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Revenue Improvement Action Planning Workshop in Maimana, Faryab Province

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Table of Contents

Executive summary	3
I. Context	5
II. Performance review	6
Progress review	6
1. Overall progress towards the CPAP outcome and output(s)	6
2. Capacity development	6
3. Impact on direct and indirect beneficiaries	7
Implementation strategy review	8
1. Participatory/consultative processes	8
2. Quality of partnerships	9
3. National ownership	9
4. Sustainability	10
Management effectiveness review	11
1. Quality of monitoring	11
2. Timely delivery of outputs	11
3. Resource allocation	12
4. Cost-effective use of inputs	12
III. Project results summary	13
Component One Policy Development	13
Output 1.1: Develop the capacity in MOI/IDLG to design and regulate a new sub-national governance framework	13
Output 1.2: Create a broad-based understanding of the current sub-national governance system	13
Output 1.3: Provide technical support to central agencies in development of rules and regulations on sub-national governance policy/PAR	14
Component Two Institutional and administrative capacities to manage basic services at the sub-national level strengthened	15
Output 2.1 – A sub-national PAR strategy is finalized and participating Provincial Governor’s offices, district administrations, municipalities are strengthened	15
Output 2.2 – Skills and knowledge of civil servants to manage basic services are upgraded	17
Output 2.3 Improve Management of public service delivery in participating provinces and municipalities	18
Component Three Democratic Development	20
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	20
Output 3.2: A platform to facilitate coalition building and networking among sub-national elected representatives created	21
Output 3.3: Citizen Awareness and understanding of sub-national governance deepened	21
Output 3.4: Capacity to undertake conflict sensitive sub-national governance is enhanced	22
Component Four: Programme Management	22
Output 4.1 Capacity for national programme implementation within the life of the programme is established	22
IV. Implementation challenges	23
Project risks and actions	23
Project issues and actions	24
V. Lessons learnt and next steps	24
Lessons learnt	24
Recommendations	25

Executive summary

The Afghanistan Sub-National Governance Programme (ASGP) has been operating at the provincial and central level for the entire of 2007 using the *ANDS benchmark on Public Administrative Reform* as its fundamental guide, which requires that, by 2010, Government machinery will be restructured and rationalized to ensure a fiscally sustainable public administration; the Civil Service Commission will be strengthened; and civil service functions will be reformed to reflect core functions and responsibilities.

The programme has been working within 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(s) 2.1* that likewise is aimed to improve public sector capacity through the development of civil servant at the central and sub-national levels, the establishment of accountability mechanisms and enhancement of information management for better service delivery.

Using these parameters, the key implementers of the programme are the main governmental organisations who work on sub national governance at the provincial level: the Ministry of Interior, Civil Administration Branch (MOI); the Independent Administrative Reform and Civil Service Commission (IARCSC); and the Office of Administrative Affairs (OAA). One of the main achievements of the year is the close relationships that ASGP has set up with these organisations and the agreed way of working ensuring the governmental offices have input in all the programme processes and themselves implement the sub-projects created. This was done through developing a letter of agreement between UNDP and the relevant government entity, stipulating the implementation guidelines and primary role of the government in the programme. These have been supported by the development of sub-projects or task orders which set out the different activities to be run. This process has ensured that a good foundation has been set for stakeholder participation in the programme and the government is starting to implement the sub-projects developed.

The secondary achievement has been capacity development of the government. Within MOI, ASGP has assisted in developing a civil administration strategy which spurred on the organisational restructuring and merit based appointments. ASGP also assisted MOI in creating a comprehensive legal and institutional sub-national governance framework. This capacity development took the form of on-the-job coaching and formal trainings and workshops on subjects such as reporting, monitoring progress and human resources. Training material has also been developed for provincial and district governors on office procedures, gender mainstreaming and HR processes. Similar programmes of capacity development have been carried out both with the Provincial Councils Resource and Coordination Department (PCRCD) of the OAA and the IARCSC and capacity development strategies have been developed for both.

The major project issue of 2007 was the lack of coordination of donors and the government at the sub-national level; this issue has been partly addressed by further meetings of interested parties as well as the major change in government and to the way the programme worked, which was the development of the Independent Directorate of Local Governance (IDLG). This directorate was created in September 2007 and has taken over the responsibilities of civil administration from MOI, including incorporating the PCRCD. This change caused delays in the implementation of the work that ASGP had developed with MOI and the need to develop new relationships. However, ASGP worked closely with this new directorate from its inception and has been able to assist them in the strategy and direction as well developing their capacity. The good foundation that has been built in the last year will ensure that a lot of the ideas being developed currently in IDLG will be

actioned, such as the municipality action plan, covering both revenue management, organisational restructuring and solid waste management.

The main lesson to come out of the last year has been the need not only for close coordination and cooperation with the government and other stakeholders, but also the need to ensure capacity development is a key element of all the programmes. ASGP will ensure that the capacity development initiatives continue and the continuous exchange of information supports the close cooperation.

The report below gives more details on all of these findings and the progress of each of the different components that sit under the different outputs in the programme document.

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 *ANDS benchmark on Public Administrative Reform*, which requires that, by 2010, Government machinery will be restructured and rationalized to ensure a fiscally sustainable public administration; the 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 *UNDAF Outcome 2*, which focuses on creating an effective more accountable and more representative public administration is established 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 servant 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 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 PAR strategy is finalised and participating provincial governors' offices, district administrations, 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 subnational 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 Afghanistan National Development Strategy (ANDS) documentation. The ANDS explicitly acknowledged the constraint at 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 holder.'

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 Independent Administrative Reform and Civil Service Commission (IARCSC), the Independent Directorate for Local Governance (IDLG), the independently elected Provincial Councils (PC) and selected elements of Afghan civil society. These entities plus 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 plus the elected councillors. 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

The work of ASGP is primarily embedded in the CPAP outcome and output associated with state building through public administration reform. During 2007, ASGP worked closely with all international agencies that have an active interest in sub-national governance issues involving capacity development, public administrative reform, and democratic development. Although 2007 can be seen as a foundation period for the programme, the progress achieved has built an operational base that will be used to expand its impact into a larger number of provinces during 2008.

2. Capacity development.

Capacity development is the primary focus of ASGP assistance. This has particularly been the case during this first year of operation as most of its implementing partners had had minimal prior connection to international assistance programming. In its first major capacity development initiative, ASGP assisted the MOI Civil Affairs Branch to draft a civil administration strategy for ANDS that included an implementation programme and a comprehensive capacity development plan. The plan included initiatives to develop their capacity to design, develop and implement a strategic legal and institutional framework for sub national governance for Afghanistan. Five specific activities were developed in line with the objectives of Civil Administration Strategy.

As a result, MOI/IDLG¹ has taken steps to initiate organizational restructuring, capacity development of human resources, merit based recruitment, developing systems for reporting, and to develop means of monitoring progress in order to improve the institutional framework for sub national governance, including, completion of the 3rd phase of implementation of Priority Reform and Restructuring (PRR).

ASGP held a number of training sessions on reporting lines, management information systems, office procedures, Public Administration Reform (PAR) and policy formulation. Intensive mentoring of MOI/IDLG officials was also undertaken by ASGP for the design, development and implementation of a comprehensive legal and institutional sub-national governance framework.

In consultation with MOI/IDLG senior officials, ASGP drafted a comprehensive Manual of Office Procedures for Afghanistan, based on a review of the existing procedures. A Reporting and Management Information System (MIS) was also drafted and training of MIS officers was undertaken. ASGP assisted the IDLG in designing their organizational structure and in drafting their staffs' terms of reference and job descriptions. In addition, model Rules of Procedure were prepared for Provincial and District Governors' offices.

ASGP provided technical and logistic support to the IDLG, after its creation, in the formulation of IDLG Strategic Framework. ASGP supported the IDLG in development of their strategic work plan

¹ The Ministry of Interior Civil Affairs Branch was subsumed into the Independent Directorate of Local Governance in September 2007, along with the Office of Administrative Affairs Provincial Councils Resource and Coordinationa Department and the Afghanistan Stabilization Programme. References to MOI/IDLG or OAA/IDLG indicate an activity that was started with one institutional partner and continued with the other.

by working as a member of the IDLG Strategic Work Plan Development Team, composed of The Asia Foundation (TAF), USAID Capacity Development Programme (CDP) and ASGP.

