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Afghanistan Sub-national Governance Programme (ASGP)

ANNUAL PROJECT REPORT 2008



Training in district operating procedures for District Governors Office staff of Faryab province. Maimana (Faryab), May 2008.

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Implementing Partners/Responsible parties:

Independent Administrative Reform and Civil Service Commission (IARCSC), the Independent Directorate for Local Governance (IDLG), the independently elected Provincial Councils (PC)

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Executive summary

During its second full year of operation, the Afghanistan Sub-national Governance Programme (ASGP) expanded its activities into all provinces of the country. The key implementers of the programme are the main government organizations that work on sub-national governance at the sub-national level: the Independent Directorate for Local Governance (IDLG), which collaborated in providing training and other support in 12 provincial administrations and the Independent Administrative Reform and Civil Service Commission (IARCSC) working through seven Regional Offices and their associated entities in all provinces.

The main achievement of the year resulted from IDLG undertaking over 30 consultations with all relevant national government agencies and the international community in the process of completing the first Sub-national Governance Policy framework. The framework has been endorsed at the Deputy Minister level and was under review by the Second Vice President at the end of the year. This achievement was possible by IDLG within its first year of existence due to its innovative leadership and the collaborative support it received from ASGP together with USAID and other donors. The process used to reach agreement among twenty-four ministries in less than four months, with the Government fully in command of all discussions, should be assessed as a best practice in Afghan development.

The IARCSC was enabled to reopen 13 provincial training centers and to establish 34 new provincial liaison offices with ASGP assistance. This achievement was made possible by the implementation of a Letter of Agreement that facilitated the recruitment and support of staff funded by UNDP/ASGP, but operating under government contract. This arrangement ensured that the Government had full implementation leadership while continuing to receive sound technical guidance and management oversight from ASGP. This support enabled the IARCSC to significantly increase the speed and quality of civil service recruitments across all sectors at the sub-national level.

The major project issue of 2008 has been the continued struggle to maintain a solid national team. Afghanistan offers myriad well-paying opportunities for young Afghans with a college degree and reasonable English capabilities. As the project budget doubled in size from 2007 to 2008, the greatest constraint was the constant search for new staff to replace those who were attracted away. This issue is not expected to be alleviated in 2009.

The main lesson to come out of the past year is the recognition that many government officials are ready and able to contribute substantively to the design and implementation of new institutional arrangements aimed at improving the quality of public service delivery. In the lengthy series of consultations leading up to the adoption of the Sub National Governance Policy framework, senior ministry staff contributed a significant amount of time in preparing background materials, delivering presentations, leading discussion sessions and documenting the process. Similarly, municipal employees in several northern cities willingly altered their basic routines, particularly in solid waste management, in order to improve their relations with citizens. This has led to a measureable improvement in citizen response to the municipal tax collection efforts. Provincial Council members are now implementing innovative ways of improving the functioning of their Councils through lessons learned from their peers during regional sessions and cross-visits. This lesson forms the core of the ASGP roll-out strategy for 2009, which will rely heavily on peer-based learning, engaging civil servants to support their colleagues in other provinces and municipalities to learn and apply new skills.

I. Context

The Afghanistan Sub-national Governance Programme (ASGP) was designed and activities carried out in concert with a number of internationally recognized guidelines. The fundamental guide for ASGP is the Afghanistan National Development Strategy (ANDS) *benchmark on Public Administrative Reform, (PAR)*, which requires that, by 2010, Government machinery will be restructured and rationalized to ensure a fiscally sustainable public administration; the Independent Administrative Reform & Civil Service Commission will be strengthened; and civil service functions will be reformed to reflect core functions and responsibilities.

In close partnerships with other UN Agencies, the project has supported progress towards the realization of the overall United National Development Assistance Framework (UNDAF) *Outcome 2*, which focuses on creating an effective more accountable and more representative public administration at the national and sub-national levels, with improved delivery of services in an equitable, efficient and effective manner.

Programme resources have been applied towards the achievement of CPAP Outcome 2 that focuses on strengthening the democratic state and government institutions at national and sub-national levels to govern and ensure the delivery of quality public services, including security, with special attention to marginalized groups and the *CPAP Output 2.1* that likewise is aimed to improve public sector capacity through the development of civil servants at the central and sub-national levels, the establishment of accountability mechanisms and enhancement of information management for better service delivery. This is demonstrated by progress towards the following programme outputs:

- 1.1 The capacity in the Independent Directorate for Local Governance (IDLG) to design and regulate a new sub-national governance framework is developed
- 1.2 A broad-based understanding of the current sub-national governance system is created
- 1.3 The design of a revised strategic institutional framework for sub-national governance is in place
- 2.1 A sub-national Public Administration Reform (PAR) strategy is finalized and participating provincial governors' offices, district administrations, and municipalities are strengthened
- 2.2 Skills and knowledge of civil servants to manage basic services are upgraded
- 2.3 Management of public service delivery in participating provinces and municipalities is improved
- 3.1 The capacity of elected sub-national bodies to undertake their roles in citizen representation, public service monitoring and conflict resolution is strengthened
- 3.2 A platform to facilitate coalition building and networking among sub-national elected representatives is created
- 3.3 Citizen Awareness and understanding of Sub-national Governance is deepened
- 3.4 Capacity to undertake conflict sensitive sub-national governance is enhanced
- 4.1 Capacity for national programme implementation within the life of the programme is established

The specific development challenges addressed by ASGP are guided by the ANDS documentation. The ANDS explicitly acknowledged the constraints at the sub-national level: 'Our sub-national administrative structure is especially weak, which inhibits coordination across Government at the provincial and district levels and lowers our accountability to the vast majority of our population, who live in rural areas. Too many of these sub-national governance structures remain under the influence of illicit power holders'.

At the same time, however, it is recognized that it is essential to maintain and then strengthen the functionality of sub-national government administrations as the *'frontline representatives of government – the face of government for most Afghans'* if a nationwide sustainable socio-economic development is to be achieved.

The key implementation partners for ASGP are the IARCSC, the IDLG, the independently elected Provincial Councils (PC) and selected elements of Afghan civil society. These entities, as well as the international community, are the key partners in the progress of the programme. Direct beneficiaries include the central and sub-national staff of the two central government agencies as

well as the elected councilors. Indirectly, the programme results are expected to have a positive impact on the lives of ordinary citizens.

II. Performance review

Progress review

1. Overall progress towards the CPAP outcome and output(s)

The work of ASGP is primarily embedded in the CPAP outcome and output associated with state building through public administration reform. During 2008, ASGP worked closely with all international agencies that have an active interest in sub-national governance issues involving capacity development, PAR, and democratic development. A significant milestone towards realising CPAP outcome 2 was ASGP's support to the Government of Afghanistan (GOA) in one of its landmark achievements of this year; the drafting of the first ever Sub National Governance Policy for Afghanistan.

2. Capacity development

ASGP is structured as a systemic capacity development programme involving institutional reform, organizational restructuring and individual skills development. This is evident when examining the four major components of the programme: Policy Development, Capacity Development, Representative Democracy and Programme Management. Through this component structure, ASGP has supported the Government in 2008 to: Prepare and adopt an institutional policy framework for sub-national governance; develop and strengthen institutional and individual capacities to manage basic services in the local administrations at the sub-national level; build the capacity of the Provincial Councils to undertake their legal mandates as advisory and consultative bodies representing people's interests in the planning and implementation of development projects and delivery of public services by the local administration; and finally, to build the capacities in the government to gradually undertake the responsibility of full programme implementation.

IDLG realised significant achievements in institution building and advances in legislative environment and policy tools in 2008. This began with the development of its internal capacity building strategy, providing a starting point to all other capacity-building programmes. The formation of the Capacity Building Unit (CBU), the Internal Audit Unit and the Sub National Governance Policy Unit within IDLG facilitated an effective platform for the development of policy, administrative reform and capacity development at provincial, district and municipal levels that will continue to improve over the coming years.

IDLG undertook to draft the first ever Afghan Sub National Governance Policy, which in December 2008 was submitted to Cabinet for approval. Policy Working Group meetings were convened in four groups on the content of the policy. The focus areas of these working groups were: Roles and Responsibilities of Provinces, Districts and Villages; Municipalities; Women, Youth, Civil Society; and Sub-national Finance and Planning. Capacity building was inherent in the formulation process; in 2008 it impacted not only on the IDLG Policy Unit, but over 22 policy directors of ministries, commissions, directorates and high offices of the GOA, who were official members of the Policy Development Committee as per the Presidential Decree.

