



## QUARTERLY PROJECT REPORT [3<sup>RD</sup> QUARTER, 2007]

### United Nations Development Programme Afghanistan National Area-Based Development Programme [01-02-2006 – 01-02-2008]



PDP/ SNC in Parwan, 13 June 2007

**Project ID:** 11020 (NEX), 11012 (DEX) 11025 (Infrastructure rehabilitation)

**Duration:** Phase II commenced in early February 2006; runs until 2008

**Component (MYFF):**

**Total Budget:** USD 182m

**Unfunded:** USD 112 m

**Implementing Partners/Responsible parties:** MRRD, UNDP

## List of Acronyms

ANDS	Afghanistan National Development Strategy
CE	Community Empowerment
DCU	DIAG Coordination Unit
DDP	District Development Plan
DIAG	Disarmament of Illegal Armed Groups
ER	Economic Regeneration
ID	Institutional Development
IS	Implementation Support
NABDP	National Area-Based Development Programme
PDP	Provincial Development Plan
SNC	Sub-National Consultations

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## I. IMPLEMENTATION PROGRESS

### Community Empowerment

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

*Activities 1.1 and 1.5: Establishment of District Development Assemblies (DDAs) and formulation of District Development Planning (DDPs)*

The establishment of the DDAs and the formulation of the DDPs are two major activities of the Community Empowerment (CE) Unit as reflected in the annual work plan of NABDP.

During the reporting period in five DIAG target districts, ie., Nurgram, Salang, Khuram-wa-Sarbagh, Jalreez, and Khushi DDAs have been established and DDPs formulated. In addition, NABDP/ MRRD's facilitating partners (BRAC and IRC) also established 23 DDAs and facilitated the formulation of 23 DDPs in the provinces of Khost and Nangarhar.

Disarmament of Illegal Armed Groups (DIAG) is a national programme which required leadership and management support from the CE unit, in particular for the immediate identification of community priority project ideas within DIAG areas of funding. Operating within the context of the MRRD Community Empowerment strategy, the identification of project ideas for DIAG funding required a participatory and inclusive process. Thus, the CE Unit organized and maintained a team led by a senior CE unit staff and staff from MRRD CLDD to establish DDAs and facilitate the formulation of the DDPs within the DIAG target districts.

The CE unit nurtures the on-going participation and support of the MRRD Community-Led Development Department (CLDD) in the establishment of the DDAs and formulation of the DDPs. Such an approach, whereby the main department actively participates in the process is important for building ownership and their capacity building towards their eventual takeover of DDA/DDP related work once NABDP's term is completed. Mobilizing CLDD which is the counterpart department of the CE unit thus enables translation of the relevant targets of the MRRD Strategic Intent which links the ministry's benchmarks with the ANDS. So far eleven CLDD staffs have been trained and has become a part of the DDA/ DDP roving team.

In the process of establishing 28 DDAs and formulating 28 DDPs at least 2,300 community representatives and about 738 DDA members participated.

### **ANDS Sub-National Consultations and Provincial Development Planning**

In June 2007 following discussions in the inter-ministerial committee on PDP, MRRD was mandated to take leadership of the sub-national consultations of the provincial development planning (SNC/ PDP). The SNC/ PDP was a priority of the central government and the ANDS which was to be completed in all 34 provinces of the country by the end of August (2007). This required the CE unit to re-focus its priorities and resources for the quarter on the SNC/ PDP given its size and the urgency to complete it by the end of August 07.

### **Preparatory Workshops**

During the reporting period, preparatory workshops were conducted in 28 provinces of the country to familiarize community representatives with the purpose of SNC/ PDP and facilitate the identification of project ideas presented to the PDP workshops. The preparatory workshop enabled rural and urban populations to select their representatives for the SNC/ PDP workshops. More than 4,800 men and women from rural and urban areas participated in the preparatory workshops.

## The Sub-National Consultations/ Provincial Development Plan

The SNC/ PDP immediately commenced after the preparatory workshop. During the reporting period, 28 SNCs/ PDPs were completed in 28 provinces in which approximately 6,000 men and women participated. The SNC and PDP are two activities sequentially taking place. The output of the SNC was fed into the PDP. The PDP is part of Comprehensive Development Plan mentioned under the activities 1.7, 1.8, and 1.12 in the AWP.

The SNC allowed a discussion of line ministry strategies with rural and urban community representatives including representatives of Kuchis and refugees and returnees. For the PDP projects and project ideas based on existing PDPs (if available) and/or those identified during the preparatory workshop were discussed. During the PDP preparation, line departments presented their project lists which were either being implemented already or still prepared while the participants presented their views on the current status of development and the major development requirements of their respective provinces. Subsequently, the participants and line ministry representatives identified and prioritized the most important projects ideas in response to the needs they had previously identified.

The output of the workshops is an interim PDP, drawn collaboratively by stakeholders for each province and a comprehensive feedback of communities to line ministry strategies.

In August, the CE Unit formed two working groups: 1) editors group, and 2) provincial profile group. The task of the two groups was to organize the field outputs and to prepare the provincial profiles. As a result, 34 provincial profiles were produced in English and outsourced for translation into Dari/ Pashto language, and 31 PDPs in Dari/ Pashto languages have been edited. A draft model PDP of Balkh province was prepared in English and shared with the ANDS secretariat and MRRD. The review comments and recommendations were used to develop the final version of the model PDP that was shared with various stakeholders including UNDP, UNAMA, and ISAF. The model PDP of Balkh province was highly appreciated by the stakeholders.

The PDP process created forum whereby for the first time, in a structured manner, community representatives, government, and the rest of stakeholders could jointly discuss and agree on priorities and actions in a consensual manner. It empowered the communities to express their concerns, issues, and recommendations to be considered for the formulation of relevant development policies. Participants and representatives appreciated the level of interaction promoted by the SNC/ PDP and noted the usefulness of the methodology for promoting dialogue between the community and the government to promote cross-cultural understanding across Afghanistan.

## Gender in SNC-PDP

The participation of women was an important component of the SNC/ PDP. To ensure the participation of women in the SNC/ PDP, the following activities were carried out:

- a. Increasing the number of female staff members from four to fourteen including three female internationals.
- b. Organizing intensive hands-on training to both male and female members of field teams on ways on how to outreach women including encouraging male participants to bring their wife/s. The training emphasized topics of gender sensitivity and familiarity with cultural, religious, and political issues that women very likely encounter and how to deal with these. The importance of teamwork in achieving was also emphasized during the training.
- c. Intensive coordination with provincial governors, religious leaders and elders in every province, as well as mobilizing governmental organizations and donors to rally support for women.
- d. Encouraging women to attend with no restriction on logistics such as accommodation and transportation and bringing a *mahram*, a male companion.

- e. Ensuring a female facilitator for every workshop and support female participants during the discussion.

## Disarmament of Illegal Armed Groups

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

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

During the reporting period, DIAG Coordination Unit (DCU) has been implementing or preparing DIAG development projects as follows: Seven projects are in procurement stage and 11 projects are in design stage. The implementing partners (firms or DDAs) for five projects have already been selected.

The construction of the veterinary clinic in Kohistan 2, Kapisa province, will be implemented by the local DDA. A technical expert from the province was assigned for technical planning and supervision of the project. The MoU between the MRRD and this DDA is under preparation.

23 DDAs have so far been established under the DIAG initiatives.

Activities 1.2 and 1.3 of the AWP were not directly implemented as mentioned in the AWP. But, through DDP and SNC/PDP processes, the network working among communities as well as working relation between stakeholders drastically enhanced. DDP and SNC/ PDP have laid strong foundation for promoting dialogue between communities, government and other stakeholders.

## Implementation Support

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

The PMC manual that was developed has not yet been fully revised. For this reason an interim guideline is now in usage, that will regulate the identification, procurement and monitoring of projects, in collaboration with the DDAs and communities until the PMC manual has been adopted.

Project identification now is increasingly done within the districts and by DDAs. In provinces that have a budget allocation a division key is developed between districts for budget allocation. This division key is based on the poverty rate, security, poppy growth and the population number. Funds are then divided between districts. This practise is now being done in: Nangarhar, Balkh, Kandahar and so is in preparation for the north eastern provinces Takhar, Badakhshan and Kunduz. Three pilots are going on whereby DDAs have received approval to implement construction projects themselves: in Parwan, Badakhshan, and Kapisa.

