

## QUARTERLY PROJECT REPORT [Third Quarter 2007]

### United Nations Development Programme Afghanistan Afghanistan Sub-national Governance Project 01 January 2007 – 30 September 2007



Revenue Improvement Action Planning Workshop in Maimana, Faryab Province  
2 October 2007

**Project ID:** 00051486

**Duration:** 2006-2011

**Component (MYFF):** Goal 2, Service line 2.7 Public administration reform and anti-corruption

**Total Budget:** \$ 43,242,339

**Unfunded:** \$38, 182, 552

**Implementing Partners/Responsible parties:** Office of Administrative Affairs (OAA), Ministry of Interior (Mol), Independent Administrative Reform and Civil Service Commission (IARCSC), Independent Directorate for Local Governance (IDLG)

## *Table of Contents*

I.	IMPLEMENTATION PROGRESS.....	3
II.	PROJECT IMPLEMENTATION CHALLENGES.....	11
	UPDATED PROJECT RISKS AND ACTIONS.....	11
	UPDATED PROJECT ISSUES AND ACTIONS.....	11
III.	FINANCIAL STATUS AND UTILIZATION.....	13
	FINANCIAL STATUS.....	13
	FINANCIAL UTILIZATION.....	14

### Annexes

1.	Annual Work Plan.....	External Annex
2.	Presidential Decree.....	16

# I. IMPLEMENTATION PROGRESS<sup>1</sup>

With regard to the Annual Workplan, the following progress has been achieved.

**Output 1: Capacity in the Government of Afghanistan to prepare a revised institutional framework for sub-national governance is built.**

**Annual Targets/Deliverables: 1) The Ministry of Interior (MOI) is restructured to match the roles and functions required for appropriately managing sub-national governance, 2) a working relationship between MOI and research bodies generates studies useful for building understanding of sub-national policy agenda, and 3) a draft sub-national policy framework is created for discussion.**

**Activity 1.1: Develop the capacity in MOI to design and regulate a new sub-national governance framework.**

Capacity building programmes and workshops for MOI were designed and implemented. Intensive mentoring of MOI officials was also undertaken by ASGP for the design, development and implementation of a comprehensive legal and institutional sub-national governance framework. ASGP assisted the MOI in rolling out the sub-national Public Administration Reform (PAR) strategy, 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). Furthermore, in consultation with MOI and discussion with IARCSC, ASGP drafted the monitoring benchmarks for Sub-national Governance Strategy and submitted these through the MOI and IARCSC to ANDS for further action. ASGP also contracted a national consultant for the assessment of the current sub-national governance legal framework in Afghanistan for completion in the next quarter. The results of the assessment will further facilitate identifying policy issues which should be addressed in the formulation of the proposed sub-national legal framework.

A change occurred during the 3<sup>rd</sup> quarter in the management structure of sub-national governance through Presidential Decree establishing the Independent Directorate for Local Governance (IDLG). The decree transferred MOI and OAA policy and supervisory functions for sub-national governance to the Independent Directorate for Local Governance (IDLG), which is directly under the Office of the President. The decree, however, does not change ASGP's project design and support is now being provided to IDLG as the successor organization.

Prior to the creation of IDLG, ASGP assisted the MOI in formulating a revised sub-national strategic institutional and implementation framework. As part of the framework, the second stage of PRR for MOI Administration and Finance Directorate was implemented. Training programmes in the areas of action, planning and proposal development were formulated and initiated with the Director Generals of MOI.

Assistance was provided by ASGP 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 MOI Policy Unit. The structure and TOR for a national Policy Group were prepared as the first step towards development of the sub-national governance policy and institutional framework.

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<sup>1</sup> Reference to ASGP support to MOI and OAA are those activities undertaken during the quarter and prior to the creation of the IDLG on August 30, 2007 when the Civil Administration Branch of MOI and the PC Support Unit of OAA were transferred to IDLG.

The Policy Group did not meet, however, as the transition to the IDLG overtook these preparations. The Policy Group concept is under review by the IDLG.

Under the framework, MOI prepared five priority projects that would require external assistance. These included: (1) building a national communication network linking Governors' offices to the centre, (2) establishing a Reform Implementation and Management Unit (RIMU), (3) setting up a technical training institute, (4) providing advisory services to the governors, and (5) international exchange programmes. MOI was assisted in identifying and discussing areas of responsibilities of each director responsible for implementation of these projects. They were assisted in preparing implementation plans and guidelines, and drafting a letter of agreement with IARCSC to set up a RIMU.