The Provincial Councils Relations and Coordination Department (PCRCD) of the IDLG now has the capacity to conduct workshops and training for Provincial Councils. These sessions were initiated with ASGP assistance in five provinces using the experiences of the PCs of Balkh and Faryab to introduce a participatory M&E process for the PCs. Later, a programme of orientation for the PC Administrative Boards of the 34 Provincial Councils elected in March was conducted in Kabul. The orientation programme was the main focus of the annual PC national seminar conducted in May this year. PCRCD and its partners in the Provincial Council Working Group (PCWG) have agreed to establish a PC Information Network and Resource Center (PC Network), which will provide a platform for PCs to undertake collective initiatives to develop their capacities and promote their common causes and interests.

At district level, IDLG introduced a new District Operating Manual. The new operating procedures outlined in the manual, have been initiated in the offices of all District Governors in 11 provinces: Balkh, Faryab, Samangan, Jawzjan, Sari Pul, Kunduz, Baghlan, Kandahar, Herat, Badghis, and Dai Kundi. Overall, about 460 provincial and district officials (including 10% women) received training and on-the-job coaching in the new district operating procedures. In addition, ASGP has developed a programme of capacity-building and orientation for all 364 District Governors in which every single District Governor in the country will visit Kabul for a three day programme, some of which took place in December, 2008, with the remainder scheduled for early 2009.

At the municipal level, a series of pilot programmes in municipalities aimed at improving revenue generation, service delivery and organization were developed by ASGP and IDLG. Eight municipalities were assisted to create Revenue Improvement Action Plans (RIAP) and incorporate these into their budget, on a pilot basis. Additionally, these eight municipalities were assisted in setting monitoring benchmarks to keep track of revenue collection compared with targets. Two municipalities (Mazar-e-Sharif and Maimana) created Solid Waste Management Strategies, including organizational design, engineering arrangements and financial management systems. The capacity of municipal staff, district office staff and community organizations has been strengthened in terms of technical and operational aspects of public service delivery. A modern functional analysis of organisational structures of the Directorate of Municipal Affairs was completed and IDLG agreed with IARCSC to extend this methodology to Mazar-e-Sharif as a pilot for other municipalities at the beginning of 2009. This analysis, with accompanying coaching sessions, resulted in the development of functional charts and, which is of more sustainable value, capacitated the municipal staff on the technicalities of organizational analysis.

The IDLG Finance and Administration Department was capable of preparing a budget for the coming fiscal year that was approved by the Ministry of Finance in November 2008. A full accounting of this year's expenditures to date has also been completed by the Finance and Administration Department including a programme to reform budgeting in the sub-national administrations.

ASGP continued its support to the ongoing sub-national PAR. In 2008 the capacity of the regional offices of IARCSC to manage and coordinate the training and implementation of PAR in the provinces was enhanced. Training was conducted in management (financial, administrative, budget, office procedures, reporting, M&E, gender integration), computer studies and English with close to 2000 civil servants (including 300 women) trained in 17 training centres in 17 provinces, including Kabul. Training centres were established in Ghazni, Khost and Laghman and 13 existing training centres were supported to re-open to provide services to its provincial clients. Moreover, ASGP continued its support to the Faryab training centre.

3. Impact on direct and indirect beneficiaries

The overall goal of ASGP is to strengthen the democratic state and government institutions, at all levels, to govern and ensure quality public services through advocacy, policy advice and capacity development. The objective of ASGP is to strengthen the governance organizations at all levels in order to ensure quality public services through advocacy, policy advice and capacity development. ASGP's direct beneficiary, therefore, is the GOA, specifically the entities responsible for strengthening and implementing a sub-national governance framework, namely IDLG and IARCSC.

The drafted Sub National Governance Policy outlines significant changes in the roles and responsibilities of sub-national governance entities and individuals and, if implemented correctly, will have a beneficial impact on the citizens of Afghanistan by providing better access to and delivery of public services and administration.

ASGP has worked closely with IARCSC and jointly increased activities to support the extension of PAR to the provinces. As a result of the support provided by ASGP, the IARCSC is now able to monitor its services to its beneficiaries, through which the lessons learned are being incorporated

back into new policies for extending public administration reform, thus ensuring that satisfaction of the clients is increased.

Implementation strategy review

1. Participatory/consultative processes

ASGP involved all stakeholders in defining priorities, scheduling activities, and delivering outputs. The approach of ASGP was to work with national entities, build their capacity in the process of a continuous dialogue that lets them define their priorities, scheduling, targeting and delivery.

More specifically, to ensure national ownership ASGP closely worked with the Policy Directors and Deputy Ministers of 23 ministries, agencies, high offices and independent commissions of the GOA on the development of the Sub National Governance Policy. ASGP also worked closely with the Deputy Ministers and officials of IDLG in the design of project activities, training programmes and job descriptions, as well as in scheduling project action plans. Such a consultative approach was assessed appropriate to ensure that the capacity was developed in IDLG to carry out tasks independently in the future.

ASGP advisors worked directly with the IARCSC to develop schedules, activities, targeting and delivery of the training and on-the-job coaching sessions. The process of developing and implementing project activities utilized a participative approach, wherein the staff of IARCSC was taking the lead in work processes.

All major activities, such as PC seminars, workshops/trainings, missions, and study tours, were done in close consultation with the PCRCD, and action has been taken only after reaching an agreement.

2. Quality of partnerships

ASGP advisors worked in teams with national and international staff of GOA entities, other multi-lateral and bi-lateral donors, aid agencies, and embassies to achieve the intended results and with a view to forging partnerships for sub-national governance policy development.

ASGP collaborated and coordinated with UNAMA and all interested bi-lateral agencies to build consensus on the way forward for the policy agenda. By utilizing and building upon these partnerships, ASGP was able to develop an environment conducive to the development of a policy for sub-national governance.

ASGP advisors assisted in setting up meetings for all donors involved in training activities within the IARCSC and also collaborated very closely with these donors on putting together a proposal on the structure of training institutions within the IARCSC. The advisors also assisted the IARCSC to develop a donor group on capacity building for the donors involved in local governance.

ASGP advisors also coordinated with UNDP projects, specifically the Capacity for Afghan Public Service project (CAP), Civil Service Leadership Development project (CSLD), Accountability and Transparency project (ACT), the Joint National Youth Programme (JNYP), Enhancing Legal and Electoral Capacity for Tomorrow (ELECT) and the National Area Based Development Programme (NABDP). ASGP is in turn also assisting CAP with their coaching programme primarily at the provincial levels in terms of the strategic direction and logistical aspects.

Provincial, district and municipal public officials supported and actively participated in ASGP capacity building activities, such as the introduction of modern administrative procedures and business processes, municipal revenue planning and implementation, provincial and municipal profiling. At the central level, ASGP has forged a productive partnership with the IARCSC; however, there have been some implementation challenges during this first year as many new organizational arrangements were put in place. The partnership with the IDLG in support of sub-national governance entities has also been productive with few delays in planned activities.

ASGP maintained very close cooperation with UNAMA, particularly with its governance section, which supported ASGP field programmes logistically and technically. Also, over the past year ASGP developed partnerships with other UN agencies, particularly UNIFEM, to integrate gender into its sub-national activities. ASGP and The Asia Foundation (TAF) worked closely to ensure their individual streams of support to IDLG did not overlap. Close relations were formed with the USAID projects Capacity Development Programme (CDP) and Local Governance & Community Development (LGCD) to ensure synergy in support to IDLG and IARCSC.

The donor working group providing support to PCs via the PCWG continues to be supported by ASGP. However, due to several changes in the organizational support for PCs from the Ministry of Interior (MOI) to the Office of Administrative Affairs (OAA) and IDLG, the group was re-organised in 2008 and now operates more effectively. In addition, ASGP assisted to formulate a working agreement between IDLG and the Central Statistics Office (CSO) to undertake a collaborative effort in measuring changes in administrative performance at the provincial level.

3. National ownership

ASGP has sought to ensure that the principle of national ownership guides work in all programme activities. IDLG, IARCSC and UNDP/ASGP have signed Letters of Agreement (LOA) on provision of services for developing the capacity of sub-national authorities under the ASGP. The LOA expresses the intent of all parties to collaborate in order to speed up improvements in the overall sub-national policy framework, sub-national management of development activities, human resource development and management, public administration and work process reform, as well as in enhancing the capacity of elected representatives. Within these LOA, a number of key services are laid out that are to be provided by IARCSC and IDLG, respectively.

The intent behind developing these LOA is to ensure that ASGP constantly works with its key government partners to develop national capacity for and ownership over a continuous process of sub-national administrative reform. Task orders or sub-projects are developed under these LOA, which set out the different activities that will be carried out by the sub-national government authorities, with assistance from ASGP/ UNDP.