The technical surveying capacity has not as yet been further rationalized: while at the start of the year engineers were certified regarding their capacity, we continue to encounter weaknesses in the designing and drafting of BoQ's. Delays occur also since the RITS department will have to certify the designs from the regions. We found out that this means in practise a rubber stamp exercise in Kabul. It has been therefore agreed with the RITS department to have certification (i.e. control and quality check) within the regions.

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

The facilitation of the Sub-National Consultation and Provincial Development Planning has come to an end. While the product of this work is owned by the PDCs and ANDS, the resulting product

(PDPs) and the created interfaces have improved the relationship between NABDP staff with participating institutions. RM's and PRDA's continue to represent NABDP in the PDCs and have in general good working relations with other development actors.

*(4.1) 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*

NABDP received a list of 250 projects all over the country for consideration of funding by MRRD through petitions to the minister. NABDP now will compare these with the PDPs and DDPs in place before advising approval for funding. Regional offices furthermore are now engaged in a country-wide assessment of needs for irrigation rehabilitation.

*(4.2) 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.

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

The DIAG programme continues and regular interaction and consultation is done through a joint secretariat. With regard to alternative livelihoods the programme in Kandahar under CIDA funding continues and has been extended. At this stage 65% of IALP funds have been allocated. It should be mentioned that questions have been raised on the effectiveness of the inter-ministerial collaboration in Kandahar. It is for this reason that this will have to be reconsidered within the upcoming months. The discussions that were initiated for programme linkage between NABDP and the CNTF did not provide any concrete result. The CNTF has been evaluated in the last months; however the results have as yet not been shared with us.

*(4.4) 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.*

Under the CNTF, 18 projects are ongoing, while another 20 are under preparation. Under IALP 107 projects in Kandahar are listed.

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

Regular interaction occurred with the donors and supporters of NABDP through bilateral meetings: CIDA, USAID, Japan, Belgium, Norway, UNDP and the Netherlands. All indicated to be willing to extend their collaboration and support this year. Proposals were submitted to Japan for Ghor, Daykundi, Bamyān, Nangarhar, Balkh and Kandahar. A proposal was also submitted to Canada for support to Kandahar and other provinces. The Belgian donor approved the reallocation of funds to Takhar, Kunduz and Badakhshan. Norway extended its support for Faryab, and agreed for funding activities in other provinces. The Netherlands agreed to increase its funding for Uruzgan. The UK started funding NABDP through the HARDP programme in Helmand.

Discussions were held with USAID for funding of provinces along the Pakistani border. Initial contacts were made with Finland (for Samangan), with Iran (for Nimruz, Badghis, Herat, Farah) and with Australia (for Uruzgan).

*(4.6) 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.

## 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.*

*(3.2) Support the Office of the Deputy Minister for Programmes incorporating the Planning and Provincial Liaison Departments as a foundation/ structure for monitoring, coordination and planning*

Representatives of both departments took part in the Operational Plans' development process for 1386 (see below).

*(3.4) Support the office of the Deputy Minister for Programmes to take responsibility for programmes management, developing appropriate policies, planning, budgeting and conducting regular reviews/reporting and*

*(3.7) Improve the efficiency of key departments/ programmes through providing managers and other key staff with appropriate supervisory and people management skills and tools*

The ID team's work focused on helping MRRD departments to complete their respective contributions to the Strategic Implementation Plan matrix for 1386-88. In all, ID held six Operational Planning Exercises that covered most of the departments and programmes of MRRD. The unit worked with all the departments and programmes of MRRD (with the exception of finance, media and RITS) to help develop their respective operational plans for 1386. Follow-up works with these departments to complete the operational plans are currently under way. The workshops included inputs on cross-cutting issues in operational planning and on integration of a particular budget into the plans. MRRD departments' directors were supported to prepare and present their respective operational plans at directors' workshop with participation of H.E. Ehsan Zia.

A note on the role of PRRD at the provincial level and MRRD departments at the centre was prepared and submitted to be reviewed by NABDP leadership. This was prepared to clarify the role of the PRRD in relation to the Ministry on the national level.

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

An ID team representative participated in the Sub-National Consultations leading the team, which provided an orientation regarding the PDP process. Team members also supported NABDP's Community Empowerment team regarding a consultative workshop related to Provincial Planning Process in Faryab province. This focused on coordination, attracting the women to attend the workshop and promoting them to work as facilitators in the following days of the workshop.

*(3.8) Improve technical capacity through providing specialized/ technical support in finance, procurement, human resources, engineering, etc.*

Two small workshops have been arranged in Kandahar regional office: one for the procurement staffs on various procurement activities from bid distribution to bid evaluation, the other for the TSU engineers on how to check qualities of materials and works at site of works. This is in addition to the on-the-job-training to the procurement staff at Kandahar. On the national level the on-the-job training of procurement staffs is continuing.

*(3.9) Support establishing an effective and accessible MIS for collating, maintaining and managing up-to-date information on key aspects and activities of MRRD's organisation & programs*

The MIS Section developed a data exchange application that collects up-to-date-data from MRRD programmes, imports into the project database system and different reports are being provided to the ministry's top management, programmes and external partners.

The project database system is currently connected to the minister, deputy ministers, NABDP and WatSan offices and it enables them to update, maintain and establish the required reports. MIS maintained technical support to the NABDP available systems (HR, Finance and transport database systems). MRRD/ NABDP's outputs were presented on maps from MIS/ GIS to the MRRD leadership and programmes to communicate MRRD's progress more clearly to the Afghan government, donors and UN agencies.

*(3.10) Support establishing PDCs and provide technical assistance and training to enable partners to effectively engage in comprehensive rural development planning and coordination of implementation*

Until May 07 the ID team conducted 17 orientation workshops for PDC members. After that this process was stopped because NABDP took over the entire Provincial Planning Process from ANDS, conducted by its Community Empowerment unit.

*(3.11) Review and strengthen the Capacity Development Department to assume responsibility for maintaining and building on the level of capabilities/ capacities established.*

A survey design to assess the current capacities of all permanent personnel of the ministry has been formulated, was reviewed and finalized by OD&T with support from the ID team. Twenty-three provincial trainers and some OD&T staffs were trained on basic research (designing, implementation, consolidation and analysis). The actual survey was conducted between 3 and 10 September 2007 for 23 provinces. The survey was conducted first among the permanent civil servants of the provincial directorates. The survey outputs include an inventory of current capacities, list of capacity gaps based on capacities needed to implement the Strategic Intent and a list of training needs. The same survey (with some changes in the parameters) is also being planned to be conducted at the headquarter level. The three OD&T staff members were sent to those provinces, but the representatives did not come to the planned workshops.

*(3.12) Provide for professional development and physical resources as needs are identified*

An Institutional Development Framework was drafted and served as guide for the conduct of assessment at the Provincial Directorate level. The framework included the detailed process of conducting the capacity assessment using the "systems model approach", designing organizations, formulating organizational goals and planning.

Based on the Institutional Development Framework, a logical series of institutional diagnosis was also formulated and written to serve as a guide for the mission team in the actual conduct of capacity assessment. This step is the most critical step in institutional development. It is the basis for determining the appropriate interventions to enable the institution to respond to the changes in the environment. The process analyzes the management, social and task sub-systems within the institution. The process is conducted through a series of four group workshops: system mapping and analysis; contextualizing and resource-accessing; accessing partners, clients, and formulating or reviewing the vision-mission-goals of the institution and project management cycle.

The institutional framework and diagnosis processes were first tested in the Province of Parwan from 10-14 July 07. A team composed of personnel from the human resource department and the Organizational Development and Technical Department were assisted by the ID team in the conduct of the assessment. The ID team provided a three-day-training to the personnel of HRD and OD&T on the processes of conducting the assessment before the mission. The assessment and validation of information were also conducted in the provinces of Baghlan, Kunduz, Samangan, Balkh, Sar-i Pul, Jawzjan, and Faryab.

The present capacity of the RRD in Bamyán was assessed by the ID team in order to make sure that the current requirements of MRRD are met.

## Economic Regeneration

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

### *(1.4) Expert socio-economic assessments of provinces/ regions*

The value chain analysis in selected niches in three regions: Northern, Central and Western regions have been initiated. These studies are analyzing the opportunities for capturing the value chain which can be readily converted into a viable business plan. Detailed work plans of sub-sectors analysis of niche sectors and business plan development in Balkh, Bamyan and Herat have been completed. The inception phase of the study has been completed and the study is expected to be completed by the end of next quarter (December 07).