ASGP designed an implementation modality for working with IARCSC and IDLG to facilitate their direct engagement in project activity design and implementation. Through the development and implementation of task orders, which are distinct sub-projects of the programme components, ASGP advised IARCSC on how to conceptualize a plan, develop a Work Breakdown Structure, layout a Process Flow Diagram, prepare a Procurement and Recruitment plan, create a budget and implement the activity according to plan so to be able to work effectively as an implementing partner.

Under one activity with IARCSC, ASGP is providing continuing support to the Faryab Training Centre with funding from the Royal Government of Norway. During the first semester, 80 civil servants, including 23 women, were trained at the provincial training centre in basic/introductory programme whereas the second semester, which started at the end of November, includes 85 civil servant trainees, including 17 women. ASGP also developed training materials for provincial and district officials from Faryab on roles and relationships between provincial institutions, on provincial recruitment committees, on communication, on development and planning orientation for the Provincial Development Council (PDC), on monitoring and evaluation for the Provincial Council (PC), and on gender mainstreaming. During the reporting period, ASGP conducted a total of 22 formal workshops and training sessions in addition to continuous on-job mentoring and advice provided by the resident advisor to all local governance institutions in the province.

Techniques for revenue improvement and revenue projection were imparted to municipal and revenue officers. In previous years, revenue projections which are included in the annual budgets, were all determined arbitrarily such that municipalities became notorious for under-achieving their revenue targets. Previously, revenue projections were prepared merely to justify expenditure budgets. All primary municipal stakeholders were covered during the pilot action program (PAP) introduction and revenue improvement action planning (RIAP) workshops. These include not only municipal and provincial government officials, but also members of the elected Provincial Councils and representatives of business and community groups.

A wider awareness of the problems associated with solid waste management has been created among households and establishments that participated in the waste assessment exercise. This should pave the way for better public participation in subsequent solid waste management improvement activities.

Rules of Procedures for Provincial Councillors were drafted in consultation with the regional coordinators of Provincial Councils Resource and Coordination Department (PCRCD) of OAA/IDLG. Support was given to the Provincial Councillors of Zabul, Badakhshan, Daikundi, Nangarhar, Laghman, Kunar, Takhar, Kunduz and Baghlan provinces on the PC law amendment and the new Rules.

3. Impact on direct and indirect beneficiaries.

The Faryab Special Initiative reached out to all clients, but to a varying degree. Maximum engagement was achieved with the Governor's office, the PC and the municipality of Maimana. Authorities in the districts and line ministries were engaged to a lesser degree. The reasons for this disparity included lack of resources, security concerns, physical inaccessibility of certain locations and administrative issues as described in section III of this report. Overall, the national stakeholders were satisfied with the programme although, in their opinion, it was not doing enough to address the material and infrastructural needs of local governance (vehicles, office equipment, building improvements, etc.). It is, however, premature to assess the programme's impact on the beneficiaries after six months of operation. The practical results of most of the ASGP interventions initiated in 2007 (e.g. the PRR process in the Governor's office, municipal revenue improvement action, solid waste management programme, PC outreach programme, etc.) will become more tangible in 2008 or even 2009.

By and large, however, the activities undertaken during the year targeting municipalities have not yet touched the ultimate beneficiaries, i.e. the residents of the pilot municipalities. Direct impact is expected to be more evident during the coming year when enhanced municipal revenue generation and resource mobilization is translated into visible improvements in the delivery of municipal services, such as solid waste management, business licensing, and municipal property administration.

The activities of the Component Two team have targeted the indirect beneficiaries through the Provincial Affairs Department (PAD) and the regional civil service commission offices to build their capacity and develop programmes. This work has created a foundation that will be built upon in 2008 as more of the activities that have been designed are implemented. This will result in an improvement of their services to the staff of the subnational government departments, who are the indirect beneficiaries.

During 2007, Component Three focused its attention on the Provincial Councils and the OAA/IDLG Provincial Council Resource and Coordination Department (PCRCD). Each group of Councillors that went abroad on study returned full of compliments both for the substance and the organization of the trips. The PCRCD appreciated the assistance provided in the design and conduct of the National Conference of Provincial Councillors and the technical assistance provided to develop their capacity to effectively support the councils. Of special note, the Northern PCs engaged in the training on monitoring tools wrote letters of appreciation to the ASGP training, requesting similar training courses in the future.

Implementation strategy review

1. Participatory/consultative processes

ASGP involved all the stakeholders in defining priorities, scheduling of activities, and in the delivery of outputs. The approach of ASGP was to work with the national entities, build their capacity in the process, constantly consult them, and let them define their priorities, scheduling, targeting and delivery.

More specifically, ASGP closely involved all Director Generals (DGs) and Deputy Ministers of the Mol/IDLG, ANDS, the OAA as well the IARCSC on the civil administration strategy to ensure national ownership. ASGP also worked closely with the staff of Mol and subsequently IDLG in the design of project activities, manuals, training programmes, job descriptions, as well as in scheduling action plans. Such a consultative approach was deemed necessary to ensure that the capacity was developed in Mol/IDLG to carry out tasks independently.

National as well as international counterparts in Faryab were actively involved in planning and preparation of specific interventions and projects through a participatory consultative mechanism. In the first stage of the project, the capacity development needs of all local key stakeholders were assessed with the help of a field assessment programme, which included field visits, interviews and discussions. During the second stage, specific measures addressing the identified capacity development needs were worked out in a dialogue with these stakeholders. In the third stage, the key stakeholders participated in the implementation of the proposed interventions as co-organisers, implementers and trainees.

ASGP consultants 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 dominated the process.

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 Government entities, other multi-lateral and bi-lateral donors, aid agencies, and embassies for achieving intended results and with a view to forging partnerships for sub national governance policy development.

ASGP collaborated with other UN agencies and donors to build consensus on the way forward for the policy agenda. Gaining this support has enabled the policy process to gain some momentum despite the organization shift from MOI to IDLG. By utilizing and building upon these partnerships, ASGP has been able to develop an environment conducive to the development of a policy for sub-national governance.

ASGP consultants assisted in setting up meetings for all donors involved in training 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. They also assisted the IARCSC to develop a donor group on capacity building for the donors involved in local governance.

ASGP consultants also coordinated with the following UN projects, specifically the Capacity for Afghan Public Service project (CAP), Civil Service Leadership Development Programme (CSLD) and National Area Based Development Programme (NABDP). With CSLD, component two is currently looking at adapting their curriculum for the provincial level. CAP is also looking to work collaboration with ASGP with their coaches at the central and provincial level.

ASGP consultants are embedded within the Provincial Affairs Department (PAD). They have assisted to develop and strengthen the planning and management procedures of the organization, enabling PAD to implement all of its activities directly.

Partnership with key local and international stakeholders in Faryab was essential for implementation of the component's plans as mentioned above. Cooperation with local partners was constructive throughout the implementation period. All ASGP interventions in the province were undertaken not only in partnership with but also under the auspices of the relevant governmental institutions (the Governor's office, municipality or others as was appropriate). Also, two activities were implemented in cooperation with UNAMA, UNHCR and UNICEF - an anti-corruption campaign culminating in the establishment of a provincial anti-corruption steering committee and a gender equality workshop.

The donor working group on support to Provincial Councils (Provincial Council Working Group) continues to be supported by ASGP. However, due to several changes in the organizational support for Provincial Councils from MOI to OAA to IDLG, the group has also been reorganised. As a result there is a need to reinvigorate the partnership next year so it can once again provide useful guidance to the PCRCD.

3. National ownership

ASGP has sought to ensure that the principle of national ownership guides its works in all its activities. IDLG and UNDP/ASGP have signed Letters of Agreement on provision of services for developing the capacity of sub-national authorities under the ASGP. The Letters of Agreement express the intent of both parties to collaborate in order to speed 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 enhancing the capacity of elected representatives. Within these Letters of Agreement, a number of key services are laid out that are to be provided by IARCSC and IDLG, respectively.