4. Sustainability

Development of the programme delivery capacities of partners was the main method of ensuring the sustainability of the project in the future. At the central level, ASGP supported the creation of the new structures especially designed for programme and project delivery, such as the Project Management Unit (PMU) in the IARCSC, as well as the Policy Unit in the IDLG. The capacities of the IDLG Finance and Administration Department to support and monitor sub-national programme implementation were significantly upgraded during the past year, both organizationally and in terms of capacity development. The LOAs between IDLG and IARCSC serve as the primary mechanisms for ensuring that the national partners will ultimately be able to independently implement the projects that are currently being implemented in cooperation with ASGP. The past year saw a growing involvement of the national partners in direct programme delivery, including training programmes for district officials and introduction of modern operational procedures in provincial and District Governor's offices. Even in cases where ASGP was the organizer of events, it intentionally positioned itself as an advisor and sponsor to strengthen national ownership of the programme in order to promote and increase the visibility of its national partners.

ASGP strives to ensure the sustainability of the programme and its transfer to its government partners. In particular, the capacity development interventions are devised and structured in a way so as to enhance the capacities of the existing bodies, e.g. the PCs or IARCSC regional offices, to manage specific projects or create local bodies in charge of such projects, e.g. municipal solid waste management, Revenue Enhancement Commissions/Taskforces or to combine both approaches. National ownership of municipal public services and public participation in service delivery, specifically SWM, has increased in 2008; Solid Waste Management (SWM) being a prime example. A responsibility-based coordinating link has been established among the three tiers of

Government bodies; Municipality, District Office and Kalantars, with regard to SWM through frequent participatory consultations held among them. The participation of concerned stakeholders, including the community organizations, is now included in decision making processes. The local ownership of the programmes; revenue generation and SWM, has been successfully imbued in the process, the concrete manifestation of which is the allocation of funding for proposed and implemented improvement measures in 1387 (2008) and for 1388. The municipalities see this as their own programme, not as a programme under ASGP.

A UNDP regional advisor from the Regional Center in Bangkok undertook a capacity assessment of all the national partners in November to assess how to involve them more fully in the decision-making processes as well as the implementation of the programme in the last quarter of 2008. This assessment will be used in 2009 to set up a road map for further participation of the government entities that ASGP work with. This road map will look at the most effective and participatory implementation strategies for each government entity and identify capacity needs in order for the further ownership of the programme to be passed to our national partners.

Management effectiveness review

1. Quality of monitoring

ASGP initiated the process of result-based planning in 2007 and further developed the design in 2008. Based on the project management tool, PRINCE II, a system of monthly, quarterly and annual progress plans were developed in conjunction with a corresponding monthly, quarterly and annual reporting system to measure progress towards and achievement of outputs. The plan and reports were developed by each component and reported back to the programme management and were submitted to the government partners to enable them to monitor ASGP progress towards outputs and outcomes and to ensure that coordination across the programme exists. The logical models for all ASGP components were developed to focus on results-based monitoring. Corresponding indicators were developed to track ASGP progress against its objectives and targets. Training has also been provided to the government counterparts to ensure all members are able to monitor the project more effectively. The need for training in oversight monitoring for the government staff has been identified and training has started, which will continue during 2009. This will enable the government partners to take the lead in more aspects of the programme implementation.

A participatory monitoring mission to the northern part of Afghanistan was conducted with the Swiss agency for Development Cooperation (SDC) to monitor the activities of PCs in the regions and how they are performing their role. The monitoring report was overall positive. The European Commission also conducted a monitoring mission in May 2008. The objectives of the mission were to assess the quality of the project design, the efficiency and effectiveness of implementation, project impact prospects and its potential sustainability. Overall a positive assessment was given stating that "ASGP has had a good start and controls most of the planned activities reaching out to all levels of the sub-national governance system. However, being part of the broader action, ASGP has no leverage on other partners to find cohesion in fragmented actions". A self assigned follow up for the EC was to invest more funds into ASGP for the next phase, but to look at targeting these contributions to a specific component.

2. Timely delivery of outputs - components

All aspects of the ASGP Annual Work Plan were accomplished during 2008, with the exception of the work with the PCs and civil society. The civil society grant fund mechanism has been designed and will be put into effect by the end of the first quarter 2009. The PC Resource Centre was established and staffed in the 4th quarter. The first major activity carried out by the Resource Center will take place in January 2009 where the center will conduct a national gathering of Provincial Councilors in Jalalabad with assistance from ASGP.

Some project activities were delayed during the year due to delayed transfers of grant tranches from the project donors. In addition, the core funds from UNDP were not disbursed until the last quarter of the year, creating at the end of the year. Nevertheless, all funds were expended for 2008.

3. Resources allocation

ASGP utilized its resources effectively in the year 2008 with a delivery rate of 99%, being as economical as possible, whilst maintaining the quality of the work conducted. Delays in some operational tasks, owing in part to the procurement and HR processes, as required by UNDP standards, have caused delays in implementation of project activities. UNDP management took steps towards streamlining operational procedures both within ASGP and on a larger scale with the planned establishment of business centres in 2009. The business centre structure delegates further authority to project level, in order to overcome the sometimes cumbersome operational processes, by allowing many of these to be undertaken directly by projects. Continued streamlining and improved coordination between operations and programme components within ASGP are ongoing and will benefit greatly from the closer technical association with the UNDP Operations Teams.

4. Cost-effective use of inputs

During 2008, ASGP used approximately 14% of its total expenditures on project management costs. This included the costs of offices in Kabul, Mazar and Maimana and new vehicles to be allocated in regional offices in 2009. All components utilized partner government authorities' available resources such as conference rooms, collection vehicles and human resources in the implementation of support packages. This was also achieved through close cooperation with the IARCSC field staff, use of IDLG specialists and sharing resources with UNAMA and other UNDP projects, such as Afghanistan's New Beginnings Programme (ANBP) and Civil Service Leadership Development (CSLD) project. For instance, the Capacity Development Component (PGO/DGO) covered 12 provinces of Afghanistan with a core team of four members, including just one international advisor.

ASGP was able to utilize the Letter of Agreement signed between UNDP and IARCSC to recruit nearly 150 consultants under GOA contract to establish 34 Provincial CSC Liaison Offices, 16 Provincial training centers and provide technical and administrative services in 7 Regional Offices. The cost-effective aspect of this deployment results from the significantly lower rates paid to these GOA contractors as opposed to UN contracted staff and their transport and office facilities are consistent with GOA standards.

III. Project results summary

Component One: Policy Development

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

ASGP is mandated to support the IDLG and the GOA in developing and implementing a revised legal and regulatory framework for sub-national governance. In order to fulfil this mandate, in 2008 ASGP worked towards building the capacity within IDLG to develop a sub-national governance framework. Under Output 1.1 this included the building of a new organizational structure for IDLG appropriate to its mandate and strategic framework, carrying out capacity building activities in IDLG and supporting stage III PAR in IDLG.

In 2008, IDLG has gained greater clarification on their capacity needs both at the central and sub-national level and are subsequently committed to a road map to develop capacity in all of its offices across the country. This road map is based on the results from the capacity building strategy process, which began with a preliminary assessment of IDLG's capacity. The assessment was conducted in order to determine the most urgent capacity development needs at the department level and the intra-departmental and management level, as well as to identify strategies that the capacity development unit should pursue in order to meet the current needs. A participatory approach involving interviews, focus groups and workshops was used to develop this strategy, and this approach identified the requirement for programmes in the following areas: Understanding of the mandate of IDLG, the Strategic Framework and planning processes, internal structures, roles and responsibilities, internal processes and procedures, internal coordination, formal communications mechanisms, non-formal communications, team work, leadership and organizational culture.

The human capital of IDLG at the central level has been increased through targeted on-the-job trainings in the areas of office procedures and requirements, financial management, HR development, budgeting, reporting, monitoring and evaluation, internal and external communication and legal matters through specific capacity development initiatives. A feedback mechanism for the government, which will allow the population to engage more with their local government entities, has been set up, ensuring that the services of the Government is responsive vis-à-vis the needs of population, thus increasing the efficiency of the services delivered to the general population. Work procedures for handling public grievances and complaints have been set up and a task order under the LOA for the public grievances unit has been drafted.

The strategy to operationalise the Capacity Building Unit (CBU) of IDLG has been developed. This strategy was developed in a participatory manner with the input of the directors of the IDLG directorates, whose recommendations formed part of a capacity development snapshot. The strategy outlines the activities that IDLG needs to engage in with the unit. Capacity building efforts have started not only in the unit itself, but also within the Finance and Administration Department.