### *(1.6) Develop economic regeneration scenarios and strategies*

The province-specific and sector-targeted feasibility analysis and Business Plan Development is initiated and key sub-sectors for business plan development are selected. The value chain analysis of the selected key sub-sectors in selected provinces has been completed. The framework for establishing Common Interest Group (CIG) for promoting micro-enterprises is developed as part of the Afghan Rural Enterprise Development Programme (AREDP). A twin (top down-bottom up) approach based on a Rural Enterprise Development Framework has been developed by MRRD, NABDP (ER) and the World Bank Team. Federated associations and cooperatives are selected as key priority focus areas for rural SME development and for converting social capital into economic capital.

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

The process of hiring the consultant for sub-sector analysis and business plan development continued. DACAAR submitted a proposal for sub-sector analysis and business plan development for central region. A committee, approved by the Deputy Minister, carried out technical and financial evaluation of the proposals. The proposal from DACAAR was technically and financially evaluated and secured 84 marks as average in technical evaluation, while obtained 100 marks in financial evaluation as DACAAR was the only firm that submitted a proposal for the central region. The contract for the central region's study on 'Sub-sector Analysis and Business Plan Development' has been awarded to DACAAR.

An Inception Workshop for the Business Plan Development Project was organized on 2nd August 07. Participants in the workshop included the team of consulting organizations i.e. Afghanistanid for the Northern region, DACAAR for the Central region, DACAAR for the Western region and the NABDP Team. The consulting team presented its initial strategy about these studies. The NABDP team presented the over all objective and expectations from these studies which should produce rural enterprises business plans which are practical and can be readily implemented in the selected provinces. The Inception Report for the project comprising team mobilization and methodology has been completed. An interim progress of the project was presented by the consulting team on 29 August 07. The presentation provided the initial findings of sub-sector selections. The comprehensive report on sub-sector analysis and value chains identification for business plan development was presented in the Workshop on 16 September 07. The workshop was attended by the consulting team members, the NABDP team, and it was chaired by the Deputy Minister of Programmes.

Further the progress of Solar Drying Facility of UNDP PSD in Dulana Village, Parwan Province was discussed. This facility has demonstrated the improved technical know-how for drying grapes in a better quality environment. However, a business plan involving economic viability and

management structure needs to be worked out. UNDP's PSD Unit and NABDP's Economic Regeneration Unit, are working together to convert this facility into a viable enterprise.

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

*(2.1) Support Afghan Institute for Rural Development (AIRD) to secure additional funds*

The AIRD organized several meetings with different possible donors including JICA, (Government of Japan) and the Embassy of Iran to get their support. Further it organized two workshops for trainers of the MRRD on facilitation and undertook curriculum development.

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

NABDP-ANDS jointly are in process of completing the Provincial Development Plans (PDP) based on sub-national consultations and district development plans. These PDPs mainly reflect the desires and prioritized project lists which have been fitted into ANDS sectors and programmes. However, these plans need to be validated for their technical feasibility, economic viability and management structure. The output of the "Sub-sector analysis and business plan development studies" should be ready by next quarter and will help identifying economic regeneration projects. Further the implementation of these project(s) will lead to income generation and reduce poverty in rural areas.

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

MRRD's Rural Enterprise Unit and NABDP's Economic Regeneration Unit continued their collaboration to improve the Rural Enterprise Development Programme (REDP).

In order to achieve long-term stability and prosperity in Afghanistan, it is important that the successes of the past five years on the political and institution-building fronts are matched on the economic front with poverty reduction and sustainable job creation. This is especially true for rural Afghanistan, where most of Afghanistan's population lives and where the problems of poverty and unemployment are particularly severe.

Whereas the Afghan economy as a whole has registered robust growth rates in recent years, these figures largely reflect booming construction and trade-related activities in urban areas and the steep rise in narcotics. There has been little growth of enterprise-related activities in rural areas of Afghanistan, and most people still live on subsistence farming. Even where Afghanistan could be self-sufficient in agriculture-related products, the country imports vast quantities of food and other easily-manufactured daily use items, while the export sector remains small and undiversified.

The two major obstacles to private sector enterprise growth (micro-enterprises and SMEs) in rural Afghanistan are shortage of business planning, management, and marketing know-how and shortage of access to credit. There is a strong need for a government-led initiative that targets rural areas for the specific purpose of providing easy access to credit and business support and hand-holding.

## WatSan Belgium

The table below provides an overview of ongoing project locations, status and % of progress:

**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	55	0	0	76.39
2		Khidar and Geti	44	0	0	37	0	0	84.09
4	Ghor	Lal wa Sarjantal	50	0	0	40	0	0	80
5		Chighchiran, Murghab and Qurullah	111	0	0	57	0	0	51.35
6		Pasaband-dolaina, Chighchiran, Qara allahyar	90	0	0	80	0	0	86.67

**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	0	0	0	0	Contract Cancelled
Ghor	Lal wa Sarjantal, Chighchiran, Murghab, Qurullah, Pasaband-dolaina, Chighchiran, Qara allahyar	375	65,625	265	11,320	70.67

## 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.

To strengthen the management and implementation capacity, the implementation process was closely monitored and guidance was given in meetings with local RRD representatives and implementing partners that were held on a weekly basis. Monitoring teams from the different provinces of the country sent their progress reports in a timely manner.

The hygiene education trainers could cover the following provinces with training: Kabul, Logar, Kapisa, Daykundi, Maidan Wardak and Nuristan.

To briefly present a picture of the ongoing project locations, status and percentage of progress in the construction of water points, pipe schemes or wells, consult the following table:

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	Maidan-Shahr	8				8		100%
2	Maidan-Wardak	Maidan-Shahr	16				6	10	40%
2	Kabul	Zere Kotal		1	1	36			85%
4	Kabul	Khorasan		1	1	30			90%
	Kabul	Istalif		1	1	10			95%
5	Day-kundi	Nili	9				9		100%
6	Maidan-Wardak	Maidan-Shahr		1		149			100%
7	Logar	M.Agha	18				17	1	95%
8	Logar	Pul Alam	32				25	7	80%
9	Logar	Baraki Barak	37				28	9	75%
10	Kapisa	Kohistan (II)	24				14	4	60%
11	Kapisa	Kohistan (I)	9				3	6	60%
12	Kapisa	Nejrab	12				6	6	50%
13	Nuristan	Paron		1	1	11			100%
14	Nuristan	Paron		1	1	20			100%

## II. PROJECT IMPLEMENTATION CHALLENGES

### Updated project risks and actions

#### The SNC/ PDP Process Delayed the Work of the CE Unit

In terms of support of line ministries, a few ministries were not adequately prepared to present their strategies as shown by the lack of familiarity of their representatives with their respective strategies. In fact, some ministries did not have strategies to present in a few provinces especially during the early part of the SNC, and a few failed to send official representatives to some of the provinces.

The agreement to produce raw materials for preparing the PDPs was an issue. For instance, provincial profiles which constitute a major component of the PDP were not produced on time and in the quality needed.

The transport that had been agreed to be provided, did not come on time and therefore the schedule of line ministries' presentations and facilitators, eg. In Nimruz, Zabul and Paktika provinces had to be re-adjusted. One presentation of a line ministry strategy in Nimruz was left to the last minute to provincial directorates who were not adequately prepared to discuss their respective strategies prepared in Kabul. There were last minute cancellations of the transport organized by ISAF PRT and UNAMA.

While ground support from the ANDS Secretariat was very good, the SNC/ PDP struggled until now to obtain support from the government through ANDS, as in the case of obtaining endorsement of DSA rates of field personnel and for securing funding.

Security, bad weather, certain political decisions at national and local levels, and sudden cancellations affected deployment plans in some provinces. Although alternate provinces were available to absorb the cancellations (eg. Panjshir and Wardak), deployment could not happen quickly and the team lost at least seven days regarding the preparation of alternative provinces.

### **DIAG Mainly Faced Security Concerns**

Security concerns all over the country obstructed DIAG activities. Only unsatisfactory results of weapon collection and disbandment of IAGs were anticipated in the regions where police and military forces do not have the capacity to protect the local people, which results in their self-defense. Effectiveness of the law that prohibits people to possess weapons without registration, which provides a legal basis for the DIAG operation, is questionable. Lack of political commitment to DIAG at any level is a fundamental obstacle to DIAG's success up till now. All those external factors hamper the DIAG operation.