The intent behind developing these Letters of Agreement was 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. The task orders or sub-projects are developed under these letters of agreement setting out the different activities that will be carried out by the sub-national government authorities with assistance from ASGP/ UNDP.

A similar letter has also been signed by IARCSC under the same conditions. The capacity development that this arrangement facilitates is further strengthened through the preparation of an assessment of the feasibility for moving the project from Direct Implementation (DIM) to National Implementation (NIM), which was initiated in last quarter of 2007.

4. Sustainability

The Letters of Agreement with 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.

A Senior PAR Advisor was embedded within Mol for six months to establish a national human resource management system that is capable of handling all human resources needs for civil administration. To establish a central human resources system, processes were designed and particular focus was given to developing individual and institutional capacity in Mol/IDLG to handle these matters. Staff of the Mol/IDLG have been directly engaged in the design and development of projects as well as the submission of reports. Their capacity has also been developed through direct engagement to ensure sustainability.

ASGP strives to ensure the sustainability of the programme and its transfer to the national counterparts. In particular, the capacity development interventions are devised and structured in a way as to enhance the capacities of the existing bodies, e.g. the Provincial Councils or IARCSC regional offices, to manage specific projects or create local bodies in charge of such projects, e.g. municipal solid waste management commission or the provincial anti-corruption steering committee, or to combine both approaches. Preparations have been made to ensure continuity of ASGP implementation and support to local institutions in Faryab through the ASGP implementation mechanism, which envisages outreach to and impact on individual provinces through implementation of programmes, e.g. the municipal action plan, support to provincial development committees, etc., at the regional level.

In all the municipalities, a rapid needs-and-priorities assessment was conducted prior to the launching of ASGP initiatives wherein. Key municipal and provincial government officials were consulted as to their priority objectives for reform. In all the consultations, improvement in revenue generation and resource mobilization as well as solid waste management invariably emerged as the top municipal priorities.

The municipal improvement programme, as a whole, is intended to be implemented in partnership with central (IDLG), provincial (Governor's Office), and municipal government administrations. The cooperation of pilot municipal government administrations was found to be exceptionally satisfactory. The involvement of provincial governments was mixed, and was rather inadequate in provinces where relationships between the municipal and provincial governments were not harmonious. The initial consequence was that the provincial governors attended neither the opening nor the closing of the workshop, which may have somehow dampened the morale of the participants (although this was never evident in any of the workshops). A more serious consequence is if the provincial governors would refuse to endorse the proposed municipal budgets that have RIAP components, but this will be found out only in the first quarter of 2008, when municipalities prepare and submit their 1387 budget proposals. The launching of PAP coincided with the creation of IDLG and thus the restructuring of MOI, which prevented meaningful involvement from the central government level.

What has been successfully imbued in the process is local ownership of the programmes (revenue generation and solid waste management), the concrete manifestation of which was the expressed willingness of pilot municipal government administrations to allocate funding for the proposed improvements in their next year's municipal budgets. The municipalities see this as their own programmes, not linked to ASGP.

Management effectiveness review

1. Quality of monitoring

ASGP initiated a process of results-based planning and monitoring towards the end of the third quarter of 2007. This process was used in the design of the 2008 workplan and a perspective four-year plan. During the remainder of 2007, individual weekly reports and monthly component reports were prepared. Full implementation of the process will be initiated in the first quarter of 2008.

In addition, a public perception monitoring and evaluation system was tested throughout the Northern region based on questionnaires and individual interviews. A baseline assessment has been conducted whenever necessary to ensure the adequate quality of monitoring, e.g. a baseline assessment of municipal services was conducted in Maimana. National counterparts participated in monitoring and evaluation and an evaluation report is issued upon completion of each intervention. Also, monitoring is provided through weekly and monthly progress reports submitted by the components to the programme management and national partners in the government. This has meant that there is clarity in the all actions across the programme and more coordination as all components are aware of the actions across the programme.

2. Timely delivery of outputs

The outputs anticipated for delivery in 2007 were drafted not fully taking into consideration the lengthy recruitment and procurement process necessary to establish the project office and team. As such, the programme progress, in general, lagged by about six months from expectations. Specific, delivery issues include the following:

The restructuring of MOI, added to the limited understanding of the public policy design process, significantly delayed the start up on the design of a subnational governance policy framework. In particular, no progress was made towards developing a working relationship between Mol/IDLG and competent policy research bodies. The creation of IDLG has enabled ASGP to have a more focused dialogue on the policy design process, and plans have been set for an early start in 2008 to further address this.

Funding from the Royal Norwegian Government was made available through the UNDP budget system at the end of January 2007 for ASGP in general and for the Faryab Special Initiative. The Faryab office was established in March 2007 and international staff began to arrive in April. The recruitment of the international advisor for Faryab was cumbersome, but eventually a highly qualified individual with over twenty years experience in local government as well as fluency in Dari was identified and recruited. The ASGP office in Maimana was established at the end of June and became fully operational in mid-July. Nevertheless, the outputs envisaged in the initial agreement with the Government of Norway were achieved by the end of 2007 as described in section III of this report.

ASGP planned to develop five training centres, but was only able to progress on one in Ghazni in 2007. The renovation of Ghazni Training Centre is under the process and this training centre will start operations in of February 2008. The Laghman centre will be operational by the end of first quarter of 2008. Other centres will be planned early in 2008. Procurement of equipment and furniture for regional IARCSC offices and provincial training centres planned to be purchased in the

last quarter of the year were also postponed due to the lack of budget. This activity will also be undertaken in first quarter of 2008.

A number of planned activities to be conducted with the PCRCD, including the regular PCWG meetings, a national PC seminar, creation of the PC Network and Resource Centre and assessments and trainings for most provinces could not be held on time due to the leadership change from OAA to IDLG. Therefore, these activities have been re-planned for the first quarter of 2008.

3. Resource allocation

During 2007, approximately 82 percent of programme resources were spent on development activities and 18 percent was spent on management activities, including the creation of a project office and support team.

4. Cost-effective use of inputs

Given the heavy start up costs of ASGP, it is easy to assess how costs can be reduced in the future. Much of the project management equipment has been procured, although additional vehicles and equipment will be required as the programme expands into new areas. Many of the field initiatives have been primarily technical assistance oriented, such as the preparation of governors' office rules of procedure and the municipal revenue plans. As these activities are standardized and spread to new areas, the number of participating units (and beneficiaries) will increase significantly compared to the technical assistance costs. The Government counterpart costs, primarily in use of facilities and staff time, will also increase proportionally, which, in the main, will need to be covered by ASGP resources given the limited national operational budgets.

Based on the ASGP Project Document indicative plan and budget, Component two (Capacity Development) has been allocated the preponderance of the project financial resources. As a result of the model implementation arrangements agreed between UNDP and IARCSC under the Letter of Agreement, a significant proportion of these resources are being used to implement activities that have been designed and implemented by IARCSC Provincial Affairs Department (PAD). The collaborative arrangement established between ASGP and PAD will result in a substantial cost savings by ensuring that the level of international technical assistance is limited to that required to support national consultants and PAD staff to carry out their work in an effective manner and enabling the PAD to recruit field staff on government contracts (paid by ASGP).

ASGP supported its entire component on Provincial Councils (and the PCRCD) with one international and three national consultants. The international consultant designed and conducted several trainings and other interventions focused on PC needs, improving areas of PCRCD organizational assessment, capacity development, PCWG support, reporting requirements, and other activities.

The expenditures for the Faryab Special Initiative in 2007 were low. The team operated with one international advisor, one interpreter and three admin staff (drivers and a guard). The team established itself in government offices, and subsequently did not pay rent. Furthermore, the use of available funds was optimised by involving a variety of participants in the same activities, e.g. the participatory monitoring workshop involved PC members, district governors and line ministries' representatives.

III. Project results summary

Component One Policy Development

Output 1.1: Develop the capacity in MOI/IDLG to design and regulate a new sub-national governance framework.