With ASGP technical support, the financial management capacity of the IDLG has been strengthened. IDLG now has the capacity to generate daily expenditure reports for central and sub-national operations through an integrated financial management system compatible with the Ministry of Finance (MOF) standard Afghanistan Financial Management System (AFMIS), which is aligned with the budget of the IDLG Strategic Work Plan and the new programme budgeting and guidelines of MOF. ASGP facilitated collaborative support to IDLG's financial unit from MOF, as well as USAID and DFID projects, to introduce financial management systems and to provide training to IDLG staff on programme and provincial budgeting. This heightened capacity will ensure that the IDLG strategic work plan will be implemented in accord with the new MOF guidelines.

In the last quarter of 2008, in order to improve the delivery of services at the sub-national level, the capacity-building needs at this level were identified, thus setting the stage for further targeted

interventions in 2009. A series of needs assessments have been conducted at the sub-national level, for example with Provincial Governors, District Governors and PCs. In addition to specifically tailored interventions, this will lead to the delivery of standard packages of training and capacity building, for example in office management, financial management and procurement. As these activities have been rolled out in late 2008 and during 2009, substantive improvements in the quality of administration at sub-national level are anticipated.

Modern and transparent financial management

In 2008, ASGP assisted IDLG in reviewing the financial status of provincial and district administrations and creating a work plan to introduce modern and transparent financial management within these. This plan has now been finalized and is currently in the process of being implemented.

A framework was developed for annual provincial budgets to ensure appropriate goals, objectives, performance indicators and priorities that are consistent with those of IDLG and the sub-national governance strategy of the ANDS. By using a standardized framework, the provincial budgets can therefore be integrated into a single budget under IDLG.

As budgeting in sub-national governmental entities are very rudimentary, ASGP is supporting IDLG to develop a methodology for determining the budgetary requirement of sub-national units, as well as the central administration. Quarterly forecasting of revenues and expenditures is being introduced, along with systems to monitor and evaluate each category of expenditure and to make budgetary adjustments. At the same time, an accounting system and budget classification system will be launched that is consistent with the Afghanistan national chart of accounts. These are the first steps that will lead ultimately to a system for preparing a realistic, demand driven, and substantial annual budget.

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

A broad-based understanding of the current sub-national governance system and the basis for evidence based policy making has been created and implemented by IDLG with support from ASGP through designing a sub-national governance reporting system on good governance and it has been rolled out to the first round of provinces.

Through the assistance of ASGP, IDLG has launched the Good Governance for Local Development initiative (or "GOFORGOLD") tool. The tool was developed by ASGP/IDLG on the basis of approaches and experiences used in other least-developed countries, through consultations with national and international governance specialists. The instrument was piloted in Logar and Kandahar provinces in 2008. Thereafter, it was planned to be piloted in 10 provinces and that training, fieldwork and reporting would be completed in 2008. However, because it took some time to forge an alliance between IDLG and the CSO, as well as other competing priorities in IDLG, only the training for the 10 pilot provinces was delivered in 2008.

GOFORGOLD comprises an index of seven kinds of indicators that measure the quality of governance in the province. These indicators include representation, participation, accountability, transparency, effectiveness, security and equity. The transparency indicators, for example, are based on whether there is a mechanism for citizens' complaints, whether there is access to public information, the extent to which there is public review of financial budgets and reports, and the extent to which there is a formal publication of contracts and tenders. This tool will provide a direct means to measure, and stimulate the development of, the capacity of sub-national governance structures in Afghanistan.

ASGP also supported IDLG's broader goal of institutionalizing an information management system. This has led to an increase in the likelihood that GOFORGOLD will be a sustainable sub-national governance performance measurement system in the long-term. As part of building the IDLG and the sub-national governments' capacity for evidence-based policy making, an agreement between

IDLG and the CSO has also been reached so that both government institutions will work together in implementing the GOFORGOLD. In July 2008 ASGP conducted ICT assessments of provincial government in Balkh and Faryab. Key recommendations produced from these assessments included: providing technical support to Governors' office in defining information needs, resources, and processes; and developing provincial ICT and IM architecture that is aligned and linked to IDLG goals and objectives for the province. Based on the assessments, inputs were provided to TAF to complete an ICT and information management needs assessment for IDLG and selected provincial governments.

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

During 2008, the basis for building a legal framework for sub-national governance, the next step towards an overall strategic institutional framework for sub-national governance was put in place through the drafting of the first Sub-national Governance Policy by IDLG. ASGP also worked with IDLG to conduct a study to analyze the current legal framework of sub-national governance covering central-local relations, as well as laws and regulations on the functioning of various councils and different central agencies dealing with sub-national governments. The results provided the IDLG and other stakeholders with a more comprehensive basis on which to revise the current strategic institutional framework for sub-national governance.

IDLG was mandated to develop a Sub-national Governance Policy through the Presidential Decree of May 8th, 2008. ASGP fully supported the development of the policy. The task at hand required ASGP to provide full technical support services to the IDLG Deputy Director General for Policy, as well as the Policy Unit which had the overall responsibility for the policy drafting process and extended its technical and logistic support to IDLG. Thus, technical support was provided at both the project management level and programme consultative level on areas of research and studies into the current state of sub-national governance and legal and regulatory frameworks, training sessions on policy design and pilot test activities, reviews, briefing papers and the preparation of documentation, and a coordinated collaborative approach of national and international sub-national governance specialists working with and within IDLG to draft and review the policy.

The Policy Unit within IDLG became fully operational in 2008 and the capacity of the IDLG Policy Unit was strengthened in the formulation and implementation of Sub-national Governance Policy. Discussions were undertaken by ASGP and IDLG officials regarding the design process for the revision of the strategic institutional framework for sub-national governance. Coordination meetings were likewise conducted with various donors and partners to forge partnerships for the development of sub-national governance policy framework. In addition, technical support and equipment for the Policy Unit in IDLG were provided by ASGP. The process of policy design was made more sustainable through on-the-job coaching and training provided by ASGP to six PC members and 15 IDLG officials.

The Presidential Decree for the development of the Sub-national Governance Policy constituted two committees; a Policy Development Committee (Drafting Committee - PDC) and a Policy Review Committee (PRC), at the level of deputy ministers and ministers respectively. The process involved three stages. The first stage, from June 15th to August 27th, involved 24 meetings of four working groups in the areas of: local governance, urban governance, participation of women, youth and civil society and sub-national planning and finance. ASGP's Policy Team supported the Policy Unit of IDLG in performing its tasks as the secretariat of the policy development process and provided technical, administrative and logistic support. ASGP facilitated the working groups' participatory process through a series of questionnaires and group works. The second stage, June 12th to October 15th, began with the launch of the ad involved five meetings of deputy ministers and deputy directors of the ministries, high offices, commissions and directorates of the GOA. ASGP supported the PDC meetings. ASGP supported IDLG in consulting the International Community as well as the ministries and high offices of the GOA that were not included in the decree. Following the four months-long Working Group Process and the PDC's initial meetings, the

final meeting of the PDC was held on October 15th, where the Deputy Ministers of Ministries, Directorates, High Offices and Independent Commissions of the GOA approved the Sub-national Governance Policy draft and submitted it to the PRC. IDLG has presented this draft policy to the Second Vice President of Afghanistan.

IDLG has acknowledged that the experience gained through ASGP-supported pilot projects has substantially informed the policy. The IDLG has asked for continued support of ASGP in the implementation of the policy given the daunting challenges that lies ahead.

To further support the GOA in implementing the Sub-national Governance Policy, ASGP advisors have drafted the Implementation Framework of the Sub-national Governance Policy on Local Governance, Urban Governance, Sub National Planning and Finance and Cross Cutting Issues. The draft Implementation Framework for the Sub-national Governance Policy is now with the IDLG leadership for their review.

Component Two: Capacity Development

Output 2.1 A sub-national PAR strategy is finalized and participating provincial governors' offices, district administrations are strengthened.

During 2008 ASGP continued capacity building of the IARCSC to increase the efficiency and scope of PAR at the sub-national level. The establishment of the IARCSC Project Management Unit (PMU), to manage all project supported activities of IARCSC/Provincial Affairs Department (PAD), was a significant achievement towards national ownership and sustainability of the ongoing process of PAR in sub-national governance.

IARCSC assessed the capacity of their regional and central offices and identified gaps and requirements. Subsequently, strengthening of offices was initiated through the recruitment of staff, refurbishment or establishment of physical premises, development and implementation of a communications strategy, implementation of a monitoring and evaluation system and strengthening of training centres. This included the development of curriculum and training materials and training of trainers; capacity enhancement in the IARCSC to direct their regional operations through the PAD; the reestablishment of provincial training centre operations under PAD; and the expansion of district operations training under direction of regional IARCSC offices.

