

- Six bigger projects, being 4 bridges, 3 check dams, and the Poge Hill pass were surveyed and procured
- Engineers provided quality control support to the contractors
- 3 of the 6 projects could not start because of security issues. These were: the Poge hill pass, the 3 Ghorak check dams, and the bridge at Tarnak

Institutional Development:

- Strengthened management and implementation capacity of MRRD and relevant partner institutions
- NABDP supported the Office of the Dep. Min. f. Progr. in incorporating the Planning and Provincial Liaison Departments as a foundation/structure for monitoring, coordination and planning
- Consultations with the planning department: finalization of the logframe of the three-year work plan both in English and Dari. The follow-up workshop on operationalization of the MRRD Strategic Intent has been conducted
- NABDP supported the office of the Deputy Minister for Programmes to take responsibility for programmes management, developing appropriate policies, planning etc.

B. NORWAY

I. Resource Summary

Contribution for Faryab								
Type	Descr. of All.	Commitment (Local Cur.)	Received \$	Prior Years Disburse.	2007 Disbursed (USD)	Obligation (USD)	Balance	Contr. End
	Phase II		-	-	-	-	-	
Earmarked	Faryab		1,880,099	-	99,458	1,364,132	416,509	Jul-08
Total Earmarked		-	1,880,099	-	99,458	1,364,132	416,509	
TOTAL		-	1,880,099	-	99,458	1,364,132	416,509	

II. Implementation Progress Supported by Norway during the Reporting Period

A. Earmarked

Implementation Support:

Implementation Progress

- 13 projects have been identified, of which 10 are ongoing, 2 have been introduced for a renewed tender, and 1 has been suspended
- A regional office is placed in the north, in Mazar-i Sharif, and one PRDA in Maimana follows projects with DDAs in the province. A community development advisor furthermore assists in the training of DDAs.

Risks, Issues and Actions

- Issue 1: 2 projects had to be introduced for renewed bidding. The first evaluation showed that there were insufficient qualified companies who could propose a valid bid. The only solution at that stage was to restart the bidding process

Community Empowerment:

- In the province of Faryab 12 DDAs have been established and 12 draft DDPs formulated

C. JAPAN

I. Resource Summary

Contribution for Economic Regeneration & CRD							
Type	Description of Allocation	Received (USD)	2003-2006 Disbursements	2007 Disbursed (USD)	Obligation (USD)	Balance	Contract End Date
Un-earmarked	Phase I	5,454,450	4,040,213	0	0	1,414,237	Closing balance 2006
	B/F to 2007	1,414,237	-	236,173	422,216	755,848	End of Project
Total Un-earmarked		1,414,237	4,040,213	236,173	422,216	755,848	
Earmarked	Phase II		-				
	Kandahar, Bamyan, Nangarhar & Balkh	21,832,214	-	3,088,809	1,504,524	17,238,881	31st Dec.2008
Total Earmarked		21,832,214		3,088,809	1,504,524	17,238,881	
TOTAL		23,246,450	4,040,213	3,324,982	1,926,740	17,994,729	

II. Implementation Progress Supported by Japan during the Reporting Period

A. Earmarked
<p>Implementation Support:</p> <ul style="list-style-type: none"> The following are the projects under implementation. In Balkh there are 20 projects. 19 of these are under procurement, and 1 is ongoing. In Nangarhar 7 projects are under preparation. In Bamyan 4 projects are under procurement and 3 ongoing. Lastly in Kandahar 14 projects are within the portfolio: 12 are ongoing, 1 is completed, and 1 is postponed. Regional offices in Jalalabad, Mazar, Kandahar and Bamyan are staffed and functional

- The procurement of projects in Nangarhar and Balkh was delayed due to issues within the RITS and procurement departments. Within the last period extra attention is given and we anticipate their rapid inception.