### **Implementation Support**

#### **Security Conditions Impair the Project Implementation and Monitoring**

The deteriorating security situation as reported in the previous report continued to hamper the progress in implementation. Two major NABDP CIDA projects in Shah Wali Kot and Poge Hil Pass were attacked by insurgents and AGE. Three school construction projects in Uruzgan could until now not be restarted. The decision eventually was made to halt the construction process and hand it over to the Ministry of Education who had agreed with MRRD to construct schools henceforth in the country. In other provinces precautions were taken and we received no further reports of halted projects due to security. Monitoring the progress of construction was slowed and payments to contractors were often delayed, since monitors could not, or did not want to visit projects sites.

The 'Kandahar methodology' of working more with DDAs and CDCs and less with contractors helps to ensure that stability is now being extended into other provinces. A start has been made to implement along similar lines in Nangarhar, Balkh and the North Eastern provinces of Takhar, Badakhshan and Kunduz. NABDP has recognized that continued dependency on the systems of the M&E department will not solve the issue of weak and delayed monitoring. It is for this reason that a start is made to set up a Quality Control Committee that will help adapting and improving monitoring to the reality on the ground. This will become operational in the course of 2007 and beginning of 2008.

#### **Low Capacity of Contractors Causes Delays and Losses of Construction**

The further taking care of NABDP's problematic projects in MRRD is ongoing. It has also been observed that projects surpass the agreed contracting term. There are now 77 projects identified where this has happened. MRRD till now has not enforced the clause in the contracts that demands a penalty in case delays occur.

The above mentioned Quality Control Committee, that is now being designed will have as one of its terms of reference to design and help implementing measures to come to a stronger contract management.

#### **Delays in Project Implementation**

Social conflicts that were mentioned as a cause for delays in projects implementation were not encountered anymore during this reporting period.

#### **Institutional Development**

Institutional Development did not encounter any risks.

#### **Security and Finding Implementing Partners were the Main Issues for ER**

The security situation in the Southern and Eastern region remained an important challenge. During the second quarter, we were not able to find technically qualified consulting organizations for the Kandahar and Nangarhar business plan development field study due to poor security in these provinces. Subsequently, it was decided to re-tender the procurement process for these regions. In response only three organizations submitted their expressions of interest. The request for proposal

was sent to all of them. However, before the last date one international consulting organization withdrew from the process. In the absence of qualified consulting organizations, we plan to hire experts from the UNDP global roster.

### **WatSan Belgium**

WatSan Belgium did not encounter any risks in the third quarter.

### **Due to the Security Situation Monitoring was Difficult for WatSan USAID**

In Nuristan province, district Paron, for the hygiene education and sanitation component of the project, due to poor security conditions the monitoring team from MRRD was not allowed to visit the site. Monitoring was then conducted by the local RRD officers and a handover was done by a joint team representing the district governor's office, an RRD officer and a local community's representative. The unit is now waiting for the final handover report approved by the RRD.

## **Updated project issues and actions**

### **CE had Issues due to the Extra-Load of Work they Received through the SNC/ PDP Process**

The completion of the Sub-National Consultation/ Provincial Development Planning process in 34 provinces within three months was believed to be an illusion considering the following factors: the political complexity of the exercise that is beyond the control of MRRD, the lack of readiness of many of the ministries in terms of manpower capacity and availability of line ministry plans and very tight deadline to be met. The 34 consultations required a massive mobilization of national representatives and local communities, the vast and geographically dispersed and inaccessible nature of provinces, problems associated with recruitment and mobilization of personnel.

The SNC PDP team had to work overtime to develop the SNC/ PDP Operational Guidelines through a consultative process and utilization of in-house resources, mainly the MRRD Community Empowerment unit and the guidelines it had developed and a pilot was conducted in two provinces to finally produce the guidelines (the pilot also served to train field teams and oversight personnel on the SNC/ PDP).

### **Capacity and Human Resources were Issues for the DIAG Team**

Since 23 DIAG newly targeted districts were recently introduced by the D&R Commission to the NABDP DIAG Coordination Unit (DCU), it is expected that the capacity to complete the DDA establishment and DDP formulation processes including the identification of suitable development projects for those districts is enhanced. The DCU with the help of Community Empowerment Unit is trying to expand the capacity and increase the number of community empowerment teams intending to meet the requests made.

The lack of capacity in RITS and Procurement departments of MRRD continues to delay the implementation of DIAG development projects.

## **Implementation Support**

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

This issue, as first reported in the last quarterly report is continuing to cause delays in project implementation. Our attention has been strongly drawn now to this shortfall and NABDP has developed a regulating framework for project cycle management. Also organizationally advice is being formulated to the MRRD leadership for reviewing and strengthening the management of the project cycle. The project cycle manual is being introduced and we expect that after its review and approval by the MRRD leadership the mainstreaming can take place within the programme. Interim guidelines have now been developed that provide a framework for operation while awaiting the adoption of the manual.

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

The capacity assistance requests of MRRD to NABDP still continue. However during the last quarter a dialogue has been facilitated by the Minister and the Deputy Minister of Programmes between the national programmes NSP, NRAP, NABDP and WATSAN to share the burden more equally. This dialogue is not yet fully translated into concrete agreements, which we expect to finalize in the last quarter of the year.

### **Weak Coordination between Programmes Delays Implementation of Contracts**

It has been referred to this issue before. The dialogue and cooperation with other programmes is improving, and we intend to have the cooperation being formalized through letters of agreement and memoranda of understanding. This will be done initially for specific contractual agreements; however can eventually develop into more intensified dialogues and cooperation.

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

The collaboration with the different departments of MRRD is still not always fully defined, however we noticed less conflicts of interest between our regional managers and the PRRD directors. In specific provinces as Uruzgan, Nangarhar and Helmand the mutual support is exemplary. In other provinces though, as in Ghor province and Bamyan, the collaboration still needs to be improved a lot.

Project collaborations with other ministries also were less a cause for delay. The Ministry of Education now has agreed with MRRD that school buildings will have to be built by them. There is also more direct communication with the Ministry of Agriculture and the Ministry of Public Health.

The issue of limited personnel for projects overview because of lack of operational costs is now also better being addressed. In all donor interaction it has become clear that donors have understood this limitation and are now ready to assist NABDP in its operational capacity.

### **The ID Unit Faced Issues Regarding the Operation Planning**

Some Departments were unable to see Operational Planning as a priority despite a clear request from the minister of MRRD. A series of meetings were organized by the ID team with the minister's office advisors to address the issue. The head of the Afghan Institute for Rural Development at the MRRD was assigned to follow up with the directors.

### **Promotion of Private Entrepreneurship was a Challenge for the ER Unit**

Promoting individual private entrepreneurship has been one of the biggest challenges. During the field work for private sector rural enterprise development in rural areas of Afghanistan, it was learned that it is better to work with community-based associations and cooperative federations than individual entrepreneurs. For the greater community benefit and larger impact on poverty alleviation, working with federations of community-based cooperatives is seen as being fundamental.

### **WatSan Belgium Could not Complete the Planned Activities on Time**

#### **Ghor Province**

The winter season is just about to start and progress reports show that the companies cannot complete their work on time; we need to provide them with a no-cost-extension till the end of August 2008.

#### **Daykundi Province**

In Daykundi province the contract with a facilitating partner for hygiene education and sanitation component of the project was terminated. WatSan discussed the issue with the procurement department to contract the activities to a new contractor or to shift the remaining fund to Kunduz, Takhar or Badakhshan.

### **Hard Geological Strata and Low Technical Capacity were the Main Challenges for WatSan USAID**

In Maidan Shahr district, Maidan Wardak province, and Kohistan and Nijrab districts, Kapisa province, due to hard geological strata the work was modified, the estimated value of the work was

higher than the original contract, and according to the Afghan Procurement Law after the repetition of the tender procedure, works were re-started according to the given design and specifications. In Istalif, Kabul province, the construction of the pipe scheme was contracted to a local construction company. The previous contract had been cancelled because of the poor technical capacity and performance of the contractor. The expected date for the awarding of the contract was 30 July 07. For a period of two months the IP could not complete the contracted tasks, in order to meet the targets. An extension request has been sent to the procurement department for the ten on-going projects. The aforesaid contractors received the permission letter 15 days after signing the contract.

In Baraki Barak and Pul Alam districts of Logar province the contract with the company was terminated due to low technical capacity. MRRD's commission was called in to clarify the reason for delay. The company had expressed its willingness to improve its technical capacity. Now the company has provided an adequate number of drilling machines and has started the construction activities but according to procurement rules, they will be fined for each day delay of works after September 2007. The position of some water points was changed due to the hard stratum of the area.

In Daykundi province the implementing partner for hygiene education and sanitation component of the project made low progress and the contract was terminated. A new company has been contracted to implement the soft component of the project.