The enhanced capacity of the seven regional offices of IARCSC enabled better management and coordination for the training and PAR process and established a base to extend their presence to all provinces in Afghanistan. It is worth to note, that at the commencement of 2008 there were no representatives for the IARCSC in each province, nor were there M&E or capacity development specialists at the regional level. IARCSC is now represented in each province and regional offices are capable of generating integrated provincial work plans as well as monitoring their progress partly due to assistance provided by ASGP.

During 2008 ASGP facilitated IARCSC in the development and implementation of a concept and methodology for capacity development assessments, taking advantage of lessons learned by an ASGP facilitated assessment carried out in IDLG. An example of the impact of the new monitoring and evaluation systems can be seen within IARCSC's assessment of the justice departments in the provinces, which revealed under-performance in PAR and resulted in IARCSC identifying areas of support required to advance the reform process in this particular ministry. ASGP supported the Provincial Affairs Department to develop ways of analyzing the information through the creation of a Management Information System (MIS), which is the first resource now able to provide accurate statistics on the progress of PAR. The MIS database provides details on the new 'open competition' recruitment system, number of line ministries and agencies coming under the PAR process, number of participants introduced to: internships, fellowships and study tours at sub-national level and lists all current civil servants. The database currently contains the profiles of 5000 civil servants. Based on the data available papers were developed, such as a report on recruitment policies at the sub-national level.

More coherent planning in the different IARCSC entities, both at the central PAD and the regional offices resulted during 2008. ASGP worked with the IARCSC at central and sub-national levels, as well as the PMU, to facilitate the development of joint plans, where all direct stakeholders were able to discuss their goals and how to translate these into achievable results. A reporting structure was also set up during this process to increase the flow of information between all these entities and ensure they are all working towards common goals.

The IARCSC is as a result better capable of communicating the aims and process of PAR to all stakeholders and to incorporate feedback through a strategy the IARCSC Communication unit designed with the support of ASGP. As a direct result of the communication strategy an IARCSC communication operational plan was prepared and nine IARCSC regional communications specialists recruited and deployed. The design and use of the IARCSC website now enables two-way communication with provinces and regions thereby bolstering coordination and information sharing, as well as increasing the audience for recruitment announcements.

During 2008, IARCSC improved its understanding of the progress of the PAR and the shortcomings resulting from its implementation. IARCSC conducted fifteen PAR communication workshops throughout the year, with participants from around the country and representatives of various ministries and government agencies, to present the elements and importance of PAR, communicate their comments and suggestions for the finalization of the PAR strategy and to explore how other ministries can help with the PAR process to strengthen the capacities of participating sub-national offices and administrations.

The understanding of the IARCSC processes by the main stakeholders, such as line ministries in the provinces, has also improved during 2008. Roundtable meetings were held with representatives of line ministries and leaflets and brochures have been produced and distributed on the role of the IARCSC and pay and grading specifically. A monthly magazine and newspaper have also been developed and distributed in all provinces. To increase the understanding of other indirect stakeholders, such as the general public, radio dramas and spots have been developed and broadcast in both Dari and Pashtu. Posters and banners advertising PAR work of the IARCSC were also produced and distributed in each province across the country. The outreach of the IARCSC has been further strengthened by the development of the website, which includes items such as a transparent and clear recruitment policy. The potential audience for all positions at the IARCSC has been increased due to the publishing of all positions on the website.

Through the establishment of the PMU, it is envisaged that the IARCSC/PAD will increasingly be able to manage planning, recruitment, procurement, monitoring and reporting for technical support, with reduced assistance from the ASGP advisors. The capacity of the PMU in delivering their services has increased through the provision of customer service training. Further systems have been developed and streamlined including procurement and asset tracking, personnel filing system, recruitment policy and the salary transfer mechanism. These systems are increasing the efficiency with which the services of the PMU are delivered and increasing the capacity of the PMU. This was accompanied by setting up a more stringent monitoring system to allow for the identification of further improvements. Policies have also been set up for financial and HR issues. These policies have increased the ability of the offices to involve themselves more fully in the implementation of the project, not just as recipients, but as implementers.

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

During 2008 ASGP radically expanded its support to IARCSC to improve the quality of sub-national training and development related capacity building programmes.

At the provincial level, IARCSC increased the number of civil servants trained in order to ensure better service delivery in all line ministries at the sub-national level through support to re-opening of 13 existing training centres, which were formerly fully funded by the EC and the creation of three new provincial training centres. Through recruiting and increasing the capacity of trainers, establishing new training centres and strengthening existing provincial training facilities, the skills

and knowledge of civil servants in the management of basic services; basic administration, management, communication, leadership concepts, finance, English and computers were enhanced. The recruitment plan for trainers was finalized by IARCSC with assistance from ASGP and the hiring process, under the merit-based appointment system, was completed. New strategies were developed concerning the operations of the training centres, the curriculums and the subjects taught. The revised curriculum on English, management and computers were implemented. Discussions and agreements were made with the Afghanistan Civil Service Institute (ACSI) and PAD to facilitate specialized training courses tailored to on-the-job requirements of civil servants in the provinces in order to ensure the civil servants are able to carry out their job requirements. These courses included procurement, communications, and HR management, as well as, financial management and project management. However, by the end of 2008, ACSI still did not have sufficient capacity to produce such curricula. The ACSI is currently being supported by UNDP/CSLD to strengthen its internal capacity to develop such material.

In total 1866 civil servants were trained or under training, of which 10% or 193 were women, in Kabul, Parwan, Wardak, Balkh, Samangan, Jawzjan, Kunduz, Takhar, Kandahar, Herat, Logar, Paktia, Nangarhar, Laghman and Faryab. The efficiency of the training centres has been increased with the development of an operation manual and a monitoring and evaluation tool. The M&E tool provides information on the level of learning of the participants during the training programme and also aims to collect information about impact of the training programmes on participants work performance. IARCSC with technical assistance from ASGP, collected information through focus groups, questionnaires and interviews from all training centres (160 participants in training programmes, and 80 direct supervisors of participants).

Training standards were assessed through training impact assessments and lessons learned communicated back to the Civil Service Management Department of IARCSC in order to increase the effectiveness of training in six pilot ministries. Technical assistance with the design of discussion, interview and focus group questionnaires was provided by ASGP. The findings were also incorporated into a funding proposal for the training centres for core funding from the GOA, which was then submitted to the GOA.

In order to entice young graduates with interest and skills to work within the public sector, task orders were developed between ASGP and IARCSC for internship programmes within IARCSC across the regions. The goal of the internship programme is to increase the number of qualified candidates for permanent positions in the regional civil service. Internships are anticipated to commence in February, 2009 and have received a large number of applications from graduating students of regional universities.

District and Provincial Governors Offices

Throughout 2008, ASGP continued its support to the ongoing PAR in provinces, districts and municipalities. The District Governors are the main focal point through which formal governance extends to communities; however, they have not been the given clear guidelines from the centre on their roles and functions. In 2008, IDLG launched a programme to rectify this omission by bringing all 364 District Governors to Kabul for orientation and capacity-building programmes. The programme commenced in the last quarter of 2008 and will continue in the first quarter of 2009.

This programme strengthened the connection between the District Governors and the centre as well as creating a space for networking between the Governors, while at the same time accelerating the process of capacity development. The programme includes presentations for the Governors on IDLG mandate and responsibilities and the overall framework of the ANDS. The programme furthermore includes a series of workshops and group sessions. These sessions allow the District Governors to compare and exchange experiences and to get a better understanding of what they can expect from IDLG. One of the sessions facilitates IDLG's CBU to make a preliminary assessment of the training and support needs of each District Governor.

The District Governor's Offices in 120 districts have been introduced to the newly approved District Operating Manual, thus increasing the transparency and efficiency of service delivery at the district level. This manual introduces internal processes and procedures concerning topics including: roles and relationships among provincial, district and village-level institutions, district-level coordination, meetings and meeting-management systems, office management, performance management processes, office procedures, monitoring and evaluation systems and planning and reporting. By the end of 2008 the total number of provinces where provisions of the District Operating Manual were under implementation was reached 12. In total approximately 500 district and provincial officials underwent training in the District Operating Manual. Meanwhile, suggestions collected during the training programme were consolidated into a note for IDLG to include the feed-back and comments in a revised edition of the District Operating Manual.