Significant work on this output began in March with the arrival of the Senior PAR Advisor. Immediate work was started on assisting the Civil Affairs Branch of MOI to prepare a Strategic Plan in line with ANDS requirements. Based on this plan, capacity development initiatives and workshops for MOI (and later IDLG) were designed and implemented. A Reporting and Management Information System (MIS) were also drafted, and training of MIS officers was undertaken. ASGP assisted the IDLG in designing their organizational structure and in drafting staff's terms of references and job descriptions. A comprehensive Manual of Office Procedures for MOI/IDLG operations was drafted, based on a review of the existing procedures. This manual is now being assessed by IARCSC for use in other agencies of the Government.

ASGP supported a series of internal and international trainings for MOI/IDLG staff. Training programmes in the areas of public consultations, policy analysis, action planning and proposal development were delivered to the Mol and later IDLG officials. A Study Tour was organized by ASGP with close coordination of UNDP Thailand for MOI in order to introduce them to good practices in the areas of local governance, particularly the roles and functions of sub-national executive bodies and their relationship with the citizens and their representatives. The mission was composed of senior officials of MoF, Mol and OAA. Participants noted that they could see the effectiveness of e-governance, how a decentralized system works, and how power is delegated. They visited government offices in provinces, districts and villages and could see how the people were satisfied with the service delivery of the government. They were also able to witness people's participation in governance at the local level, how people are encouraged and can take part in improvements in service delivery as well as simply witness practices of good governance.

Immediately after its creation in September, ASGP assisted the IDLG to formulate its Strategic Framework. This was presented on 4th October 2007 at a conference of high ranking government officials, and representatives of donor agencies and foreign governments. ASGP furthermore supported the IDLG in development of the multi-year work plan designed to implement the Strategic Framework by working as a member of the IDLG Strategic Work Plan Development Team, which also includes TAF and the CDP of USAID.

Work on this output can be divided into three periods during 2007. From March to June, steady progress was achieved in organizing and delivering trainings oriented to improve the internal functioning of the Civil Affairs branch of MOI. However, from June to September, little progress was made as information had started coming in that a new office would be created for subnational administration, i.e. IDLG. Beginning in late September, after the creation of the IDLG, ASGP was again able to provide needed advice and technical assistance to help the new organization establish its organization and strategy. The focus has been on the development of systems, PRR of admin and finance staff and the reorganisation of IDLG. It is expected that future gains will be made at a steady pace now that this organizational shift has been completed

Output 1.2: Create a broad-based understanding of the current sub-national governance system.

Work on this output commenced in September when an international performance measurement advisor designed reporting system for IDLG, as requested by the Deputy Director for Policy. A daily reporting system was designed to provide information to the IDLG national office about the daily situation in the 34 provinces of Afghanistan. The system was designed after an assessment of the reporting mechanisms about provincial activities that were in place in IDLG. The daily report

format is now in use and ASGP will collaborate with UNDP Afghanistan Information Management Services project (AIMS) in early 2008 to transform it into a relational database capable of longitudinal analysis.

In November, Guidelines and Reporting Questionnaire for Field Testing Good Governance for Local Development (GOFORGOLD) were submitted to IDLG. The tool is designed around the 24 action areas in IDLG's Strategic Framework and grouped together according to principles of good governance. The idea behind the tool is to get the baselines on the state of governance at the sub-national level which will then be the basis for setting targets. The tool is designed to have "inter-changeable" parts that could be stand alone and data collected by the respective sub-national authority. This tool is likewise meant to demonstrate and introduce to both IDLG at the national level and to sub-national governments the concept of outcome-based monitoring and evaluation.

The idea behind the Monitoring and Reporting framework is that it will form the basis for restructuring the reporting formats that are currently being submitted by the provincial government. These reports are useful but are mostly qualitative and unstructured and therefore difficult to draw trends and conclusions about positive or negative changes that may be happening.

The Framework was translated and was prepared for field testing in Faryab Province at the beginning of 2008. Expansion of the system into other provinces will begin in February 2008. ASGP expects this output to progress well during the coming year as the IDLG Policy Director is fully supportive of the effort and the daily reporting system has already proven its value.

Output 1.3: Provide technical support to central agencies in development of rules and regulations on sub-national governance policy/PAR.

Beginning in May, mentoring of MOI/IDLG officials was undertaken by ASGP for the design, development and implementation of a comprehensive legal and institutional sub-national governance framework. ASGP prepared the structure and ToR for a Government-wide Policy Group as a first step towards development of the sub-national governance policy and institutional framework. ASGP provided assistance in the design and development of guidelines, code of practice, and monitoring and evaluation framework for national and sub-national multi-stakeholder consultations for use by the IDLG Policy Unit.

In June, ASGP drafted the benchmarks for Sub-national Governance and presented these to the JCMB Working Group on Sub National Governance. These benchmarks were discussed at several sessions and finally approved in December for adoption by the JCMB in 2008. The benchmarks were designed to ensure that national efforts and donor assistance for the development of sub-national governance policy and the laws that translate this policy into enforceable legal instruments are a coherent and coordinated enterprise. ASGP has carried out initial assessments of the current sub-national governance legal framework in Afghanistan. The results of these assessments will further facilitate identifying policy issues that should be addressed during the formulation of the proposed sub-national legal framework.

ASGP supported the ANDS in the development of ANDS Governance, Public Administration Reform and Human Rights Sector Strategy to be implemented during the period 2008-2013. ASGP facilitated and supported the adoption of JCMB Benchmarks on sub national governance. ASGP has created an enabling policy environment for development of sub national governance policy in Afghanistan.

Public policy design is a new subject for most Government of Afghanistan (GOA) officials. This lack of understanding and experience caused the MOI leadership to be overly cautious in their reaction to the ASGP proposals to prepare a revised institutional framework for sub-national governance. The capacity constraints were evident at both the individual and institutional level. No MOI official had received any previous training on public policy design or formulation and the organization was more accustomed to handling daily administrative duties.

The shift to IDLG has enabled the work to move at a faster pace during the final months of 2007. In December, clearance was obtained from the IDLG Policy Director to bring an international policy design specialist to Kabul to train senior officials of IDLG in the process of designing a subnational governance policy framework. Agreement was also reached on the formulation of a subnational policy group to be convened in January 2008.

Component Two Institutional and administrative capacities to manage basic services at the sub-national level strengthened

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

Together with IARCSC, ASGP assisted the MOI/IDLG throughout the year in rolling out the sub-national Public Administration Reform (PAR) process including preparing and submitting reports and responding to requests of the IARCSC and the Working Group on Public Administration Reform of the Joint Coordination and Monitoring Body (JCMB).

In order to accurately assess the needs for support, ASGP reviewed the Balkh Province sub-national level implementation of the Priority Reform and Restructuring (PRR)/PAR strategy in that pilot province. Based on the review, the following recommendations were made to the IARCSC:

- Strengthen IARCSC presence in the province;
- Raise awareness on sub-national governance and PRR/PAR among the stakeholders;
- Improve capacity development programmes of the Afghan Civil Service Institute and restructure the institutes according to the demand of government ministries and agencies, which demanded particular training;
- Undertake capacity development of district governors and staff;
- Strengthen communication networks and provision of advisory services to the governors and;
- Make all the rules, regulations, procedures and guidelines revised and drafted by the IARCSC available to the provincial offices.

Preparation of Procedural Rules and Manuals

A significant aspect of ASGP assistance under Output 2.1, the IARCSC and IDLG were provided with technical support for developing office procedures manual for District Governors’ offices. This was done with active participation of district and provincial level government institutions in Balkh (and later Faryab) province. This manual is based on roles and responsibilities under the new structure of the District Governors’ office and is designed to help the district level civil servants in performing their revised functions under the new structure.

In addition, the IARCSC was provided with technical support for developing a standardized office procedures manual for Provincial Governors’ offices with active participation of the Governor’s staff and the line departments of Balkh province. This manual has been designed to assist all provincial authorities to implement uniform administrative office procedures.

There was strong support of the Balkh Governor in developing these manuals. This support facilitated the active participation of all provincial organizations in the process. While developing the procedures manuals, technical support was provided to establish a Consultative Group and Review Committee in the Provincial Governor’s office to advice on and review the guidelines. This mechanism proved to be useful in reducing resistance to changes into the procedures and systems of the Governor’s office.