For the operation and maintenance programme component the contract was awarded and the implementation is on going. Due to the starting of the month of Ramazan, a delay occurred in the project implementation in September because of a reduction in working hours.

### III. FINANCIAL STATUS AND UTILIZATION

#### Financial status

**Table 1: Contribution overview [01/02/2006-01/02/2008]<sup>1</sup>**

<b>Table 1</b>			
<b>Contributions Overview ( February 2002-December 2008)</b>			
<b>Donor</b>	<b>Contributions</b>		<b>Contribution Balance</b>
	<b>Committed</b>	<b>Received</b>	
Belgium	17,904,509	11,668,316	6,236,193
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	7,100,000	6,470,000	630,000
<b>Total</b>	<b>128,589,061</b>	<b>120,722,868</b>	<b>7,866,193</b>

<sup>1</sup> The "resource overview" can be any kind of chart (a pie chart, for example, would be an effective way of demonstrating a funding gap).

## Financial utilization

**Table 2: Quarterly expenditure by activity [1 January – 31 December]**

<b>National Area-Based Development Programs (NABDP)</b>								
<b>Quarterly Expenditure by Activities (1st Jan 07 -30th Oct.07 )</b>								
<b>ACTIVITY</b>	<b>BUDGET 2007</b>	<b>1st QTR (Jan-Mar-07)</b>	<b>2nd QTR (Apr-Jun-07)</b>	<b>3rd QTR (Jul-Sep-07)</b>	<b>Expenditure not in ATLAS</b>	<b>Total Expenditures</b>	<b>BALANCE</b>	<b>DELIVERY (%)</b>
ACTIVITY16 [ECONOMIC REGENERATION]	461,524	75,719	170,067	390,689	82,242	718,717	(257,193)	156%
ACTIVITY17 [CAPACITY BUILDING/INST. DEV]	4,419,254	279,288	1,682,543	1,494,645	1,608,184	5,064,660	(645,406)	115%
ACTIVITY18 [IMMEDIATE RECOVERY PROJECT]	8,377,252	450,686	1,215,114	2,585,396	2,896,084	7,147,280	1,229,972	85%
ACTIVITY19 [PROGRAMME MANAGEMENT]	1,937,756	249,831	348,010	85,493	231,595	914,929	1,022,827	47%
ACTIVITY20 [COMMUNITY EMPOWERMENT]	2,462,917	110,630	93,619	120,087	602,735	927,071	1,535,846	38%
ACTIVITY21 [KANDAHAR IALP, 200K..]	5,948,467	-	366,951	1,027,320	1,418,977	2,813,248	3,135,219	47%
ACTIVITY22 [DIAG]	1,453,202	-	5,768	-	104,485	110,253	1,342,949	8%
ACTIVITY23 [RURAL & ENERGY]	300,000	-	-	-	14,158	14,158	285,842	5%
ACTIIVTY5 [UNHCR WATSAN]	685,454	2,145	118,978	238,967	29,102	389,192	296,263	57%
ACTIVITY7 [USAID WATSAN]	1,825,527	45,875	223,688	228,959	352,706	851,228	974,298	47%
ACTIVITY1 [PROGRAMME MANAGEMENT-DEX]	803,612	100,633	113,750	128,011	-	342,394	461,218	43%
<b>GMS</b>	<b>1,190,000</b>	<b>59,611</b>	<b>197,423</b>	<b>318,701</b>	<b>333,296</b>	<b>909,031</b>	<b>280,968</b>	<b>76%</b>
<b>Total</b>	<b>29,864,965</b>	<b>1,374,418</b>	<b>4,535,911</b>	<b>6,618,268</b>	<b>7,673,564</b>	<b>20,202,161</b>	<b>9,662,804</b>	<b>68%</b>

\* The budget of activity 16 is initiated in the system with the amount of USD 461,524, but this will revised to 1,508,336 during the budget rephrasing in December 07. the negative balance will be adjusted.

Table 3: Quarterly expenditure by donor [start date – end date of quarter]

## National Area-Based Development Programs (NABDP)

Quarterly Expenditure by Donors (1st Jan. 07 - 30th Sep. 07)

Donors	Activity	Budget 2007	1st QTR (Jan-Mar-07)	2nd QTR (Apr-Jun-07)	3rd QTR (Jul-Sep-07)	Expenditure not in ATLAS	Total Expenditures	Balance	Delivery Rate
UNHCR	UNHCR Water Supply	685,454	2,145	118,978	238,967	29,102	389,192	296,263	
	UNHCR Reintegration	-					-	-	
	<b>GMS* 5%</b>	<b>34,308</b>	<b>113</b>	<b>6,262</b>	<b>12,577</b>	<b>1,532</b>	<b>20,484</b>	<b>13,824</b>	
Sub Total (UNHCR)		<b>719,763</b>	<b>2,258</b>	<b>125,240</b>	<b>251,544</b>	<b>30,634</b>	<b>409,675</b>	<b>310,087</b>	57%
Belgium	Economic Regeneration	25,051	28,574	25,675	30	-	54,279	(29,228)	
	Capacity Building/Inst. Dev	1,106,589	63,475	364,154	228,783	148,220	804,632	301,957	
	Immediate Recovery Project	1,441,097	208,888	598,802	(73,647)	314,967	1,049,010	392,087	
	Programme Management NEX	348,583	-	140,596	61,901	70,922	273,419	75,164	
	Community Empowerment	400,000	63,735	15,334	-	-	79,068	320,932	
	Programme Management DEX	433,430	2,179	56,333	115,132	-	173,644	259,786	
	<b>GMS* 3%</b>	<b>109,747</b>	<b>11,346</b>	<b>37,141</b>	<b>10,274</b>	<b>16,519</b>	<b>75,280</b>	<b>34,467</b>	
Sub Total (Belgium)		<b>3,864,496</b>	<b>378,197</b>	<b>1,238,034</b>	<b>342,472</b>	<b>550,628</b>	<b>2,509,331</b>	<b>1,355,165</b>	65%
Japan	Economic Regeneration	236,473	47,145	144,392	390,659	49,558	631,754	(395,281)	
	Capacity Building/Inst. Dev	1,996,900	231,838	1,078,195	298,654	1,267,171	2,875,858	(878,958)	
	Immediate Recovery Project	1,808,042	46,411	22,970	314,846	677,082	1,061,310	746,732	
	Programme Management NEX	1,277,765	249,268	176,591	(21,742)	78,813	482,930	794,835	

	Community Empowerment	975,600	46,895	63,125	77,608		187,629	787,971	
	Programme Management DEX	35,910	-	8,165	1,265	-	9,430	26,480	
	<b>GMS* 5%</b>	<b>277,133</b>	<b>32,714</b>	<b>78,602</b>	<b>55,857</b>	<b>109,085</b>	<b>276,258</b>	<b>875</b>	
<b>Sub Total (Japan)</b>		<b>6,607,823</b>	<b>654,270</b>	<b>1,572,041</b>	<b>1,117,148</b>	<b>2,181,709</b>	<b>5,525,168</b>	<b>1,082,655</b>	84%
USA	Economic Regeneration	-	-	-	-	-	-	-	
	Capacity Building/Inst. Dev	-	-	-	-	-	-	-	
	Immediate Recovery Project	2,958,160	-	127,530	1,476,519	1,661,974	3,266,023	(307,863)	
	Programme Management NEX	-	540	-	-	-	540	(540)	
	Community Empowerment	288,517	-	-	31,154	12,996	44,150	244,367	
	USAID Water Supply	1,825,527	45,875	223,688	228,959	352,706	851,228	974,298	
	Programme Management DEX	16,795	28,545	-	-	-	28,545	(11,750)	
	<b>GMS* 5% &amp; 3%</b>	<b>218,683</b>	<b>2,318</b>	<b>13,630</b>	<b>85,756</b>	<b>98,783</b>	<b>200,488</b>	<b>18,196</b>	
<b>Sub Total (USA)</b>		<b>5,307,682</b>	<b>77,278</b>	<b>364,849</b>	<b>1,822,388</b>	<b>2,126,459</b>	<b>4,390,974</b>	<b>916,708</b>	83%
CIDA	Capacity Building/Inst. Dev	1,285,665	(16,025)	240,194	967,209	163,295	1,354,672	(69,007)	
	Immediate Recovery Project	1,613,995	195,387	465,812	810,607	(98,599)	1,373,207	240,788	
	Programme Management NEX	275,308	23	19,581	45,334	77,215	142,153	133,155	
	Community Empowerment	-	-	-	-	-	-	-	
	Kandahar Activity (IALP+200K ...)	5,948,467	-	366,951	1,027,320	1,418,977	2,813,248	3,135,219	
	Programme Management DEX	280,398	69,909	49,253	6,682	-	125,844	154,554	