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

Provincial Strategic Planning

IDLG developed a policy for provincial strategic planning in the context of the Sub-national Governance Policy implementation. The policy specifies goals, objectives and implementation modalities for provincial strategic planning. Provincial strategic planning, due to begin in first quarter of 2009, will result in development of provincial strategic plans covering a planning horizon of up to 5 years in all 34 provinces of Afghanistan. The aim is an enhanced role of the province as a governance unit in implementation of the ANDS and Sub-national Governance Policy, increased local ownership of the planning process at the provincial level (both strategic and operational), upgraded capacities of provincial institutions in strategic planning, policy development and budgeting and promote a culture of transparency and accountability at the provincial level. As part of preparations for launching provincial strategic planning, a team of provincial strategic planning specialists was created and trained at IDLG. The team made assessments of current planning arrangements in four provinces (Balkh, Herat, Badghis, and Sari Pul). The process of provincial profiling and production of provincial yearbooks described in the following sub-section is also part of this preparation.

Improved service delivery through information management

During 2008 ASGP continued efforts to improve information management systems at the sub-national level. In an effort to upgrade information systems, skills and knowledge of civil servants in the provincial, district and municipal administrations, assessments of information management were completed and provincial proposals to improve information management infrastructure (including ICT networking) in provinces were developed. Vital socio-economic information at the provincial level was collected, consolidated and made available to internal and external users in the form of a computerized database and yearbooks. Three draft provincial yearbooks were prepared by the Provincial Governor's staff in Balkh, Jawzjan and Sari Pul by the end of the year in addition to the Faryab yearbook published earlier in 2008, and collection of data commenced in Samangan, including a more detailed economic profile addressing the issues of alternative livelihoods. Capacities to plan and direct local social and economic development have increased as a result of the socio-economic and project implementation information that is publically available in the yearbooks.

In cooperation with Afghanistan Information Management Services (AIMS), MRRD, Ministry of Economy (MOE) and Ministry of Communication and Information Technology (MCIT), three types of electronic databases were identified for introduction in Provincial Governors' Offices: i) Human Resources, ii) Registry/Documentation Management, and iii) Development. Both HR and Development databases include tools for gender disaggregated data. In consultation with the Ministry of Justice (MOJ), it was decided to develop and publish a two-volume collection of laws in the area of sub-national governance.

The capacity of Provincial Governors' Offices to carry out outreach activities has been strengthening during 2008 with support from ASGP. As result the public's access to information has been strengthened, which works to bring the general population closer to the government and allows for further exchange of information on government activities. Activities included: The first ever televised press conference by the Faryab provincial governor on 1387 (2008-2009) development projects. Mobile communication teams were established and visited three districts of Faryab (Qaisar, Andkhoy and Gurziwan) to conduct public meetings in districts and villages on state policies, DIAG, anti-narcotics campaign and local development. Meetings were held with the Culture and Information Directors at provincial level to follow up on the communication workshops conducted in 2007 and to activate provincial communication committees. Twenty five televised press conferences and five round table discussions were held in the province to deliberate on sectoral achievements in 2007. And a governance accountability campaign was conducted in Faryab as per the provincial communication plan.

Local economic development

Afghanistan's future prosperity will depend on economic growth not only in Kabul but at the sub-national level. Fortunately, many national and international organizations are already conducting initiatives to stimulate local economic development and some encouraging results are being generated. To ensure the necessary ongoing support from the government at the sub-national level, ASGP formed a Local Economic Development (LED) section during the third quarter of 2008 to support the IDLG's Coordination and Development Unit. This unit is working with IDLG to build further sustainability into local economic initiatives. A strategy to support and catalyze local economic development through sub-national governance is being developed. The unit organized four Sub-national Governance Policy working group meetings on local finance and planning issues. As a result a consensus was built on how to align the Afghan sub-national finance system with key international best practices.

The ASGP LED unit also works in collaboration with the IDLG Provincial Reconstruction Teams (PRT) Coordination Secretariat. PRTs are one of the significant actors at provincial level, but in many cases their activities are not fully coordinated with those of other actors at the provincial level. ASGP assisted IDLG build its capacity to fully take on the responsibility as Chair of the Executive Steering Committee for PRT Coordination. A process of regular dialogue with the PRTs was initiated, from which a position to further strengthen the level of planning and coordination taking place amongst provincial actors, and at the same time identify additional opportunities for cooperation with the PRTs, has been created.

Municipality organisational reform

IDLG began to focus on the process of reforming and restructuring municipalities towards the second half of 2008. The work began with a functional analysis and proposed restructuring of the Department of Municipal Affairs within IDLG. Then modern organizational models were developed based on clear delineation of functions among different government levels to be introduced to pilot municipalities.

Development was initiated on organizational models for five different and representative municipalities: Mazar-e-Sharif, Maimana, Aybak, Sari Pul and Sheberghan. A municipality-lead process was implemented, to allow the staff of the municipalities to take the main role in re-designing their organizations, thus empowering and developing the capacity municipality staff in the process. However, the work on organizational development had to be curtailed in the latter half of the year due to the involved technical staff was diverted to supporting IDLG Sub-national Governance Policy working groups.

Municipal revenue enhancement and administration

IDLG developed with assistance from ASGP a toolkit of revenue improvement systems that municipalities can adopt, including the Revenue Improvement Action Planning Manual which

strengthens the ability of municipalities to raise revenues, thus allowing municipalities to increase the quality and extent of services it can provide.

Pilot Revenue Improvement Action Plan (RIAP) development programmes were conducted in seven Afghan municipalities: Mazar-e-Sharif, Maimana, Sari Pul, Jawzjan, Aibak, Kunduz, Puli Khumri excluding Puli Alam, Logar where ASGP could not continue due to a deteriorating security situation. Workshops and training programmes were conducted with the revenue departments of the municipal authorities with the objective to review and improve revenue-generation systems, such as issuing of business permits and work permits, cleaning taxes, construction taxes, rental of municipal properties, revision of tariff rates, and arrears collection. In addition RIAPs enable revenue departments to forecast more accurately what revenues can be collected under these systems. As a result, forecasts for 1387 were included in the budgets of the five pilot municipalities and next year it is anticipated to see the inclusion of forecasts and RIAPs costs in the budgets of seven municipalities.

Five pilot municipalities in the north now have the capacity to institutionalize the methodology for the preparation, implementation, and monitoring and evaluation of RIAPs. Monthly revenue collection reports of the five pilot municipalities were prepared and consolidated, providing revenue administration data for analysis to determine the progress and shortcomings. Municipal tax mapping was introduced to orient the pilot municipalities on the basis for a real property tax system. Significant progress has been made in particular Maimana and Mazar-e-Sharif.

Municipal service delivery

To improve public service delivery, in particular SWM, ASGP assisted IDLG to successfully develop a programme in two pilot municipalities; Mazar-e-Sharif and Maimana. The programme designed critical system components such as revenue management, organization and engineering. As described above, in the RIAP section the pilot municipalities proved to be a success and IDLG intends to extend this pilot programme to other municipalities. The city cleaning departments are operating more efficiently in organizing effective waste storage and collection systems as a support component to the revenue enhancement process. During monitoring visits by ASGP project staff, citizens have expressed their satisfaction with cleaning operations and are willing to cooperate with government to continue the regular waste collection as well as pay taxes regularly.

Component Three: Participatory Democracy

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

In 2008 the capacity of the Provincial Councils (PC) has been built on office procedures ensuring more efficient administration in the PCs. The PCs are also better equipped to respond to their mandates as their skills in reporting planning, as well as evaluating provincial plans and proposals have been developed.

The operations of the councils were further strengthened through the participatory development of PC rules and procedures, monitoring and reporting systems and the strategic plan for the Provincial Councils Relations and Coordination Directorate (PCRCD). The institutional foundation is now in place enabling the PCs to take a more participatory role in monitoring the activities of the government at the sub-national level.

ASGP conducted capacity building trainings and workshops for the PCs and introduced a system of national seminars and a series of regular monthly mentoring and technical sessions for the orientation of newly-elected PCs on meeting management, monitoring and evaluation, reporting and planning, provincial development and proposal evaluation.

At the outset of the year, monthly meetings were resumed by the Provincial Council Working Group (PCWG) to revitalize itself as a venue for discussing and coordinating different support

interventions, and providing capacity development to PCs. The PCWG ratified the PC capacity development framework, with an agreement to also include the PC support plans of the various PCWG members. Through a Task Order ASGP has provided full technical assistance to the new head of the IDLG/PCRCD to prepare a new strategic work plan in order to; i) to flesh out the participatory governance component of the IDLG strategic work plan, ii) further define the PCRCD functions in the context of the PC capacity development framework and iii) define the PCRCD restructuring and capacity development needs required by the updated/redefined PCRCD functions. In addition, the PCRCD introduced an internal and external reporting system with a quarterly and monthly frequency, assisted in the recruitment of staff and provision of IT equipment.