In consultation with MOI senior officials, a comprehensive manual of office procedures for Afghanistan was drafted, 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. Likewise, in anticipation of the creation of the new IDLG office, wherein the Civil Administration part of the MOI will be absorbed, the MOI was assisted to redesign their organizational structure and to redraft staff's terms of reference and job descriptions, which were submitted to the OAA and IARCSC.

The strategic development framework, capacity building plan, action plans and guidelines and other initiatives undertaken prior to the creation of the IDLG are helpful in setting up the organization and operations of the new IDLG office.

ASGP provided technical and logistics support to the IDLG, after its creation, in the formulation of a sub-national governance strategic framework, to be presented in early October at a conference of high ranking government officials, representatives of donor agencies and foreign government representatives, and other partners and institutions. Furthermore, ASGP developed the job descriptions and terms of reference for the IDLG officers, which are being considered by the government for implementation. On behalf of IDLG, ASGP designed a series of internal and external trainings for Afghan sub-national governance policy makers. The aim of the training is for policy makers to enhance their skills in the processes of policy formulation, implementation and monitoring particularly for sub-national governance related matters.

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

ASGP furthermore supported the municipal mayors and provincial administrative officers in the three-day seminar, held in August at the Serena Hotel in Kabul, on the proposed revisions to the law on municipalities and regulations on municipal governance. The discussions covered: (1) problems of provincial and district municipalities; (2) consistencies of local and national regulations, ordinances and laws; (3) approaches for better and consistent law enforcement; (4) establishment of transparent, effective and accountable financial management system; (5) progress of and impediments in implementing administrative reforms, and (6) donor coordination at the municipal level. 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 actions further described under Activity 2.3 below.

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

ASGP reviewed the Balkh Province sub-national level implementation of the Priority Reform and Restructuring (PRR)/PAR strategy, which is part of the overall sub-national governance system, with a

focus on rolling out the process involving all the sectoral departments. Based on the review, the following were recommended to IARCSC: (1) strengthen IARCSC presence in the province; (2) raise awareness on sub-national governance and PRR/PAR among the stakeholders; (3) improve capacity building programmes of the Civil Service Institute<sup>2</sup> and restructure the institutes according to the demand; (4) undertake capacity building of district governors and staff; (5) strengthen communication networks and provision of advisory services to the governors; and (6) make available to the provincial offices all the rules, regulations, procedures and guidelines revised and drafted by the IARCSC. The IARCSC will be supported by ASGP in implementing these recommendations.

Based on the assessment, work has been initiated on rules, regulations and procedures for PAR implementation by IDLG, with technical guidance from IARCSC.

**Output 2: Institutional and administrative capacities to manage basic services at the sub-national level are strengthened.**

**Annual Targets/Deliverables: 1) Eight provinces are restructured and staff are recruited through merit based selection, 2) capacity of 500 sub-national staff are upgraded through participation in professionally designed training programs, and 3) Ten municipalities increase their revenue collection levels by at least ten percent.**

**Activity 2.1: Finalize a sub-national Public Administration Reform (PAR) strategy and strengthen participating Provincial Governor's Office, district administration and municipalities.**

As a pilot province in the implementation of the PRR/PAR process, ASGP coordinated with the Balkh provincial Governor's Office and the IARCSC Northern Regional Office in the documentation of the administrative practices and systems in the pilot Dehdadi district. The Governor's Office was assisted in establishing institutional mechanisms for improving office systems and procedures, and providing advice on policy issues. The mechanisms include the establishment of a Consultative Group for guiding first level consultations, and the Technical Review Committee for higher level consultations and policy advice. These mechanisms ensured that the systems, procedures and policy issues went through broad consultative process before they are submitted by the Provincial Governor to IDLG and IARCSC for approval.

ASGP also assisted in drafting the district governor's office procedures and in conducting district consultations about such procedures. The procedures include: (1) role and relationship with other institutions at the district and provincial levels, (2) meeting management, (3) internal management processes (annual work planning, performance evaluation, and inspections), (4) periodic reporting, and (5) office procedures (mail registry, monitoring of references, monitoring public grievances, record keeping, and maintenance of registers). The procedures, which will be further discussed at the provincial level, will systematize and strengthen the operations of the provincial, district and municipal governments.