Economic Regeneration

- Niche sectors for economic regeneration have been identified
- Sub-sector analysis, feasibility studies, and business plan development in the niche sectors in northern, western and central regions are initiated; Afghanaid and DACAAR have been contracted for these studies.
- the expression of interest (EOI) for Mass Mobilization into Entrepreneurship (MME) has been published in two national newspapers and on the MRRD and UNDP websites
- Support to the Afghan Institute for Rural Development (AIRD) to secure additional funds
- Work on improvement of the Rural Enterprise Development (RED) policy framework continued

Institutional Development:

- NABDP provided technical assistance to the NRAP programme
- NABDP supported the establishment of appropriate coordination and consultation structures at national and provincial levels
- The Evaluation of two technical proposals on the PDC database is ongoing
NABDP improved the efficiency of key departments/ programmes through providing managers and other key staff with appropriate supervisory and people management skills

D. JAPAN – DIAG

I. Resource Summary

Funding for DIAG							
Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	2007 Disbursed (USD)	Obligation (USD)	Balance	Contract End Date
	Phase II		-				
Earmarked	Takhar & Kapisa	15,000,000	15,000,000	234,934	472,500	14,292,566	Mar-08
Total Earmarked		15,000,000	15,000,000	234,934	472,500	14,292,566	
TOTAL		15,000,000	15,000,000	234,934	472,500	14,292,566	

II. Implementation Progress Supported by Japan during the Reporting Period

A. Earmarked

DIAG:

Implementation Progress

- Activity 1: DDA establishment and DDP formation in DIAG target districts. 4 districts (2 in Takhar and 2 in Kapisa)
- Activity 2: Canal Rehabilitation/Cleaning project in Mahmud Raqi, Kapisa

Risks, Issues and Actions

- Issue 1: The procurement of projects was delayed due to issues within the RITS and procurement departments. Within the last period extra attention is given and we anticipate their rapid inception.
- Issue 2: DDA and DDP process for DIAG target districts went slower than expected due to lack of manpower. It is expected that it will go smoother in next period because more manpower will be available from Community Empowerment Unit.

Community Empowerment:

- In Nangahar, Balkh and Kandahar 32 DDAs were established and 32 DDPs formulated
- In 2 districts of Takhar, 1 district of Kabul, 2 districts of Herat, 2 districts of Badghis, and 2 districts of Kapisa 9 DDAs have been established and 9 draft DDPs formulated

E. NETHERLANDS

I. Resource Summary

Contribution to NABDP General and Uruzgan								
Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	Prior Years Disbursements	2007 Disbursed (USD)	Obligation (USD)	Balance	Contract End
Un-earmarked	Phase II		-					
Total Un-earmarked		-	-		-	-		
Earmarked	Uruzgan	2,100,000	2,100,000	-	-	458,703	1,641,297	December 2007
Total Earmarked		2,100,000	2,100,000	-	-	458,703	1,641,297	
TOTAL		2,100,000	2,100,000		-	458,703		

II. Implementation Progress Supported by the Netherlands during the Reporting Period

A. Earmarked

Implementation Progress

- 8 projects were procured under funding from the Netherlands and are under execution. Three have been finalized.
- Surveying support was rendered out of the Kandahar regional office
- Issue 1: 2 projects were halted, because the contractor asked for change of design. It is judged that the contractor does not intend to continue, and a renewed call for proposals will be made. In one case the security situation impeded the work of the contractor.
- Issue 2: The Uruzgan office does not have sufficient resources for more pro-active monitoring. Negotiations are underway with the Dutch donor to correct this situation.

F. USAID – ALTERNATIVE LIVELIHOODS

I. Resource Summary

Donor Name: USAID Livelihood								
Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	2005-2006 Disbursements	2007 Disbursed (USD)	Obligation (USD)	Balance	Contract End
Un-earmarked	Phase I		3,165,309	2,843,928	-	-	321,381	Closing balance 2006
	B/F to 2007		321,381		-	-	321,381	30th Sep 2007
Total Un-earmarked		-	321,381	2,843,928	-	-	321,381	
Earmarked	Phase II							
	Kandahar	5,000,000	5,000,000		1,752,291	1,446,854	1,800,855	30th Oct 2007
Total Earmarked		5,000,000	5,000,000	-	1,752,291	1,446,854	1,800,855	
TOTAL		5,000,000	5,321,381	2,843,928	1,752,291	1,446,854	2,122,236	

II. Implementation Progress Supported by USAID during the Reporting Period

A. Earmarked
<p>Implementation Support:</p> <ul style="list-style-type: none"> 116 projects, taken from the Kandahar priority list were introduced for funding, from the war-affected districts of Zhare, Panjwai, Nish and Kakhriz. Of these 86 are finished, 28 are ongoing, 1 has not yet started and 1 was cancelled Regular monitoring visits were made to the projects in close collaboration with the DDAs The regional office in Kandahar provided technical and administrative support and was in regular contact with the Kabul office for handling management and financial issues. Security halted on several occasions the identification and monitoring of projects. This was overcome by continuous interaction with DDAs <p>Community Empowerment:</p> <ul style="list-style-type: none"> In Ghazni, Paktya, Laghman, 14 districts of Takhar, Farah, Hilmand, Zabul, Panjsher, in 8 districts of Khost, 1 district of Kunduz and 1 district of Kapisa 99 DDAs have been established and 99 DDPs formulated.