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

The first steps in ensuring an improved PC interaction with constituents and other governmental and local administration entities has been facilitated by ASGP with the PC Administrative Boards.

The conceptual design of the PC Network and Resource Centre, earlier prepared with ASGP's assistance, was reviewed and revised to consider the comments of the IDLG leadership. The design includes facilities requirements, operations manual and training curriculum. The overall design specifies how the network will operate for a more effective coalition building and networking among sub-national elected representatives, who will be trained on how to efficiently run and maintain the network. The outputs marked advancement towards this goal.

Output 3.3: Citizen awareness and understanding of sub-national governance is deepened.

The output indicators were not achieved as work on this output did not commence until November 2008. A framework for establishing a CSO grant mechanism was designed and got approval from the ASGP Project Board for initiation in first quarter 2009.

Output 3.4: Capacity to undertake conflict sensitive sub-national governance is enhanced.

The output indicators were not achieved as planned and will be incorporated into the operation of the CSO grant mechanism in 2009.

Component Four: Programme Management

Output 4.1 Capacity for national programme implementation within the life of the programme is established.

ASGP continues to work on further involving their Government partners in the implementation of the programme. A capacity assessment was undertaken at the central and provincial level by a UNDP Regional Advisor from Bangkok with ASGP assistance. This assessment is looking at how to involve the government partners more in the implementation and decision making processes. The assessment included looking at different modalities of working with these partners, which included both NEX and DEX systems. Both of the main government partners, the IDLG and IARCSC, were involved in this assessment, including their relevant sub-national government units, governors offices, municipalities, provincial councils and the IARCSC regional offices.

This assessment will be used in 2009 to set up a road map for further participation of the government entities that ASGP work with. This road map will look at the most effective and participatory implementation strategies for each government entity and identify capacity needs in order for the further ownership of the programme to be passed to our national partners. Project management training started in 2008 to build up the capacity of the government staff. Training on planning, reporting and monitoring was carried out with IARCSC civil servants and PMU staff to ensure further efficiency within their offices. Financial management and budget training was carried out in IDLG and the audit department was strengthened. This foundation of knowledge will be built on in 2009 and reflected in the road map.

ASGP has also worked with the Country Office to streamline their operations to increase the pace of delivery and improve reporting. This culminated in the foundations for a business centre to be established in 2009.

IV. Implementation challenges

Project risks and actions

Security

There are increasing uncertainties in the security situation across the country which is beyond the control of ASGP. This may adversely impact on the smooth and timely implementation of different programme activities at the sub-national level. As such, strategies have been prepared and used to mitigate the unfavorable environment. For example, when there was a security threat, the planned activities in Bilchegragh district in Faryab province was rescheduled and participants brought to Maimana. Steps and initiatives have been taken to build the capacity of governmental institutions to undertake the activities in the field where it is not possible for the ASGP to directly operate.

Recruitment and retention of Staff

ASGP is building the capacity of the Policy Unit within IDLG and the PAD of IARCSC. The recruitment process for both has gone on throughout 2008, but it remains a struggle to find qualified individuals who are willing to work in these newly established government positions. Some of these positions have as a result been advertised for five times by the end of 2008. It is anticipated that this challenge will continue in the coming months as experience shows that it is difficult finding qualified Afghan Nationals to fill and remain in positions.

Standard guidelines for the IDLG

The IDLG was established through a Presidential Decree on August 30, 2007. However, thus far there are no formal or detailed guidelines of the legal mandate of IDLG regarding specific authorities and responsibilities, including the functional and organizational structure, staffing pattern and coordination mechanisms or working relationships with other national government agencies and partners working in sub-national governance. As the Decree is very broad, there is a need for accompanying guidelines or implementing rules and regulations (IRR) to provide very clear understanding of the scope of its function to fully support the promotion and development of sub-national governing units as effective partners of the central government in pursuing overall development of Afghanistan.

In the absence of guidelines or IRR, there will always be possible conflicting interpretations about responsibility areas with other government institutions working with sub-national governing bodies, which will potentially affect smooth and effective provision of ASGP assistance. Hence, ASGP formulated a discussion paper for IDLG high level officials regarding the importance of having guidelines or IRR as an accompanying legal document of the Decree.

IDLG Organizational Structure

The commitment and ownership of the GOA to the policy development, implementation and monitoring process is critical and essential. It has noticed time and again that whenever IDLG has shown commitment towards policy work, it has rendered positive and better results and whenever IDLG has taken the national ownership of the work done, the work has been received in a much better way. Inadequate commitment and ownership by national government may delay the project result, therefore rendering ASGP support to be not as effective as it could have been.

The IDLG organizational structure has repeatedly undergone changes. This has led to poor coordination of efforts that are targeted to achieve the results. Lack, or at times absence of, coordination within IDLG departments results in wasted time and energy of not only IDLG staff but also ASGP advisors. A focus on improving the coordination mechanism will mitigate this loss of resources. However, there exists a huge gap between the IDLG staff that moved from MOI upon IDLG's creation and the new recruits, mostly with better educational and work qualifications and therefore higher salaries. Bridging this gap and creating an environment of mutual assistance and coordination is critical to IDLG's growth as a successful directorate with the huge tasks related to policy implementation yet to begin. IDLG may fail in fulfilling national and international

stakeholders' expectations if the institutional and organizational structures are not appropriately addressed from within.

Project issues and actions

Cash flow difficulties

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

In addition, rules associated with UNDP cash management make it exceptionally difficult for a DIM project to deal with the normal ebb and flow of daily transactions in isolated locations. Often the GOA personnel are required to use their own money to keep activities moving (e.g. buying fuel for a generator or paper for a printer) and then request reimbursement from UNDP. This issue has been flagged for resolution in early 2009.

UNDP / ASGP Operational Streamlining

Confusion in operational processes between ASGP and UNDP country office impeded the efficiency of programme implementation during 2008. ASGP operations have also suffered internally, owing to understaffing and a high level of staff turn-over due to the liquid labor market for young Afghans with college degrees and passable English. This has resulted in disruptions in institutional memory, inconsistent information management and present staff having to absorb roles and responsibilities of more senior, vacant posts, which have compounded overall operational issues.

During its third year of implementation ASGP anticipates a significant increase of its presence across Afghanistan; expanding to another three provinces and hence having a total of five offices, i.e. Kabul, Nangarhar, Kunduz, Balkh and Kandahar, with full spectrum operations. The Annual Work Plan for 2009 has an indicative budget of US\$ 22.4 million, which constitutes a significant increase from the 2008 AWP, i.e. US\$ 10.8 million. Given the need to increase the pace of delivery and improve reporting; it is important that UNDP DIM projects such as ASGP be re-engineered to accelerate results delivery and strengthen real time reporting capability.

The shift to a new operational arrangement within UNDP that establishes clear procedures for workflow processes between projects and the Country Office Operations Division, including the creation of a 'Business Unit' in ASGP will address many of the internal operational challenges in 2009.

V. Lessons learnt and next steps

Lessons learnt

Constant and regular engagement of government partners, such as IARCSC and IDLG, in actions that are meaningful to them, remains a priority to the successful achievement of ASGP programme objectives. Practical experience adds capacity far faster than formal training sessions.

A Presidential Decree on 8 May 2008 gave IDLG the mandate to convene sessions with all GOA ministries to achieve a consensus on a Sub-national Governance policy framework. The short time period given for the drafting of the SNGP introduced constraints to the process which made it difficult, but not impossible, to uphold best practices in policy design. The ASGP Policy Team maintained extremely close contact with the senior leadership of IDLG throughout the policy process. This greatly facilitated the ability of the ASGP Policy Team to tailor its assistance to the desires of its national counterparts at IDLG.

The consultations served as a very effective forum for IDLG to learn first-hand of issues and constraints faced by sectoral agencies operating at the sub-national level. The feedback from and high-level buy-in of the ministries and agencies that took part in the policy process smoothed over many issues and differences of opinion, enabling the Government to arrive at a consensus document that can pave the way for progress in the vital arena of sub-national governance. .

There is generally a public interest in participating in municipal governance. This has benefited ASGP's municipal improvement programme, such that community initiatives are now at the forefront of municipal cleanliness, tax, licensing and other functions. As municipal employees have begun to recognize the value of client satisfaction, they have seen an increased willingness of citizens to pay for taxes, charges, and fees levied by municipalities in response to visible improvements in the quality and reach of public service delivery.