	<b>GMS* 5%</b>	<b>470,477</b>	<b>13,121</b>	<b>60,094</b>	<b>150,376</b>	<b>82,152</b>	<b>305,743</b>	<b>164,733</b>	
Sub Total (CIDA)		<b>9,874,310</b>	<b>262,414</b>	<b>1,201,885</b>	<b>3,007,528</b>	<b>1,643,040</b>	<b>6,114,867</b>	<b>3,759,442</b>	62%
UK	Programme Management NEX	-	-	-	-	-	-	-	
	Programme Management DEX	13,987	-	-	-	-	-	13,987	
	<b>GMS* 3%</b>	<b>433</b>	-	-	-	-	-	<b>433</b>	
Sub Total (UK)		<b>14,420</b>	-	-	-	-	-	<b>14,420</b>	0%
UNDP	Economic Regeneration	200,000	-	-	-	32,684	32,684	167,316	
	Programme Management NEX	-	-	-	-	-	-	-	
	Community Empowerment	590,000	-	-	-	589,739	589,739	261	
	Rural & Energy	300,000	-	-	-	14,158	14,158	285,842	
	UNDP TTF (IDP Project)	-	-	-	-	-	-	-	
Sub Total (UNDP)		<b>1,090,000</b>	-	-	-	<b>636,581</b>	<b>636,581</b>	<b>453,419</b>	0%
Japan-DIAG	DIAG Activity	1,453,202	-	5,768	-	104,485	110,253	1,342,949	
	<b>GMS* 5%</b>	<b>38,981</b>	-	<b>304</b>	-	<b>5,499</b>	<b>5,803</b>	<b>33,178</b>	
Sub Total (Japan DIAG)		<b>1,492,183</b>	-	<b>6,072</b>	-	<b>109,984</b>	<b>116,056</b>	<b>1,376,127</b>	8%
Norway	Capacity Building/Inst. Dev	30,100	-	-	-	29,498	29,498	602	
	Immediate Recovery Project	262,274	-	-	57,071	179,004	236,075	26,199	
	Programme Management NEX	36,100	-	11,242	-	4,645	15,887	20,213	
	Community Empowerment	208,800	-	15,160	11,325	-	26,485	182,315	

	<b>GMS* 5%</b>	<b>23,566</b>	-	<b>1,390</b>	<b>3,600</b>	<b>11,218</b>	<b>16,208</b>	<b>7,358</b>	
Sub Total (Norway)		<b>560,839</b>	-	<b>27,792</b>	<b>71,996</b>	<b>224,365</b>	<b>324,153</b>	<b>236,687</b>	58%
Netherlands	Capacity Building/Inst. Dev		-	-	-	-	-	-	
	Immediate Recovery Project	293,684	-	-	-	161,656	161,656	132,028	
	Programme Management NEX		-	-	-	-	-	-	
	Community Empowerment		-	-	-	-	-	-	
	<b>GMS* 5%</b>	<b>15,457</b>	-	-	-	<b>8,508</b>	<b>8,508</b>	<b>6,949</b>	
Sub Total (Netherlands)		<b>309,141</b>	-	-	-	<b>170,164</b>	<b>170,164</b>	<b>138,977</b>	55%
Italy	Programme Management DEX	23,092	-	-	4,932	-	4,932	18,160	
	Programme Management NEX	-	-	-	-	-	-	-	
	<b>GMS* 5%</b>	<b>1,215</b>	-	-	<b>260</b>	-	<b>260</b>	<b>956</b>	
Sub Total (Italy)		<b>24,308</b>	-	-	<b>5,192</b>	-	<b>5,192</b>	<b>19,116</b>	21%
<b>Grand Total</b>		<b>29,864,965</b>	<b>1,374,418</b>	<b>4,535,911</b>	<b>6,618,268</b>	<b>7,673,564</b>	<b>20,202,161</b>	<b>9,662,804</b>	<b>68%</b>

## Annexes

### Donor Annexes:

**DONOR NAME: UNHCR**

<b>Contribution Summary</b>							
<b>Type</b>	<b>Description of Allocation</b>	<b>Commitment (Local Currency)</b>	<b>Received (USD)</b>	<b>2004-2006 Disbursements</b>	<b>2007 Disbursed (USD)</b>	<b>Balance</b>	<b>Contract End Date</b>
	<b>Phase 1</b>		4,345,811	3,625,465	-	720,346	Closing balance 2006
<b>Earmarked</b>	B/F to 2007		720,346		409,675	310,670	End of June 07
<b>Total Earmarked</b>		-	<b>4,345,811</b>	<b>3,625,465</b>	<b>409,675</b>	<b>310,670</b>	
<b>TOTAL</b>		-	<b>4,345,811</b>	<b>3,625,465</b>	<b>409,675</b>	<b>310,670</b>	

**DONOR NAME: Belgium****Contribution Summary**

Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	2005-2006 Disbursements	2007 Disbursed (USD)	Balance
<b>Earmarked</b>	<b>Phase I</b>		11,668,316	3,806,462	-	7,861,854
	B/F to 2007		446,835		58,512	388,323
	<b>Phase II</b>					-
	Nimruz, Uruzgan, Ghor, Daykundi		7,415,019		2,450,819	4,964,200
<b>Total Earmarked</b>		-	<b>11,668,316</b>	<b>3,806,462</b>	<b>2,509,331</b>	<b>5,352,523</b>
<b>TOTAL</b>		-	<b>11,668,316</b>	<b>3,806,462</b>	<b>2,509,331</b>	<b>5,352,523</b>

\*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****1. Implementation Support:****i. Implementation Progress**

- Activity 1: The allocation for Belgium projects has been reviewed and evaluated.
- Activity 2: 67 projects are placed under Belgium: 15 in Daykundi (5 ongoing), 17 in Ghor (10 ongoing), 19 in Nimruz, and 16 in Uruzgan (7 have been removed from a previous list).
- Activity 3: PRDA's are placed in each of the 4 provinces and facilitate among others identification and monitoring of projects

**ii. Risks, Issues and Actions**

- Issue 1: One new PRDA is being recruited for Nimruz province.

**WatSan:****iii. Implementation Progress****Daykundi Province:**

- Construction of 72 wells in Neli, Sharistan and Sang Takht Bandar Districts. 55 wells constructed.
- Construction of 44 wells in Khidar and Geti Districts. 37 wells constructed.
- Hygiene education and sanitation project, contract terminated.

**Ghor Province**

- Construction of 50 wells in Lal Wa Sarjangal district: 40 wells completed.
- Construction of 111 wells in Chighchiran, Murghab and Qurullah: 57 well completed.
- Construction of 90 wells in Pasaband, Dolaina, Chighchiran, Qara Allahyar districts: 80 wells completed.
- Hygiene education and sanitation project consisting of 375 sanitation latrines and hygiene education to 65,625 individuals is ongoing and 71 % of the contracted work has been finished.

**iv. Risks, Issues and Actions****Daykundi Province**

- In Daykundi province the Implementing Partner for hygiene education and sanitation component of the project had a low progress of work and the contract has been cancelled. Due to the cold weather conditions in Daykundi province we need to extend the project till the end of August 2008, we will have two options: 1.) to contract it again in Daykundi province with another NGO or 2.) to shift it to some other province under Belgium fund coverage.

**Ghor Province**

- As it was mentioned in the previous report, that in Lal-o-Sarjangal district the contract for construction of 50 bore wells was signed with MACEC, after a detailed hydrogeological survey of the site was conducted by DACAAR, it was found that only 20% possibility of bore wells are there and they recommend hand dug wells, as agreed with the community and veracity of the district with MRRD
- After the completion of the 50 wells contracted, the company will go for up to 100 hand dug wells as the cost of hand dug wells is about half of the bore wells.
- Due to cold weather and quick arrival of the winter season, bad security conditions and difficult access to the project site, some projects may not be completed on time, the WatSan department is asking for a no-cost-extension until end of August 2008.