ASGP and IARCSC designed a study tour for the Regional IARCSC Directors and staff of the Governors Offices from Faryab, Herat and Uruzgan as well as the central region which have undergone merit based appointments, to study the PAR process in the CSC pilot province of Balkh. This study tour,

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<sup>2</sup> UNDP's Civil Service Leadership Development Programme will over the next two year provide support to the operation and setup of the Afghan Civil Service Institute (CSI) in Kabul. ASGP and the CSLD projects have had a first initial meeting to discuss and identify potential collaboration and synergies between the two projects particularly at sub-national level, as CSLD's current support is limited to the CSI in Kabul.

which will be undertaken in November, will provide insights for rolling out the PAR process to other provinces.

ASGP is collaborating with the IARCSC Communications Department is to design and implement a coherent communication strategy for educating the public about PAR across the country. This is required because the IARCSC needs to reform all sub-national ministries of the PAR process and very few of the stakeholders within and outside the government are aware of what the reform process entails. The strategy is being designed and tested in Balkh and Faryab provinces.

**Activity 2.2: Upgrade skills and knowledge of civil servants to manage basic services.**

Five activities were agreed upon by ASGP with IARCSC to strengthen its capacity in ensuring upgraded basic services delivered by civil servants. These are: (1) Training of Trainers Courses, (2) Capacity Building for the Regional IARCSC Offices, (3) Internship Programme, (4) Building M&E Capacity and (5) Capacity Building and Establishment of Training Centres.

In association with the Training and Development Department of IARCSC, ASGP is providing assistance on improving the training of the sub-national training centres through upgrading the knowledge and skills of trainers who are based in the 14 provincial training centres around the country.

In cooperation with IARCSC, ASGP is now inviting interested and specialized international institutions to manage a series of fellowship programmes on public administration reform. Ten training courses are being designed to address job specific skills of sub-national government staff. This will complement the general training being conducted by the training centres.

Procurement of institutional services is underway for managing the internship programme that has been designed to broaden the practical experiences of recent Afghan university graduates by providing them with opportunities to work in IARCSC and provincial governor's offices in support of the sub-national merit based recruitment process as well as further training in English, Management and Computers.

The fourth activity involves placing M&E officers in all the regional IARCSC offices and at the same time strengthening the Central IARCSC M&E Department. This activity was developed by ASGP and the IARCSC Provincial Affairs Department, in cooperation of the IARCSC M&E Department. Recruitment is now on-going for ten senior and junior officers' positions. A supplementary activity is also being developed for the monitoring and evaluation of the training department to strengthen its human and resource capacities, including software to improve their ability to design relevant M&E tools.

The fifth activity focuses on the establishment five additional training centres across the country and the creation of more synergies among the existing centres by deploying Regional Capacity Building Coordinators in each of the IARCSC regional offices. Recruitment has started for the coordinators who will coordinate all training issues in their respective regions. The training centres will be located in the provinces of Ghazni, Laghman, Kunar and two other provinces which will be identified later. Agreements were made with the Governors of Ghazni, Laghman and Kunar to supply space for the training centres.

### **Activity 2.3: Improve management of public service delivery in participating provinces and municipalities.**

In consultation with the Balkh province and the Northern Regional IARCSC Office, the ASGP Northern Region Office conducted a workshop to assist selected government participants in the formulation of a strategic development framework. This is to strengthen ASGP assistance in the implementation of the Balkh Provincial Development Plan (PDP) for good governance towards improved service delivery. As a result of this workshop, ASGP formulated a design to assist Balkh in enriching its PDP in terms of clarifying their vision, strategic directions, prioritizing activities and projects, and monitoring and evaluating performance.

ASGP assisted officials in Balkh province to undertake a participatory mid-year performance review on the implementation of public service delivery initiatives under its five-year provincial development plan. It was noted that several departments had large information gaps on the details of their projects, such as responsible directorates for externally funded projects and modes of implementation. ASGP also supported the assessment conducted by the UNDP Afghanistan Information Management Services (AIMS) project covering the provinces of Balkh and Faryab in the area of human capacity, information systems and information technology infrastructure.

With ASGP support, a pilot action programme for strengthening municipalities has been launched in Mazar-i-Sharif of Balkh Province and Maimana Municipality of Faryab Province initially focusing on revenue enhancement and service delivery improvement. As part of the program, two revenue improvement action planning workshops were conducted in the two cities involving participants from 20 municipalities from four provinces. On service delivery, solid waste management was identified by the provinces and municipalities as the priority initiative, and an international expert is being hired to provide technical assistance in its implementation. The pilot action programme will serve as a learning mechanism for replicating the strategies in delivering other public services.