Cross visits amongst PCs are encouraging PCs to take initiatives in their Councils to prove that they are not left behind the stronger PCs in Afghanistan. Through these visits, PC members are exposed to good practices of other PCs members which allow them to compare and contrast their practices with that being observed. These visits likewise provide PCs with alternative ways or approaches to effectively perform their functions. The opportunity of giving the PCs the chance of preparing and giving their plans and requests at the end of each workshop is giving rise to a demand-driven type of request for assistance from PCs.

Update on 2007 Risks and Issues

RISKS

Impacts of Security Situation on Delivery

2008 evidenced a continued deterioration in security. ASGP activities were curtailed in Logar and increased security arrangements were required for travel to any of the Eastern provinces. Our work in Badghis cause us to lose two staff members who decided it wasn't worth the trouble to stay with ASGP if they were going to be sent to insecure areas. This risk will increase in 2008, particularly as the increase in American ground forces get underway.

Lack of coordination on sub-national PAR implementation strategy

As soon as it had Presidential approval for its workplan, IDLG became the primary player in determining the direction of sub-national governance. A donor group on sub-national governance met irregularly and a JCMB Task Force was formed in December to devise a common approach to supporting SNG reforms. There was considerably greater focus on the sub-national

level in 2008, but concerns were being raised whether the IDLG would be capable of leading the implementation of the SNG policy.

Potential lack of political will

By the end of 2008, the political direction of the country remained a question mark. There were already several announced Presidential candidates. Many independent observers expressed disquiet at the growing levels of corruption and lack of sustained reform. This will remain a significant risk to the achievement of project outcomes as the election period draws closer.

ISSUES

Change in the Government Partners of ASGP

There were no further changes in the intuitional relations for ASGP during 2008. None are anticipated in 2009, at least until after the Presidential election.

Challenges to implementing PRR/PAR in the municipalities

The IARCSC was able to obtain funding for a salary increase for municipal employees in places where a complete restructuring and recruitment had taken place. ASGP, IARCSC and IDLG discussed the proper approach and agreed to start in early 2009 in Mazar-e-Sharif with a public workshop to establish the critical functions a reformed municipality should perform.

Recommendations

IDLG should be supported in finalizing its organizational structure and putting in place mechanisms for programme implementation. Capacity building of the existing staff of IDLG is important and must be addressed seriously, this will not only improve the quality of services delivered by IDLG, but will also strengthen it as an institution and will ensure its sustainability even with future changes in leadership. A preferred mechanism for supporting all of these business process improvements would be through a pooled-fund mechanism that enables IDLG to access substantial donor resources tied to the implementation of its approved Strategic Workplan.

In view of the fact that municipalities depend on their constituents for survival and viability, it is correct that the areas for reform be determined through adequate and inclusive public consultation. The shape of the municipal government organization, including its key functions, should reflect nothing less than the needs and aspirations of the local people.

Conferences and workshops for all sub-national staff should continue and be increased during 2009 as the programme implementation increases to ensure that all stakeholders are aware of and able to contribute to new directions of the programme.

A draft paper on how the implementation of the SNGP process would proceed was written by the ASGP Policy Team. It outlines recommendations to IDLG on the development of a more consultative process. This will facilitate input from a broader range of partners working on issues relevant to sub-national governance; on how the policy should be implemented, as well as, how they can contribute to the implementation. The process proposed for developing the implementation framework was designed with the intent of holding more thorough consultations to harness available expertise and ensure the buy-in of all government actors that must play a role in the policy's implementation. The recommended implementation process will encourage the government to engage in a greater degree of prioritization than that which took place during the process for drafting the policy.

Relationships between the UNDP country office, UNAMA and IDLG have strengthened throughout 2008. The creation of the ASGP Business Centre should provide the full support of the UN behind IDLG and IARCSC in their efforts to complete and implement the SNGP and associated capacity building tasks.

VI. Financial status and utilization

Financial status

Table 1: Contribution overview [Nov 2006 – Nov 2011]

DONOR NAME	Contributions		Contribution Balance
	Committed	Received	
UNDP	11,731,384	2,731,384	9,000,000
Norway	11,495,283	4,578,188	6,917,095
Canada	5,958,909	2,690,487	3,268,422
Italy	374,532	374,532	
SDC	3,473,478	3,473,478	
EC	7,564,297	6,264,061	1,300,236
Netherlands	8,108,108	2,000,000	6,108,108
Total	48,705,991	22,112,130	28,477,872

Table 2: Funding status (as of 31 December 2008)

DONOR NAME	RECEIVED*	EXPENDITURES			PROJECT BALANCE	EAR-MARKED**	AVAILABLE FUNDING as of 1 Jan of 2009	REMARKS
		2007	2008	TOTAL				
UNDP	2,731,384	730,986	2,000,000	2,730,986			9,000,000	
Norway	4,578,188	3,039,789	1,538,400	4,578,189			599,648	
Canada/CIDA	2,690,487	779,378	900,535	1,679,913	1,010,574		1,010,574	
Italy	374,532	282,964	91,568	374,532				
SDC	3,473,478		1,683,579	1,683,579	1,789,899		1,789,899	
EC	6,264,061		3,025,251	3,025,251	3,238,810		3,238,810	
Netherlands	2,000,000		0	0	2,000,000		2,000,000	
UNDP Loan		351,623	145,684	497,307	(497,307)			To be return in 2009
TOTAL	22,112,130	5,184,739	9,385,017	14,569,756	7,541,976		17,638,931	

Financial utilization

Table 3: Annual expenditure by activity [1 January – 31 December 2008]

Activity	Budget [2008]	EXPENDITURES	Balance	Delivery (%)
Activity01 [Policy]	2,756,677	2,733,781	22,895	99
Activity02 [Capacity Development]	3,566,641	3,566,641	0	100
Activity03 [Democracy]	625,194	528,573	96,621	85
Activity04 [Management]	1,911,720	1,834,568	77,152	96
Activity05 [Provinces]	244,505	214,701	29,804	88
UNDP GMS 7%		506,753	16,844	
Total	9,628,333	9,385,017	243,316	97

Table 4: Annual expenditure by donor [1 January – 31 December 2008]

DONORS	ACTIVITY (as in ATLAS)	BUDGET [2008]	EXPENDITURES	BALANCE	DELIVERY (%)
CIDA	Activity01 [Policy]	343,440	323,238	20,202	
	Activity03 [Democracy]	20,586	18,951	1,635	
	Activity04 [Management]	497,695	420,925	76,770	
	Activity05 [Provinces]	103,752	74,383	29,369	
GMS 7%		72,670	63,037	9,633	87
Subtotal CIDA		1,038,144	900,535	137,608	
SDC	Activity01 [Policy]	688,547	688,547	(0)	
	Activity03 [Democracy]	437,377	342,391	94,986	
	Activity04 [Management]	534,790	534,790	0	
GMS 7%		125,000	117,851	7,149	94
Subtotal SDC		1,785,714	1,683,579	102,135	
EC	Activity01 [Policy]	667,970	667,970	0	
	Activity02 [Capacity]	2,093,878	2,093,878	0	
	Activity05 [Provinces]	52,072	51,636	435	
GMS 7%		211,800	211,768	33	100
Subtotal EC		3,025,720	3,025,251	469	
Norway	Activity01 [Policy]	441,377	441,377	(0)	
	Activity02 [Capacity]	883,422	883,422	0	
	Activity03 [Democracy]	8,901	8,901		
	Activity04 [Management]	8,713	8,332	381	
	Activity05 [Provinces]	88,681	88,681	0	
GMS 7%		107,717	107,688	29	100
Subtotal Norway		1,538,810	1,538,400	410	
Italy	Activity01 [Policy]	73,701	73,701	(0)	
	Activity03 [Democracy]	11,457	11,457	0	
GMS 7%		6,410	6,410	0	100
Subtotal Italy		91,568	91,568	0	
UNDP Core Fund	Activity01 [Policy]	393,265	393,265		
	Activity02 [Capacity]	589,341	589,341		
	Activity03 [Democracy]	146,873	146,873		
	Activity04 [Management]	870,522	870,522		
	Activity05 [Provinces]	-			
Subtotal UNDP Core Fund		2,000,000	2,000,000	0	100
UNDP Loan	Activity01 [Policy]	148,377	145,684	2,693	98
Subtotal UNDP Loan		148,377	145,684	2,693	
Total		9,628,333	9,385,017	243,315	97

* The financial expenditure figures provided in the report are provisional.

Annexes

See separately enclosed ASGP Result and Resources Framework (RRF)