**DONOR NAME: Japan Economic Regeneration & CRD**

<b>Contribution Summary</b>							
Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	2003-2006 Disbursements	2007 Disbursed (USD)	Balance	Contract End Date
<b>Un-earmarked</b>	<b>Phase I</b>		5,454,450	4,040,213	0	1,414,237	Closing balance 2006
	B/F to 2007		1,414,237	-	641,183	773,053	End of Project
<b>Total Un-earmarked</b>		-	<b>5,454,450</b>	<b>4,040,213</b>	<b>641,183</b>	<b>773,053</b>	
<b>Earmarked</b>	<b>Phase II</b>			-			
	Kandahar, Bamyar, Nangarhar & Balkh		21,832,214	-	4,883,985	<b>16,948,229</b>	31st Dec.2008
<b>Total Earmarked</b>		-	<b>21,832,214</b>	-	<b>4,883,985</b>	<b>16,948,229</b>	
<b>TOTAL</b>		-	<b>27,286,664</b>	<b>4,040,213</b>	<b>5,525,168</b>	<b>17,721,282</b>	

**II. Implementation Progress Supported by Japan during the Reporting Period****A. Earmarked****Implementation Support****v. Implementation Progress**

- Activity 1: The following are the projects under implementation. In Balkh there are 30 projects. 11 of these are in procurement, and 9 are ongoing. Another 10 are being designed. In Nangarhar there are 47 projects: 3 are ongoing, 12 are in procurement and 32 are being designed. In Bamyar 1 project is under procurement and 6 are ongoing. Lastly in Kandahar 14 projects are within the portfolio: 13 are ongoing, and 1 is completed.
- Activity 2: Regional offices in Jalalabad, Mazar, Kandahar and Bamyar have been staffed and are functional.

**Economic Regeneration:**

- The value chain analysis in selected niches in three regions: Northern, Central and Western regions have been initiated.

- The province-specific and sector-targeted feasibility analysis and Business Plan Development is initiated and key sub-sectors sectors for business plan development are selected.
- The process of hiring the consultant for sub-sector analysis and business plan development continued. DACAAR submitted a proposal for sub-sector analysis and business plan development for central region.
- An Inception Workshop for the Business Plan Development Project was organized on 2nd August 07
- Further the progress of Solar Drying Facility of UNDP PSD in Dulana Village, Parwan Province was discussed.
- MRRD's Rural Enterprise Unit and NABDP's Economic Regeneration Unit continued their collaboration to improve the Rural Enterprise Development Programme (REDP).

**DONOR NAME: USAID Livelihoods**

<b>Contribution Summary</b>							
<b>Type</b>	<b>Description of Allocation</b>	<b>Commitment (Local Currency)</b>	<b>Received (USD)</b>	<b>2005-2006 Disbursements</b>	<b>2007 Disbursed (USD)</b>	<b>Balance</b>	<b>Contract End Date</b>
<b>Un-earmarked</b>	<b>Phase I</b>		3,165,309	2,843,928	-	321,381	Closing balance 2006
	B/F to 2007		321,381		-	321,381	30th Sep 2007
<b>Total Un-earmarked</b>		-	<b>3,165,309</b>	<b>2,843,928</b>	-	<b>321,381</b>	
<b>Earmarked</b>	<b>Phase II</b>						
	Kandahar	5,000,000	5,000,000		3,483,197	<b>1,516,803</b>	30th Oct 2007
<b>Total Earmarked</b>		<b>5,000,000</b>	<b>5,000,000</b>	-	<b>3,483,197</b>	<b>1,516,803</b>	
<b>TOTAL</b>		<b>5,000,000</b>	<b>8,165,309</b>	<b>2,843,928</b>	<b>3,483,197</b>	<b>1,838,184</b>	

**II. Implementation Progress Supported by USAID during the Reporting Period**

**A. Earmarked****Implementation Support:****vi. Implementation Progress**

- Activity 1: 117 projects, taken from the Kandahar priority list were introduced for funding, from the war affected districts of Zhari, Panjwai, Nish and Kakhriz. Of these 87 are finished, 25 are ongoing, and 5 have not yet started
- Activity 2: Regular monitoring visits were made to the projects in close collaboration with the DDAs
- Activity 3: 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.

**vii. Risks, Issues and Actions**

- Issue 1: Security halted on several occasions the identification and monitoring of projects. This was overcome by continuous interaction with DDAs

**DONOR NAME: USAID Water Supply**

Contribution Summary							
Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	2004-2006 Disbursements	2007 Disbursed (USD)	Balance	Contract End Date
Un-earmarked	Phase I		10,000,000	8,118,014	-	1,881,986	Closing balance 2006
	B/F to 2007		1,881,986		907,777	974,209	30th Sep 2007
<b>Total Un-earmarked</b>		-	<b>10,000,000</b>	<b>8,118,014</b>	<b>907,777</b>	<b>974,209</b>	
<b>TOTAL</b>			<b>10,000,000</b>	<b>8,118,014</b>	<b>907,777</b>	<b>974,209</b>	

## A. Earmarked

### 2. [USDAID WatSan:](#)

#### viii. Implementation Progress

##### **Maidan Wardak Province:**

- In Maidan Shahr, for one contract 8/8 wells have been completed.
- In another contract, 6/16 wells have been constructed (40%).
- Construction of pipe scheme in Madan-Shahr district has been completed.
- The hygiene education and sanitation project is ongoing.

##### **Kabul Province**

- For the construction of a pipe scheme in the district of Zerikotal, 85% of the work have been finished.
- Regarding the construction of a pipe scheme in the district of Khorasan. 90% of the work have been finished.
- For the construction of a pipe scheme in the district of Istalif, the contract was signed and 95% of the work have been finished.
- The hygiene education and sanitation project is to 90 % completed.

##### **Daykundi Province**

- 9 wells in the district of Nili have been constructed.
- The hygiene education and sanitation project in the district of Nili has been completed; the handover of the project is ongoing.

##### **Logar Province**

- The construction of 87 wells in the district of Muhammed Agha, Puli Alam and Baraki Barak has been completed to 80%.
- The hygiene education and sanitation project has been completed.

**DONOR NAME: CIDA General & IALP Kandahar**

<b>Contribution Summary</b>							
Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	2003-2006 Disbursements	2007 Disbursed (USD)	Balance	Contract End Date
<b>Un-earmarked</b>	<b>Phase I</b>		15,327,191	11,998,110	0	3,329,081	Closing balance 2006
	B/F to 2007		3,329,081	-	3,153,553	<b>175,527</b>	31st March 08
<b>Total Un-earmarked</b>		-	<b>15,327,191</b>	<b>11,998,110</b>	<b>3,153,553</b>	<b>175,527</b>	
<b>Earmarked</b>	<b>Phase II</b>						
	IALP Kandahar	C\$ 5,000,000	4,385,964	-	503,037	<b>3,882,928</b>	31-Dec-08
	QIP Kandahar	C\$ 6,100,000	5,447,660	-	2,458,277	<b>2,989,384</b>	31st March 08
<b>Total Earmarked</b>			<b>9,833,625</b>	-	<b>2,961,314</b>	<b>6,872,311</b>	
<b>TOTAL</b>		-	<b>25,160,816</b>	<b>11,998,110</b>	<b>6,114,867</b>	<b>7,047,838</b>	

**II. Implementation Progress Supported by CIDA during the Reporting Period****A. Earmarked****200K, Implementation Support****ix. Implementation Progress**

- Activity 1: identification and surveying of community projects. The RSU in Kandahar identified over 1400 projects, of which a part was implemented under CIDA 200k
- Activity 2: 85 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, Marouf, Panjwai, Shurabak, Spin Boldak, Takhtapul.
- Activity 3: follow up was done from the office in Kandahar and DDAs became involved in providing information

**x. Risks, Issues and Actions**

Lack of security stopped implementation in the districts of Registan and Marouf. The DDAs informed the regional office of this and advised to wait with assistance to implementation till the situation would improve.

#### **CIDA, 6 large infrastructure projects:**

##### **Implementation Support**

##### **xi. Implementation Progress**

- Activity 1: Six bigger projects, being 4 bridges, 3 check dams, and the Poge Hill pass were surveyed and procured and are now being implemented
- Activity 2: Engineers provided quality control support to the contractors

##### **xii. Risks, Issues and Actions**

- While all projects were started, 2 projects (Shah Wali Kot and Poge hill pass) were attacked by insurgents and were stopped. At this stage we still are considering and awaiting advice on how to restart these projects.

#### **CIDA General**

##### **Implementation Support:**

##### **xiii. Implementation Progress**

- Activity 1: The projects allocation has been reviewed. Now 52 projects have been identified under this funding, most often through the minister's office. 28 of these have been completed. 20 are still being constructed, while 4 are kept 'on hold'. For this last category a decision will be made in the coming period if a reintroduction is required.
- Activity 2: The full project cycle management is done for these projects: identification, surveying, procurement, contracting, monitoring.
- Activity 3: There are now 7 regional offices in place (Herat, Kandahar, Jalalabad, Kunduz, Gardez, Bamyán and Mazar-i Sharif), 4 of which receive support from international advisors.