G. USAID – WATSAN

I. Resource Summary

Donor Name: USAID Water Supply								
Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	2004-2006 Disbursements	2007 Disbursed (USD)	Obligation (USD)	Balance	Contract End
Un-earmarked	Phase I		10,000,000	8,118,014	-	-	1,881,986	Closing balance 2006
	B/F to 2007		1,881,985		476,018	1,311,058	94,909	30th Sep 2007
Total Un-earmarked		-	1,881,985	-	476,018	1,311,058	94,909	
TOTAL			1,881,985	-	476,018	1,311,058	94,909	

II. Implementation Progress Supported by USAID during the Reporting Period

A. Earmarked
<p>Implementation Support:</p> <p>Maidan Wardak Province:</p> <ul style="list-style-type: none"> • Construction of 24 wells in Maidan-Shar District. Eight wells constructed, for 16 wells, awarding of contract and construction work will be starting in July. • Construction of pipe scheme in Maidan-Shar District. 95% of the work is finished. • Hygiene education and sanitation project is ongoing. 90% of the work is finished. <p>Kabul Province</p> <ul style="list-style-type: none"> • Construction of pipe scheme in district Zerkotal. 60% of the work is finished. • Construction of pipe scheme in district Khorasan. 40% of the work is finished. • Construction of pipe scheme in district Istalif, awarding will be in July. • Hygiene education and sanitation project is on going and 40 % is finished. <p>Daykundi Province</p> <ul style="list-style-type: none"> • Construction of 9 wells in district Nili. 80% of the work is finished

- Hygiene education project is ongoing.

Logar Province

- Construction of 87 wells in district Muhammed Agha, Puli Alam and Baraki Barak. 45% of the work is finished
- Hygiene education and sanitation project is ongoing 80% of the work is finished.

Kapisa

- Construction of 24 wells in district Kohistan 2. 40% of the work is finished. In Nejrab and Kohistan 1 awarding of the contract and starting with construction work will be in July 2007.
- Hygiene education and sanitation project is ongoing 40% of the work is finished.

Nuristan

- Construction of two pipe schemes in Paron district. One of two pipe schemes is 100% finished. For second pipe scheme, 90% of the work is finished.
- Hygiene education and sanitation project is ongoing. 60% of the work is finished.

Evaluation of the Project

- IRD assigned by USAID have made evaluation of the projects. The final evaluation report is being produced.

Risks, Issues and Actions

Maidan Wardak Province

- Selected spring for a water source was rejected by the local community, the survey of area and selection of new spring is ongoing.
- In Maidan Shar district, due to hard geological strata scope of work for the construction of 16 wells the modified tender procedure was repeated. Construction work will start in July. There is a possible risk of the project's delay. WatSan will try to accelerate the project activities.

Kabul Province

- In Istalif, Kabul province, the previous contract terminated due to low technical capacity of the construction company was re-advertised. Construction work should be started by the last week of July. There is possible risk for project's delay. WatSan will try to accelerate the project activities.

Daykundi Province

- In Nili district, due to river flooding and bridge damaging, work was stopped. In May the bridge was reconstructed and work was restarted. It should not take any affect on the projected time schedule of the construction work.

Logar Province

- After getting last warning before termination of the contract, the company improved its technical capacity.

Kapisa

- In Kohistan and Nijrab districts, due to hard geological strata the scope of work for construction of wells was modified and according to Afghan Procurement Law the tender procedure was repeated. Construction work will start in July. There is possible risk for delay of projects finishing before the deadline of USAID programme. WatSan will try to accelerate activities on the site and the payment procedure.

Nuristan

- In the district Paroon, due to poor security condition, monitoring has been conducted by a joint team of district governor's representative, RRD officer, and a representative from the local community.

Operation and Maintenance Programme Component

- Modified proposal for this programme component was sent for re-announcement. Expecting date for starting of project is 29 July. There is a possible risk for the project's delay. WatSan will try to accelerate activities on the site and the payment procedure.