Developing the Capacity of Regional IARCSC offices

ASGP and the new IARCSC office, Provincial Affairs Department (PAD), collaborated to design a series of intervention aimed at developing the capacity of the Regional IARCSC offices. These activities were designed to be implemented by the PAD under the rules associated with the Letter of Agreement between UNDP and IARCSC. Part of this assistance enabled PAD to recruit staff for PAD to coordinate all the activities of this department with the regional offices and build communication of this department with its regional offices. In addition, ASGP support one liaison officer to be placed in each province to assist the PAD in its outreach efforts. IARCSC was also supported in organizing capacity development interventions for the provincial recruitment committees of the provinces in the North region. As the PAR is being rolled out in the provinces, the role of the provincial recruitment committees is critical in ensuring professionalism in merit based appointments for all lower grade positions.

The first IARCSC internal study tour was conducted in Balkh in October. IARCSC was assisted to organize an exposure visit of high ranking officials from eight provinces where the PAR had recently been initiated in their respective Governors' offices. This trip helped the newly reorganized provinces to gain a perspective on their future capacities once their reorganization was complete. It also helped Balkh to appreciate the progress it had made.

Monitoring and Evaluation

Based partly on the ASGP assessment of PRR results in Balkh, the IARCSC elected to seek assistance from ASGP to further develop the capacity of its Monitoring and Evaluation Department. ASGP provided a senior M&E specialist in Kabul and one to each IARCSC regional office to build an M&E network in all over the country. The provincial liaison officers will also support the IARCSC regional offices on the implementation, monitoring and evaluation of PAR program within their provinces.

As part of strengthening the Monitoring and Evaluation capacity of the IARCSC, a training course on Results-Based Monitoring and Evaluation was conducted. The training was for mid-level civil servants. As a result, there is now a cadre of IARCSC staff who can use RBM&E. This capacity will be further enhanced during 2008 to ensure that the IARCSC M&E team will be able to effectively use these skills in assessing progress on subnational administrative reform.

Capacity Development of PAR communication Unit

ASGP initially assigned two national technical assistance staff for six months to help the IARCSC Communications Department to gather information and prepare reports for the Commission's newsletter, *Islahat*. Later this assistance was revised, and ASGP supported IARCSC to add communications positions for each of its regional offices. These staff were still being recruited at the end of 2007.

The relationship between the IARCSC Provincial Affairs Department and ASGP is close and collaborative. ASGP has recognized its role in facilitating PAD to be able to implement the many plans and analyses that have been prepared by past international assistance projects. Work on this output slowed towards the end of 2007 because expected resources did not materialize. These funds were secured in December so the pace of implementation will speed up again in January.

The third in a series of provincial communication workshops took place in Balkh province on 26-27 December with the participation of 50 participants representing the Governor's office, Culture and Information Department, civil society, local print media, radio and TV. The head of Culture and Information Department opened the workshop, emphasizing the importance of sustained, comprehensive and objective communication for socio-economic development. The workshop discussed and approved the concept of a provincial communication committee. The participants would however study the proposal in details and will submit their comments/suggestions to the head of Culture and Information Department. The local media broadcasted interviews and a news item on the communication workshop.

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

ASGP worked with both the IARCSC Training and Development Department (TDD) and the Provincial Affairs Department in implementing activities under this output. In this regard, the creation of the PAD greatly improved the productivity of ASGP assistance in this critical area.

Provincial Training Center Support

The first activity implemented with IARCSC under the LOA was to continue the support to the Faryab Training Center that had been initiated by the Finnish Provincial Reconstruction Team (PRT). ASGP assisted the IARCSC to finance the trainers, maintain the Center operations and to upgrade the facilities. This training centre trained 85 civil servants during the first semester and the number of trainees in second training session is close to 80, even though ASGP has ended the practice of paying trainings to attend classes. The IARCSC team learned many lessons on how to manage a UNDP financed activity through their engagement in this effort.

ASGP agreed to establish five new training centers, one each at Khost, Farah, Nimrooz, Laghman and Ghazni provinces. The first training center's renovation was near completion at the end of 2007 and the next two centers will be fully operated and functioned by the first quarter of 2008. ASGP also agreed to provide one regional capacity development coordinator for each of the regional offices, these regional capacity development coordinators will help regional directors on the implementation of training programs based on TDD aims and objectives and also will coordinate all the capacity development programs within their region. In addition, these Coordinators will work on building a complete information base on all of the training activities being conducted in each province to facilitate IARCSC's role in capacity building oversight.

Training of Trainers

As ASGP worked with IARCSC in the management of the Faryab Training Center it became clear that there were serious lapses in the capacity of the trainers. When ASGP conducted the PRR assessment in Balkh Province, it became evident that these lacunae were not limited to Faryab. IARCSC then asked ASGP to assist in designing and financing a Training of Trainers' program to be conducted for all trainers in centers operated by IARCSC throughout the country. Three sessions were conducted for the management, computer and English trainers, respectively, with 14 trainers in each session, plus four.

Training Evaluation

Initially, ASGP employed an international consultant as advisor to the IARCSC Training Evaluation Unit. That assistance ended in August, however, a national consultant continues to provide technical assistance to the Unit. Thirty-two training programme evaluations have been conducted with this assistance (as opposed to two evaluations conducted prior to ASGP assistance). The training M&E process has been improved by revising the questionnaires, adding classroom observation and participant interviews to the process. The overall capacity of the M&E officers has been developed through training sessions, on the job coaching and technical feedback.

There remains a critical overlap between the roles and functions of the IARCSC Training and Development Department with that of the Civil Service Institute. The ASGP international Training Evaluation advisor spent considerable time building a consensus among the various UNDP, USAID and EC operated projects associated with the two entities. However, their joint proposal for merging the two entities has not been acted upon by the IARCSC. Given the extent of preparation by the PAD team, the preponderance of assistance to this output in the future will be through that department.

Output 2.3 Improve Management of public service delivery in participating provinces and municipalities

The activities undertaken in this Output can be divided into those aimed at developing capacity in provincial administrations, those focused on municipal management and the Faryab Special Initiative. During 2007, all work was focused in the provinces of the northern region.

Provincial Performance Improvement

Balkh is the first province in Afghanistan to undertake a mid-year review. This involved technical assistance from ASGP together with Adam Smith International (ASI) from May to October. The review aimed to obtain information on the status of implementation of the projects funded in the year 1386 core development budget and external budget and identify and analyze facilitating and constraining factors in the implementation of the Balkh PDP in terms of how it contributes to the expansion of the legal economy and the improvement in the delivery of public services.

The review involved meetings with the line departments or departments per sector, followed by one-on-one discussions with the departments and then convening of the Provincial Development Committee (PDC) sector sub-committees. The key findings of the sessions revealed that several departments had little or no information about their projects and budgets.

The process undertaken has been recorded and will be available for replication in other provinces in 2008. However, the reformed administrative structure in the Balkh Governor's office and several sectoral departments greatly facilitated this process. This will be more difficult to achieve in provinces that have not undergone reform of the provincial Governor's office. In addition, although the process generated a substantial amount of information on the nature of development activities being conducted in the province, there were a number of serious constraining factors that will inhibit the rapid replication of this process in other provinces. Of greatest importance is the highly centralized planning and budgeting process conducted at the national level combined with the lack of budget execution guidelines at the provincial level. Lack of detailed budget information coupled with serious delays in the release of the budget, particularly the core development budget lead agencies to spend much of the year without funds. Although the Governor would like to have greater supervisory control over line agencies, the lack of technical positions in the Office of the Governor, especially those dealing with infrastructure development make this infeasible at present. Finally, the lack of openness in communication and data-sharing among the provincial sectoral departments and between the provincial sectoral departments and their line ministries in Kabul diminishes the potential for field level collaboration.

Municipal Management

ASGP began to discuss the idea of a municipal mayors' seminar with MOI as early as January. However, MOI had not been accustomed to open dialogue and took a long time to get accustomed to the idea. The conference was finally held in July, focusing on the proposed revisions to the law on municipalities and regulations on municipal governance. The seminar provided the participants with a broader understanding of the dynamics, systems, and issues of municipal governance. ASGP has taken these issues and recommendations of the seminar and incorporated them into the municipal pilot action program.