##### **Institutional Development**

- Following the national level RRERS study, province-specific studies on sub-sector analysis and business plans development were initiated in Balkh, Bamyán, Nangarhar and Kandahar.
- The detailed ToRs for assessing the feasibility of niche sectors comprising sub-sector analysis and business plan development in selected provinces were finalized.
- Subsequently, the procurement for hiring the consulting companies for these regions was completed. A committee, approved by the Deputy Minister, carried out technical and financial evaluation of the proposals.
- Finally, for the western (Herat) and central region (Bamyán) DACAAR and for the northern region (Balkh) Afghanaid were awarded the contracts in June.
- The consulting organizations have started the studies in August. They have completed the inception phase and sub-sector analysis of the study.
- The progress of sub-sector analysis report has been very satisfactory and by the end of year 2007 potential business plans will be developed. By the end of 2007, value chain analysis and business plan development in niche sectors in three regions / provinces: Balkh, Bamyán and Herat will be completed.

**DONOR NAME: United Kingdom**

<b>Contribution Summary</b>							
<b>Type</b>	<b>Description of Allocation</b>	<b>Commitment (Local Currency)</b>	<b>Received (USD)</b>	<b>2002-2006 Disbursements</b>	<b>2007 Disbursed (USD)</b>	<b>Balance</b>	<b>Contract End Date</b>
<b>Un-earmarked</b>	<b>Phase I</b>		1,562,500	1,548,080	-	14,420	Closing balance 2006
	B/F to 2007		14,420	-	-	14,420	
<b>Total Un-earmarked</b>		-	<b>1,562,500</b>	<b>1,548,080</b>	-	<b>14,420</b>	
<b>TOTAL</b>			<b>1,576,920</b>	<b>1,548,080</b>	-	<b>14,420</b>	

DONOR NAME: UNDP

Contribution Summary							
Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	2002-2006 Disbursements	2007 Disbursed (USD)	Balance	Contract End Date
Un-earmarked	Phase II		-	-	-	-	
			590,000	-	589,739	261	
<b>Total Un-earmarked</b>		-	<b>590,000</b>		<b>589,739</b>	<b>261</b>	
	Phase II						
Earmarked			500,000		46,842	453,158	
<b>Total earmarked</b>			<b>500,000</b>	-	<b>46,842</b>	<b>453,158</b>	
<b>TOTAL</b>			<b>1,090,000</b>	-	<b>636,581</b>	<b>453,419</b>	

## II. Implementation Progress Supported by UNDP during the Reporting Period

### A. Earmarked

Afghan Institute for Rural Development:

- Prepared ToRs and have been recruiting a deputy director and a training officer
- AIRD is also preparing ToRs to recruit a database and IT officer and recruiting a trainer team
- The following reports were submitted:
  - Policy report on the "Role of small and medium business in rural Afghanistan and challenges."
- Policy report on "Rural development and Globalization and possible challenges on Afghanistan.
- Selection, ordering and purchasing three series of book on gender, rural development and facilitating the establishment of a library.
- Regular updating and enrichment of AIRD Web site ([www.mrrd.gov.af/AIRD](http://www.mrrd.gov.af/AIRD))
- Completing the Dari and Pashto version of information of the AIRD website and up loading.

- Thematic papers on the “Rural and Urban Gap in Afghanistan and its effects on poverty.”
  - Thematic paper on the “Iranian Experience on rural development and lesson learnt for Afghanistan”
  - Conducting regular meetings with Iranian academics to identify areas of cooperation and joint
  - Continuing working on research work for three thematic papers of RDR on rural development in Afghanistan: 1. Poverty in rural Afghanistan, 2. Agricultural and rural development, 3. Rural housing in Afghanistan
  - Started the strategic plan of training for the social organizers on popular education for and CLDD department on issue of CDCs and for training of trainers in MRRD and AIRD; designed training course for trainer of trainer
  - Worked with the international advisor of AIRD on the preparation of a curriculum
  - Published 22 documents and papers of AIRD and produced soft copies of the documents.
- Rural Energy:
- An ERDA office was established within the MRRD (near NABDP)
  - National staff has been recruited for the ERDA core team
  - The recruitment process for international staff is still ongoing

**DONOR NAME: Japan DIAG**

<b>Contribution Summary</b>							
<b>Type</b>	<b>Description of Allocation</b>	<b>Commitment (Local Currency)</b>	<b>Received (USD)</b>	<b>Disbursements</b>	<b>2007 Disbursed (USD)</b>	<b>Balance</b>	<b>Contract End Date</b>
	<b>Phase II</b>		-				
<b>Earmarked</b>	Takhar & Kapisa	15,000,000	15,000,000	-	116,056	<b>14,883,944</b>	Mar-08
<b>Total Earmarked</b>		<b>15,000,000</b>	<b>15,000,000</b>	<b>-</b>	<b>116,056</b>	<b>14,883,944</b>	
<b>TOTAL</b>		<b>15,000,000</b>	<b>15,000,000</b>	<b>-</b>	<b>116,056</b>	<b>14,883,944</b>	

## II. Implementation Progress Supported by DIAG during the Reporting Period

### A. Earmarked

#### DIAG:

- DDA establishment, DDP formulation and project identification were completed in 19 DIAG targeted districts in the 1<sup>st</sup> phase of DIAG District Initiatives (DDI) project.

**DONOR NAME: Norway - Faryab**

#### Contribution Summary

Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	Prior Years Disbursements	2007 Disbursed (USD)	Balance	Contract End Date
	<b>Phase II</b>		-	-	-	-	
<b>Earmarked</b>	Faryab		1,880,099	-	324,153	<b>1,555,946</b>	Jul-08
<b>Total Earmarked</b>		-	<b>1,880,099</b>	-	<b>324,153</b>	<b>1,555,946</b>	
<b>TOTAL</b>		-	<b>1,880,099</b>	-	<b>324,153</b>	<b>1,555,946</b>	

## II. Implementation Progress Supported by Norway during the Reporting Period

### A. Earmarked

#### 3. COMPONENT OR RRF(or AWP) OUTPUT

##### Implementation Support

##### xiv. Implementation Progress

- Activity 1: 13 projects have been identified, of which 12 are ongoing, and 1 has been suspended
- Activity 2: A regional office is placed in the north, in Mazar e Sharif, and one PRDA in Maimana follows projects with DDAs in the province. A community development advisor furthermore assists in the training of DDAs.

### DONOR NAME: Netherlands

#### Contribution Summary

Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	Prior Years Disbursements	2007 Disbursed (USD)	Balance	Contract End Date
<b>Un-earmarked</b>	Phase II		-				
<b>Total Un-earmarked</b>		-	-		-		
<b>Earmarked</b>	Uruzgan	2,100,000	2,100,000	-	170,164	1,929,836	December 2007
<b>Total Earmarked</b>		<b>2,100,000</b>	<b>2,100,000</b>	-	<b>170,164</b>	<b>1,929,836</b>	
<b>TOTAL</b>		<b>2,100,000</b>	<b>2,100,000</b>		<b>170,164</b>	<b>1,929,836</b>	

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

### A. Earmarked

#### Implementation Support:

##### xv. Implementation Progress

- Activity 1: 16 projects have been procured under funding from the Netherlands and are under execution. 3 have been finalized.
- Activity 2: Surveying support was rendered out of the Kandahar regional office

##### xvi. Risks, Issues and Actions

- Issue 1: 3 projects were halted because the contractor asked for a change in design. It is judged that the contractors do not intend to continue. As these concerned schools will have to be handed over to the Ministry of Education for further development.
- 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.

### DONOR NAME: Italy

#### Contribution Summary

Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	2002-2006 Disbursements	2007 Disbursed (USD)	Balance	Contract End Date
Un-earmarked	Phase I		5,360,414	5,337,024	-	23,390	Closing balance 2006
	B/F to 2007		23,390		5,192	18,198	
<b>Total Un-earmarked</b>		-	<b>5,360,414</b>	<b>5,337,024</b>	<b>5,192</b>	<b>18,198</b>	
<b>TOTAL</b>			<b>5,360,414</b>	<b>5,337,024</b>	<b>5,192</b>	<b>18,198</b>	

#### External: Annual Work Plan (or RRF)