H. BELGIUM

I. Resource Summary

Donor Name: Belgium								
Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	2005-2006 Disbursements	2007 Disbursed (USD)	Obligation (USD)	Balance	Contract End
Earmarked	Phase I		11,668,316	3,806,462	-		7,861,854	Closing balance 2006
	B/F to 2007		446,835		58,512	-	388,323	
	Phase II							
	Nimruz, Uruzgan, Ghor, Daykundi		7,415,019		1,679,668	2,838,482	2,896,869	Nov-07
Total Earmarked		-	7,861,854	3,806,462	1,738,180	2,838,482	3,285,192	
TOTAL		-	7,861,854	3,806,462	1,738,180	2,838,482	3,285,192	

*Note: The B/F amount 7,861,854 from 2006 includes both Phase I & II funds and these have been separated appropriately under Phase I 446,835 and 7,415,019 in Phase II.

II. Implementation Progress Supported by Belgium during the Reporting Period

A. Earmarked
<p>Implementation Support:</p> <ul style="list-style-type: none"> 67 projects are placed under Belgium: 14 in Daykundi, 18 in Ghor, 12 in Nimruz, and 23 in Uruzgan PRDAs are placed in each of the 4 provinces and facilitate among others identification and monitoring of projects Procurement delays happened for projects in all 4 provinces. Because of better organization this is now accelerated. Certain projects might be removed from the list and be replaced by others in case further investigations show that contractors are incapable of continuing <p>Institutional Development:</p> <ul style="list-style-type: none"> NABDP improved technical capacity through providing specialised/ technical support in finance, procurement, human resources, engineering, etc. The NABDP procurement team has handled 74 work contracts and eight services contracts in various provinces (35 contracts signed, 8 contracts ready)

for signing and 31 projects at various stages of procurement)

- In Kandahar NABDP has established a small procurement unit (involving one Procurement Support Officer and two Junior Procurement Support Officer). Contracts handled during the last quarter in Kandahar: 73 signed, 34 are on various stages of procurement, 80 to be implemented by the communities

Community Empowerment:

In the provinces of Ghor, Nimruz, Daykundi and Uruzgan 12 DDAs were established and 12 draft DDPs formulated

Daykundi Province:

Construction of 72 wells in Neli, Sharistan and Sang Takht Bandar Districts. 30 wells constructed.

Construction of 44 wells in Khidar and Geti Districts. 28 wells constructed.

Hygiene education and sanitation project, consisting of 363 sanitation latrines and hygiene education to 63,525 individual is ongoing. 19% of the work is finished.

Ghor Province

- Construction of 50 wells in Lal wa sarjantal district. 15 wells completed.
- Construction of 111 wells in Chigchiran, Murghab and Qurullah. 31 wells are completed.
- Construction of 90 wells in Pasaband, Dolaina, Chighchiran, Qara Allahyar districts. 40 wells are completed.
- Hygiene education and sanitation project consisting of 375 sanitation latrines and hygiene education to 65,625 individual is ongoing and 3.2 % of the contracted work is finished.

Risks, Issues and Actions

Daykundi Province

The contract ran out, while companies had only completed a small part of the project. The main reason stated was cold weather and remoteness of the project site, after approval of the Daykundi RRD; the companies' requests are forwarded to the procurement department for a no-cost-extension.

Due to flooding in Neli district of Daykundi province, the access bridge to the construction site was destroyed and work was stopped. The reconstruction of the bridge was finished in May and work was restarted. Currently work is ongoing smoothly.

In Daykundi province the Implementing Partner for hygiene education and sanitation component of the project progressed slowly. WatSan has informed the procurement department.

Ghor Province

Due to cold weather, bad security conditions and difficult access to the project site, contractors did not complete the work on time. After approval by the RRD, the companies' requests were forwarded to the procurement department for no-cost-extension.

The contract for construction of 111 water points in Chagcharan and Murghab districts of Ghor province was signed with NCC, in the very beginning of the project due to a poor security situations the looters killed one of the NCC engineers caused NCC to resign from the implementation of the project. It was agreed that they can sub-contract it with a local construction company and they contracted with Lali Construction, the work was slow, according to WatSan monitoring team the company had only constructed 31 water points, the company is called for a meeting and they promised to increase the

number of drilling machines and complete the work (no-cost-extension required).

In Lal-o-Sarjangan district contract for construction of 50 bore wells was signed with MACEC, after deep hydro-geological survey of the site by DACAAR it was found that only 20% possibility of bore wells are there and they recommend hand dug wells. The community insists on bore wells, the problem is solved and the community people are informed through their representative that the whole fund allocated for this district will be utilized in this district and the number of wells will be increased.

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