A pilot action program was developed and launched in Mazar-i-Sharif and Maimana, the respective capitals of the provinces of Balkh and Faryab, initially focusing on revenue enhancement and service delivery improvement. Revenue improvement action planning (RIAP) workshops were subsequently conducted in the two cities involving participants from 20 municipalities from four provinces. Upon the request of other municipalities, during the fourth quarter the pilot action program was launched and the RIAP workshop conducted in the provinces of Sari Pul (Sari Pul Municipality), Samangan (Aibak Municipality), and Jawzjan (Sheberghan Municipality).

On service delivery, solid waste management was identified by the provinces and municipalities as the priority initiative. A situation analysis of the sector was conducted in Mazar-i-Sharif. A solid waste management improvement programme was launched in Mazar-i-Sharif and Maimana. Sector profiling was undertaken in Sari Pul, Aibak, and Sheberghan. Technical assistance and financial support were provided to the solid waste management commission in Mazar-i-Sharif in conducting a waste analysis and characterization study (WACS).

Preparatory steps leading to the implementation of priority reform and reconstruction/public administration reform (PRR/PAR) programme were completed in Mazar-i-Sharif. The lack of a clear municipal institutional framework, including the absence of criteria and guidelines for creating new municipalities, has led to the proliferation of municipalities, many of which have doubtful financial viability and capacity for service delivery.

Faryab Support Initiative

The Faryab Support Project implemented with the funds from the Royal Government of Norway (RGN) was structured as an integral part of the Afghanistan Sub-national Governance Programme (ASGP). The ASGP office in Maimana became fully operational in mid-July. Significant results were achieved during the second half of 2007 despite certain challenges related to a deteriorating security situation, personnel changes and lack of authority at the provincial and municipal levels, changes in the system of local governance administration at the central level and the establishment of the Independent Directorate of Local Governance.

The major results include:

- Faryab Provincial Governor's office restructuring and merit-based recruitment has been put on fast-track implementation with the IARCSC, which places Faryab in the top five provinces in the country at the advanced stage of PAR.
- All municipalities of the Province have been engaged by ASGP to undertake an assessment of their internal revenue collection and management. No other province has attempted this initiative so completely.
- A mechanism for communication and joint action between the Provincial Council and Provincial Administration has been agreed upon and the PC outreach programme launched.
- Knowledge and skills of PC members in Faryab have been upgraded through workshops and trainings in monitoring and evaluation, project development, communication, gender mainstreaming, and planning municipal revenues.
- The professional relationship established between ASGP and the key national agencies, IARCSC facilitated the prioritization of Faryab for PRR and enabled the acceptance of procedural rule modifications drafted by ASGP. It is important to note that no sustainable governance results can be achieved in Faryab without full support from central authorities.

Good working relationships have been established with local authorities at the provincial and district levels, as well as major international organizations and other national stakeholders. The professional relationship established between ASGP and the key national agencies, IARCSC facilitated the prioritization of Faryab for PRR and enabled the acceptance of procedural rule modifications drafted by ASGP. It is important to note that no sustainable governance results can be achieved in Faryab without full support from central authorities. The initial resistance evidenced by the new Presidential office, IDLG, to Faryab-specific activities has been replaced by recognition of the value of these pilot initiatives for replication in other provinces during the coming year.

The above outputs were achieved on schedule, with quality and with participation of beneficiaries as described in the previous sections. Due to the late start of the component, the dedicated budget could not be spent completely. ASGP requested that the use of funds be extended until 31 March 2008, and this requested was granted by the RGN.

The main implementation constraints included the following. Delays in recruitment of international staff contributed to the late start date of the initiative. Because of difficulties in transferring funds to Maimana the component operated without operational budget from July to August. The limited number of vehicles reduced the component's ability to reach out to locations outside Maimana. The precarious security situation in many parts of the province remained a constraint to fulfilling the projects outputs throughout the year. The lack of administrative authority and implementation commitment following the departure of both the Faryab Governor and Maimana also constrained the implementation.

Component Three Democratic Development

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

Although ASGP initiated work on this output in late 2006, still progress is less than expected. One of the key reasons is that ASGP is obligated to support the individual Councils through the central agencies authorized to provide for their support. During 2007, the agency with this authority changed twice, from the Ministry of Interior, to the Office of Administrative Affairs to the Independent Directorate of Local Governance. All indications are that IDLG will remain the relevant agency in 2008.

The first major assistance in 2007 for Provincial Council development was the convening of a national conference for Provincial Councillors in February. The conference focused on reports of two groups of Councillors who have gone on study tours to Indonesia and Philippines in December 2006. The reports reflected the lessons learned about how other unitary states in Asia are moving towards the strengthening of democratic governance institutions at the sub-national levels. The conference also reviewed the draft Rules of Procedure for operation of Provincial Councils. The conference members prepared a proposed work plan for capacity building support to be provided by government during this fiscal year.

A capacity development strategy for PCs was developed by ASGP consultants with OAA/IDLG and presented to the Provincial Councils Working Group (PCWG) for discussion. ASGP provided technical and financial support as well as facilitating workshops on Participatory Project Planning, Monitoring and Evaluation for Provincial Councillors and PDCs of Balkh and Maimana Provinces. The assistance provided was for the formulation of the PC's M&E guidelines covering: (1) M&E rationale, (2) activities to be monitored, (3) teams composition and team building process, (4) data collection methods, (5) analyzing and interpreting data, (6) reporting the findings, and (7) follow-up mechanisms. Based on the M&E guidelines, questionnaires were developed and an action plan was prepared by ASGP for the Northern region PCs for planning their M&E activities and to closely discuss their plans with ASGP North office. These guidelines are helping the PCs in undertaking their monitoring in a systematic manner. The outputs of the activity were: Proposed action plans and budget related to PC monitoring and evaluation functions and capability development, creation of committees to work with the provincial sectoral departments and building relationship and coordination with relevant authorities (key ministries, District governors and PDCs) on their relevant issues on provincial level.

ASGP assisted the Balkh and Faryab PC to formulate an M&E plan that will develop PC capacity to undertake consultations and monitor events to promote greater awareness on development projects being implemented in the province. ASGP is providing this assistance alongside the assistance provided to IDLG-PCRCD in the formulation of the PC monitoring and evaluation system.

A Planning, Proposal writing and M&E workshop for 10 PCs from Mazar, Faryab, Samangan, Saripul and Jawzjan and key ministry representatives and Mazar PDCs was conducted during December 2007.

A second round of study tours was organized for PC members to the Philippines and Indonesia in order to introduce to a larger number to functional local government processes, the relationship between the legislative and executive as well as how citizens participate in local government processes. They observed and exchanged experiences on the legislative systems and procedures, including coalition building and networking. The participants discussed the importance of close working relationships between the legislature and the other branches of government in the achievement of overall development objectives. The report of these study tours provided the PCRCD with guidance in building coalitions and network of PCs in Afghanistan.

Output 3:2: A platform to facilitate coalition building and networking among sub-national elected representatives created

The Working Group for Provincial Councils (PCWG) was established as a mechanism to facilitate the exchange of information, cooperation and common effort on matters pertaining to the Provincial Councils. This PCWG is composed of representatives from the government, (principally the Office of Administrative Affairs (OAA) of the Office of the President, the Ministry of Interior (MoI), IDLG-PCRCD, the Ministry of Parliamentary Affairs (MoPA), and the Meshrano Jirga), and the donor community (particularly those with support projects for the PCs or the sub-national administration.

IDLG was assisted to revitalize and strengthen the PC Working Group to serve as a forum to facilitate cooperation between donors, partners and the PCRCD office. The PCWG is composed of representatives from selected PCs in the country, Upper House of the Legislature, donors that are supporting the PCs, and the PC Relations and Coordination Department of MoI and OAA. The agenda of these meetings continued to focus on the review and finalization of the PC capacity development strategy and the PC Rules of Procedure. These Rules and Procedures provided the PCs with better understanding of their roles and responsibilities and on how to conduct their operations, especially in building coalitions and networking among themselves.