### **Output 3: A collaborative relationship between citizens and sub-national governing bodies is built**

**Annual Targets/Deliverables: 1) A professional training programme is designed and delivered to 200 provincial councillors, 2) A platform for peer support and capacity building functions is established in four regions, 3) A civic education package is designed and delivered in five provinces, and 4) a conflict-sensitive governance centre conducts research and provides training in two regions.**

### **Activity 3.1: Enhance the capacity of elected sub-national representative bodies to undertake their roles in citizen representation, public service monitoring and conflict resolution.**

Based on the Provincial Council (PC) Law mandating the PCs to monitor development activities and following the Participatory Planning, Monitoring and Evaluation seminar-workshop conducted in June for the Balkh PC, the ASGP Mazar-i-Sharif Office assisted the Balkh PC in formulating and implementing its participatory M&E Plan. The assistance was provided for the formulation of the PC's M&E guidelines covering: (1) M&E rationale, (2) activities to be monitored, (3) teams composition, (ensuring female participation) and team building process, (4) data collection methods, (5) analyzing and interpreting data, (6) reporting the findings (ensuring gender segregated data collection), and (7) follow-up mechanisms. Based on the guidelines, questionnaires were developed and a plan with budget was prepared by the PC with the guidance of ASGP. These guidelines are helping the PCs in undertaking their monitoring responsibilities in a systematic manner.

With ASGP support, the IDLG is formulating a PC M&E framework and improving the PC rules of procedures to incorporate provision on the PC M&E process. The experience of Balkh in preparing its PC M&E system is being used as a model for formulating the PC M&E process guide that translates the PC M&E framework into operational terms. This will be introduced to Faryab and Samangan provinces in the 4<sup>th</sup> Quarter. ASGP assistance is also being provided to the PC Support Unit of IDLG to undertake a baseline setting activity, which will serve as a guide in the development of capacity development programs in subsequent quarters. This work was initiated under the OAA when twenty provincial reports were prepared. The reorganization of the PC Support Unit into IDLG delayed the completion of this work until the 4<sup>th</sup> quarter.

**Activity 3.2: Create a platform to facilitate coalition building and networking among sub-national elected representatives.**

ASGP assisted in convening the PC Working Group (PCWG) for its regular meetings in July and August. The PCWG is composed of representatives from selected PCs in the country, Upper House of the Legislature, donors which are supporting the PCs, and the PC Relations and Coordination Department of OAA. With ASGP assistance, the PCWG is being strengthened to serve as a forum to facilitate cooperation and mobilization of resources and funds to support PCs as they perform their mandated functions and responsibilities. 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.

Ten PC members, including two were women, participated in a study tour in Indonesia, where they observed and exchanged experiences on representative systems and capacity building processes, including coalition building and networking. The participants learned the importance of building close working relationships between the representative and the other branches of government in the achievement of overall development objectives. The report on this study tour and reports of other study tours provided the PC Support Unit with guidance in building coalitions and network of PCs in Afghanistan.

Furthermore, in an effort to advance the sharing of experiences and good practices among PCs as a tool to facilitate learning, ASGP provided assistance to plan for the establishment of a PC networking and resource centre. A concept paper was prepared and is being reviewed by the IDLG.

**Activity 3.3: Deepen citizen Awareness and understanding of sub-national governance.**

ASGP assisted the Balkh Province in the conduct of regular district consultative sessions focusing on the progress and problems of their communities. For a better understanding by their constituents, the sessions also included discussions and information sharing about on-going and future projects under its provincial development plan. The districts covered included Dehdadi, Balkh, Shortepa, Khulm and Chemtal.

The conduct of these sessions provided background information for use in 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.

**Activity 3.4: Enhance the capacity to undertake conflict sensitive sub-national governance.**

The importance of land registration and management in conflict mitigation at the local level was raised as a focal issue for initiating work under this activity. The issue was discussed with the new

IDLG leadership and has been accepted into the IDLG Subnational Governance Strategic Framework. Discussions carried over into the 4<sup>th</sup> quarter when the approach will be more fully developed.