ASGP spent considerable time working with the PCRCD to develop their capacity to support the councils. Particular attention was paid to the creation of a PC networking platform which should be established in February 2008.

ASGP also organized and funded a UNDP Programme Officer to take part in a short-term training course on sub-national governance in Istanbul, Turkey to enable him to promote the concept of networking among PCs.

Output 3.3: Citizen Awareness and understanding of sub-national governance deepened

ASGP assisted the Balkh Province PCs to hold regular meetings to discuss the developments and problems of the people in the communities. For a better understanding by their constituents, the assemblies also include discussions and information sharing about on-going and future projects under its provincial development plan. The districts covered include Dehdadi, Shortepa, Khulm and Chemtal. In addition to increased citizen's awareness, these assemblies also resulted in positive relationships, interaction and coordination between sub-national governments (like district governors etc) and sectoral departments (ministries). After monitoring the projects, Councillors engaged the responsible provincial departments in discussions so they could understand the noted limitations in order that project performance matches more completely with their plans and the communities people are appreciative of the improvements.

These meetings are laying the foundations for organizing the association of local authorities for pursuing good governance and improving service delivery through: (1) information exchange, (2) consensus on measures of standards, and (3) advocacy for changes or improvements of policies and guidelines

ASGP is also exploring possible engagements with civil society or non-governmental organizations (NGOs/CSOs) for undertaking general civic education program to cover various aspects, such as

civic mindedness, political and community participating, good citizenship, gender equity, conflict resolution, and others. Procedural issues were addressed with UNDP and it is expected that these will be resolved in early 2008.

The limitation to ASGP support to the Councils is directly related to the nature of the office authorized to provide that support. The lack of management skills of PCRC D staff and an inappropriate understanding of their support role are the main challenge for ASGP. ASGP is supposed to deliver its activities through PCRC D regional coordinators who are, as yet, not capable to provide PCs with training or clear information on monitoring, reporting, organizational management and others. Therefore, much of 2008 will again be spent working with these regional coordinators so they can effectively deliver assistance in the provinces.

The PCWG meetings became increasingly irregular during the course of 2007, and after creation of IDLG it never met again. A national seminar was planned for late 2007 involving all the PC members, was also postponed to 2008. A planned study tour of provincial officials to Bosnia and Kosovo to study the operation of local government systems in post-conflict settings was also cancelled after IDLG took control of the PCs. The Rules of Procedure for Provincial Councils was drafted in early 2007. It was discussed in the last PCWG meeting in August, but remains to be signed by the President.

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

This output was originally expected to be implemented in 2008. During 2007, some preliminary explorations were made by ASGP with a number of CSOs/NGOs regarding the conduct of issue-based civic education program, which will initially consider the issue of land conflict. As the ASGP will build on the efforts of the pilot Rural Land Administration Project, the terms of reference was prepared for the assessment of the project to determine lessons and develop options for the expanded project under ASGP.

In addition, ASGP has decided to include Gender in its conflict-sensitive governance activities due to the significant potential for discord when gender initiatives are improperly designed or implemented. ASGP started its pilot gender awareness work in Mazar-e-Sharif where the first gender orientation workshop was conducted. In addition, two women PCs from the Daikundi Province were assisted to implement priority activities for their women constituents.

A third area of potential conflict in governance work is anti-corruption activities. ASGP supported and actively participated in the conduct of the Anti-corruption day on 7-9 Dec 07. This activity was financially supported by ASGP and other partners mentioned below and coordinated by ASGP. The proposed intervention consisted of a number of activities conducted in all five provinces of the North during December 2007. These activities took place in accordance with a standard action plan developed in cooperation with local actors, including provincial and municipal authorities, religious leaders, civil society, UNDP/ASGP, UNAMA, UNODC and other partners. The activities culminated in a provincial anti-corruption conference on 9 December and the establishment of a Provincial Anti-Corruption Steering Committee. These Committees are designed to renew the provincial focus on fight against corruption, develop local ownership of this process, engage all relevant actors, institutionalize and structure anti-corruption activities.

Component Four: Programme Management

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

Progress towards this output was insignificant during 2007. At the strong request of the government partners, UNDP engaged in a presentation on the general nature of UNDP rules for

Direct Implementation modality (DIM). However, it took until December before a reference could be found to a standardized methodology for developing the capacity of a government partner for National Implementation modality (NIM). There is a new global project managed by UNDP Headquarters that intends to develop methods and tools for capacity development in project management and procurement as one of its deliverables. The key tools now identified include:

Selecting an Implementing Partner
Capacity Assessment Practice Note
CSO Capacity Assessment Tool
Harmonized Approach to Cash Transfers to Implementing Partners (HACT)

A solid and comprehensive HACT macro and micro assessment is a key pre-requisite to determining the strategy to adopt for NIM. There is interest in Regional Centre in Bangkok to collaborate on this in 2008 and a support team from Bangkok has made contact with the UNDP Office staff in Kabul responsible for moving forward on HACT.

ASGP will maintain close contact with the Kabul Country Office and the Regional Bureau to ensure that this process towards this output moves ahead at a more acceptable pace in 2008.

IV. Implementation challenges

Project risks and actions

Impacts of Security Situation on Delivery

There are still many uncertainties in the security situation in the provinces hindering delivery of project assistance. The continuing situation of insecurity over the coming months may gravely impede programme implementation. Stabilization of the security situation in the country is beyond the control of ASGP. For instance, the planned activities to reach out to the Bilcheragh District in Faryab Province had to be rescheduled and the participants brought to Maimana.

Nevertheless, steps and initiatives have been taken to build the capacity of governmental institutions to undertake the activities in the field where it will not be possible for the project to operate directly. For instance, the UNDP and Independent Administrative Reform and Civil Service Commission (IARCSC) have signed a Letter of Agreement (LOA) that has enabled the project to provide resources to IARCSC in order to finance provincial reform activities through the regional civil service commission offices, including the management of provincial training centres. These implementation arrangements reduce the limitations to ASGP operations and enable ASGP to significantly expand its reach and boost GoA involvement and commitment at the sub-national level.

Lack of coordination on sub-national PAR implementation strategy

As the international community begins to influence the development of a sub-national governance policy, the potential exists for a plethora of approaches. ASGP is working as a part of a larger group supporting PAR at all levels of the country to ensure the direction is coherent among them all. In addition, frequent discussions have been held with major USAID projects operating at the sub-national level to coordinate efforts.

Potential lack of political will

Political will to implement a consistent policy on sub-national governance remains a risk. The creation of the IDLG under the Office of the President has mitigated this risk to some extent, however many stages in the policy/legislative process remain to unfold. In addition, previous policies on sub-national governance have been poorly implemented by a wide variety of countries that are in a far more stable political situation than Afghanistan.

Project issues and actions

Change in the Government Partners of ASGP

The Independent Directorate of Local Governance (IDLG) was established under a Presidential Decree issued on August 30, 2007. This new office has supervisory powers over the affairs of the governors and district governors and their offices as well as municipalities (except Kabul Municipality). The new office absorbed the Civil Administration Branch of the MOI and the PC Support Unit of the OAA, thereby transferring the responsibilities of the two Government entities to IDLG. The change in the government's management structure for sub-national governance required UNDP to prepare appropriate revisions in the ASGP management matrix in order to incorporate these changes.

Challenges to implementing PRR/PAR in the municipalities

The lack of a clear municipal institutional framework, including the absence of criteria and guidelines for creating new municipalities, has led to the proliferation of municipalities, many of which have doubtful financial viability and capacity for service delivery. Issues related to the municipal fiscal framework have been identified. These include the absence of a fiscal lifeline from the central to municipal governments and the constraints in adjusting property values as basis for Safayi Tax assessment. Existing revenue-administration methods leave ample opportunities for illegal assessment and collection. Responses to the foregoing issues planned for 2008 include designing and testing of a revenue administration system, preparation of issues and options papers on municipal institutional framework, and preparation of issues and options papers on municipal fiscal framework.