**Output 4: Capacity of GOA built by Management of ASGP to undertake full programme implementation responsibility.**

**Annual Target / Deliverables: A NEX capacity assessment will be conducted and a capacity building strategy will be outlined.**

**Activity 4.1: Establish capacity for national programme implementation within the life of the programme.**

A Central ASGP Committee of component coordinators was organized to ensure smooth transition of programme implementation from direct implementation modality (DIM) to national implementation (NIM) modality. The Committee composed of high level officials of the IARCSC, OAA, MOI, UNDP and ASGP formulated its Terms of Reference (TOR) as well as the TOR for a Capacity Assessment Consultant. National program counterparts, such as the MOI, also prepared a number of projects for national implementation, under a proposed LOA with ASGP. The MOI staff were trained on preparation of action plans for implementing the civil administration strategy, including capacity building programme on project planning, implementation and monitoring.

The implementation of the Letter of Agreement between UNDP and IARCSC, with its system of collaboratively designed, budgeted and implemented Task Orders serves as the backbone of the project management capacity building programme. This process will be adopted for use with the IDLG beginning in the 4<sup>th</sup> quarter of 2007 to enable Government counterparts to have the opportunity to learn the procedures of project planning and implementation required to undertake a transition to a NIM modality by late 2008.

**Activity 4.2: Conduct National Implementation Capacity assessment of GoA systems and ASGP implementing partners.**

Although, important steps were taken towards enhancing the capacity of the ASGP government partners as explained under activity 4.1, the national implementation capacity assessment will not be implemented because standard methodology needs to be worked out. UNDP is presently undertaking this task so that the assessment and identified training programme can be initiated in 2008.

## **Output 5: Capacity of the Faryab Governor's office, Provincial Council and Faryab Municipality enhanced for better public service delivery**

### **Activity 5.1: Build capacity in Faryab Governor's Office to manage increasingly better public service delivery<sup>3</sup>.**

With ASGP assistance, the framework for restructuring the Faryab Provincial Administration was approved and initiated. ASGP supported the launching of the PRR process in Faryab, which started with advertising of four senior posts in the Governor's Office. Following the closure of the application period in August, all applications were sent to IARCSC.

Under a task order with IARCSC, ASGP is providing continuing support to the Faryab Training Centre with funding from the Royal Government of Norway. During the first semester, eighty civil servants (including twenty-three women) were trained at the provincial training centre in basic/introductory programme, and preparations for the second semester are underway to train 120 civil servants during the remainder of the year.

ASGP conducted field assessments of ten of its thirteen Faryab districts and municipalities to formulate strategies for increasing their efficiency in the delivery of services, and reporting the findings to the Governor's Office and IARCSC. ASGP initiated the collection of information for the preparation of its Provincial Development Plan (PDP) and the planned provincial web-site. AIMS was contracted to conduct an assessment of information management systems in the Governor's Office and in a number of line departments in Faryab and Andkhoy district. ASGP also supported the new Provincial Director of Economy in planning and managing activities of the PC and sectoral committees.

An evaluation of technical needs and revenue generation capacity of Maimana was undertaken for use in planning and designing its Pilot Municipal Action Programme on service delivery. A four-day workshop on revenue improvement was conducted with the active participation of all thirteen municipalities of Faryab. As a result of the workshop, a draft Revenue Improvement Action Plan was developed for Maimana municipality. ASGP also provided assistance in developing a mechanism for donor coordination, which subsequently led to a provincial donor meeting.

### **Activity 5.2: Support elected representative bodies in Faryab Province to implement their functions in a professional manner.**

ASGP supported the PC in instituting a monthly planning system, and in developing and implementing a district and village outreach programme. An interaction mechanism between the PC and the provincial administration was developed and agreed upon with all major local stakeholders to be implemented in the next coming quarter. The PC was also provided logistics and technical assistance support in the conduct of field visits and public meetings.

### **Activity 5.3: Manage the Faryab operations in an effective and efficient manner.**

The ASGP Office in Faryab is operational under the supervision of an International Institutional and Development Advisor. Good working relationships have been established with local authorities at the provincial and district levels, as well as major international organizations and other national

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<sup>3</sup> A portion of Norway's fund has been earmarked for Faryab province. Owing to a difference in methodologies between that of the UNDP Annual Workplaning and the Financial Management Systems, Output 5 has been added and the activities 4,3, 4,4 and 4,5 of the Annual Workplan have been changed to Activity 5.1, 5.2 and 5.3 in this report to provide a report on Faryab Operations consistent with the AWP.

stakeholders. ASGP continued to provide technical and logistics support to the provincial training centre. ASGP also installed a back-up power supply system and internet connection for the Governor's Office and the provincial training centre.