In addition, as the PRR/PAR process began to be implemented in the provinces, and some districts, the MOI and later IDLG recognized the need to initiate a similar process in the municipalities. However, financing of the PAR, which includes salary increments, is a major issue that needs to be resolved before discussions are opened with municipal officials. The staff of municipalities are not financed by the national government; therefore there has been no provision for salary increments or organizational restructuring under the agreed national PAR framework. ASGP facilitated a dialogue between MOI (and now IDLG) and IARCSC on this matter. ASGP is supporting an assessment of the potential cost implications with a detailed functional analysis of one municipality during the upcoming quarter.

V. Lessons learnt and next steps

Lessons learnt

This was the first year of a five year project. The first six months were spent in setting up the office, recruiting the national and international staff. Hence, the ASGP could not make any substantive headway in the first half of the year. In the second half, ASGP did influence the policy process and work process reform in a substantial manner. ASGP was instrumental in maintaining the momentum of the sub-national governance agenda and achieving complete coherence in the IDLG Strategic Framework and the ANDS Governance, Public Administration Reform and Human Rights Sector Strategy. There was a time during the year when the MoI was not keen to initiate the policy process and IDLG was yet to come into existence. ASGP utilized this time in supporting the drafting of the ANDS Governance, Public Administration Reform and Human Rights Sector Strategy. This was time well spent to ensure complete coherence in the sub-national governance agenda. The lesson learned is that the policy development is not a linear and a neat process. It is essential to be able to work through the uncertainties.

Working with partners such as the IARCSC or IDLG facilitates ASGP's ability to have a more comprehensive approach to its development efforts. However, it became evident during the

course of the year that constant and regular capacity development of ASGP's partners in government is an urgent requirement.

Close cooperation and coordination with the local authorities is a key to successful achievement of programme objectives. ASGP has established itself as a competent partner with provincial authorities, as well as the international community. When the project picks up again in 2008, many previous constraints to operations will be minimized given the sound relationships in place.

Coordination and partnership with other international organizations, particularly UN agencies, will result in more focused and effective interventions and allow optimal use of resources.

A regional approach to implementation of ASGP's activities, which envisages outreach to and impact on individual provinces through implementation of programmes (e.g. the municipal action plan, support to provincial development committees, etc.) in several locations simultaneously, proved to be a useful mechanism to compensate for the lack of own resources.

Quarterly planning proved to be an effective instrument for work organization, combining elements of strategic vision with time- and place-specific activities. Monthly plans will be introduced in January 2008.

As provincial and municipal activities increase in scope and number, they will, to a large extent, be based on strategies, plans and resources of the other components based in Kabul. Therefore, continuous exchange of information and timely support by the Kabul staff with their colleagues in the field locations will be a necessary condition for success.

Recommendations

During the second half of 2007, ASGP developed a number of management and administration systems' packages in the form of manuals. These manuals need now to be transformed into training modules so that these processes can be spread at a faster pace and primarily by IDLG and IARCSC personnel.

One priority action planned for the next year is supporting the development of sub-national governance policy. IDLG has prepared itself to initiate the policy development process. Nevertheless given very low capacity levels in the Government and outside the Government, and given the intense inter-ministerial rivalry and the uncertain commitment to giving the provinces, districts, municipalities and villages specific functions and authority and finance to carry out those functions; the ASGP must be prepared to work in the uncertain environment. ASGP must keep on developing the national capacities, supporting the policy process in a consistent manner.

To ensure that capacity development remains a constant element of the project's implementation, the advisory services will in 2008 be made available to governors by placing advisors to governors in regions throughout the country. Furthermore, methods and systems will be developed to ensure regular capacity development on systems and procedures.

More effort will be put forth to ensure that advice and lessons learnt during training sessions are utilized by those who have taken part in the training. The national staffs of our counterpart agencies, as well as national staff of ASGP need to have their own training plans so that they can get more individual level training.

UNDP will need to assist ASGP in developing a standardized national implementation capacity assessment and training package so as to speed the nationalization of ASGP.

Implementation rules and regulations related to the implementation of Task Order under the Letters of Agreement need to be further clarified to avoid a repeat of the many stumbling blocks encountered in 2007.

VI. Financial status and utilization

Financial status

Table 1: Contribution overview [2007]

DONOR NAME	CONTRIBUTIONS		CONTRIBUTIO N BALANCE
	Committed	Received	
UNDP	731,384	731,384	-
Norway	3,194,888	3,194,888	-
Canada/CIDA	862,068	862,068	-
Italy	374,531	374,531	-
TOTAL	5,162,871	5,162,871	-

Table 2: Funding status

DONOR NAME	RECEIVED*	EXPENDITURES			PROJECT BALANCE	EARMARKED**	AVAILABLE FUNDING as of 1 Jan of 2008	REMARKS
		2006	2007	TOTAL				
UNDP	731,384		730,986	730,986	398		-	
Canada/CIDA	862,068		779,378	779,378	82,690			
Italy	374,531		281,675	281,675	92,856		-	
Norway	3,194,888		3,050,013	3,050,013	144,875		-	-
CCF Loan(UNDP)			369,661	369,661	(369,661)			Loan to return in2008
SDC				-	-		1,700,000	-
TOTAL	5,162,871	-	5,211,713	5,211,713	(48,842)	-	1,700,000	-

Financial utilization

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

Activity	BUDGET [2007]	EXPENDITURES	BALANCE	DELIVERY (%)
Activity01, Support to Policy	712,125	924,885	(212,759)	130%
Activity02, Support to PAR	2,100,895	2,061,692	39,202	98%
Activity03, Support to Provincial councils	660,544	673,403	(12,859)	102%
Activity04, Project Management	879,041	852,623	26,419	97%
Activity05, Support to Faryab	500,061	411,364	88,697	82%
UNDP GMS (7%)	310,204	287,747	22,457	93%
Total	5,162,871	5,211,713	(48,842)	101%

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

Donor	Activity	Budget [2007]	Expenditure	BALANCE	Delivery Rate (%)	Remarks
UNDP	Activity01, Support to Policy	46,868	46,868	-	100%	Loan received from UNDP CCF fund
	Activity02, Support to PAR	117,594	117,594	-		
	Activity03, Support to Provincial councils	7,081	7,081	-		
	Activity04, Project Management	559,840	559,442	398		
	Activity05, Support to Faryab	-	-	-		
GMS [7 %]						
Subtotal UNDP		731,384	730,986	398		
CCF Loan	Activity01, Support to Policy		261,665	(261,665)	100%	Loan received from UNDP CCF fund
	Activity03, Support to Provincial councils		82,120	(82,120)		
GMS [7 %]		-	25,876	(25,876)		
Subtotal CCF Loan (UNDP core Fund)		-	369,661	(369,661)		
Norway	Activity01, Support to Policy	318,869	318,869	-	95%	
	Activity02, Support to PAR	1,634,673	1,603,702	30,971		
	Activity03, Support to Provincial councils	394,003	394,003	(0)		
	Activity04, Project Management	123,641	108,575	15,066		
	Activity05, Support to Faryab	500,061	411,364	88,697		
GMS [7 %]		223,642	213,501	10,141		
Subtotal Norway		3,194,888	3,050,013	144,876		
Italy	Activity01, Support to Policy	84,517	25,121	59,396	75%	
	Activity02, Support to PAR	12,210	12,210	-		
	Activity03, Support to Provincial councils	139,844	112,884	26,960		
	Activity04, Project Management	111,743	111,743	(0)		
	Activity05, Support to Faryab	-	-	-		
GMS [7 %]		26,217	19,717	6,500		
Subtotal Italy		374,531	281,675	92,856		
CIDA	Activity01, Support to PAR	261,872	255,948	5,924	90%	
	Activity02, Support to Provincial councils	336,418	336,418	-		
	Activity03, Project Management	119,616	71,629	47,987		
	Activity04, Support to Faryab	83,817	60,827	22,991		
	Activity05,	-	-	-		
GMS [7 %]		60,345	54,556	5,788		
Subtotal Canada/CIDA		862,068	779,378	82,690		
TOTAL		5,162,871	5,211,713	(48,842)	101%	