### **Gender Mainstreaming:**

Given the cultural difficulties of ensuring active participation of women in Afghanistan, particularly at the sub-national level, UNDP/ASGP is endeavouring to provide opportunities for both women and men through a process of 'gender mainstreaming.' During the quarter, ASGP reviewed its plans to assess whether gender considerations were embedded in all project outputs and activities. Recognizing that much work would be necessary to claim full support for gender equality in its programme activities, ASGP volunteered to be part of the new UNDP Gender Mainstreaming Project in UNDP Afghanistan. This project has been designed to assist selected projects, including ASGP, to build a practical promotion of gender awareness into their project design and implementation. ASGP has recorded the level of female participation in project activities, but incorporation of gender mainstreaming principles and practices will help ASGP to enhance its capacity to address this important issue.

Finally, while supporting the establishment of the IDLG and the development of the Strategic Framework of the IDLG, female participation in all Afghan sub-national governance institutions, including elected and appointed bodies and the civil service, has been categorized as one of the key results formulated in the framework. ASGP will be in a position to directly support the IDLG in creating an enabling environment for progress towards achievement of the Millennium Development Goal number 3: "*Promote gender equality and empower women*", by being equipped to function as strong advocate for gender equality at the sub-national level.

## **II. PROJECT IMPLEMENTATION CHALLENGES**

### *Updated project risks and actions*

#### **Security Situation Impacts Delivery of Assistance**

There are still uncertainties in the security situation in the provinces hindering delivery of project assistance. For instance, the planned activities under Output 5, to reach out to the Bilcheragh District in Faryab Province will need to be rescheduled or the participants brought to Maimana. This is because of the UNDSS advisory that travel to and through the district is suspended till further notice. Hence, strategies are being developed and mechanisms will be identified for alternative modes of providing project support and assistance – for instance through subcontracting- these will take into account the possibility of similar situations happening in the other seven provinces, which are planned for rolling out the project.

### *Updated 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 (Annex 1). This new office will supervise the affairs of the governors and district governors and their offices as well as municipalities (except Kabul Municipality). The office has 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 new office will be the key

institution for establishing harmonious and effective working relationships among various sub-national governments and national agencies in-charge of promoting sub-national governance. The change in the government's management structure for sub-national governance does not have an effect on the ASGP in terms of its programmatic objectives; however, ASGP Senior Management has conducted a series of meetings with the new officials to determine any modifications needed in the management structure of the ASGP. Further, this change has resulted in delayed implementation of some planned activities in the AWP as the new leadership of IDLG has outlined other important priorities. This has been discussed and there is now better appreciation of the earlier planned activities e.g. piloting of some activities in Faryab province. However, their implementation must still await the approval of a multi-year implementation framework and a workplan for 2008.

#### **Financing the Rolling out the PRR/PAR process to municipalities**

As the PRR/PAR process began to be implemented in the provinces, and some districts, the MOI recognized the need to initiate a similar process in the municipalities. However, financing of the PRR, 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 PRR framework. During the current quarter, ASGP facilitated a dialogue between MOI and IARCSC and a plan was made to initiate an assessment of the potential cost implications with a detailed functional analysis of one municipality during the 4<sup>th</sup> quarter. This matter was raised with IDLG after its creation and the analysis will be provided to that office.

### III. FINANCIAL STATUS AND UTILIZATION:

#### *Financial Status*

- On 20 December 2006, Royal Government of Norway provided a grant of \$3,194,888.
- On 23 January 2007, UNDP approved a budget for 2007 of \$3,694,888, combining the Norwegian funding together with \$500,000 from UNDP.
- Additional contribution from Italy (US \$374,532) was provided in February 2007.
- Canada/CIDA contributed an amount of US \$862,069 in April 2007.
- UNDP committed an additional amount of USD 128,300 on 28-Aug-07.
- A project budget revision incorporating the CIDA, Government of Italy and UNDP additional funding has been finalized and approved by UNDP financial system.
- Between July and September 2007, ASGP expended \$ 2,279,348. The overall project expenditure from 01-Jan-07 to 30-Sep-07 is USD 3,851,977.
- Dutch and EC have pledged the amounts of Euros 1,000,000 and 5,000,000 respectively.
- Expenditures included national and international staff salaries, operational cost of ASGP offices, international study tours, workshops, trainings, purchase of equipment, furniture and supporting training centre in Faryab.

**Table 1: Contribution [ Nov 2006- Dec 2011]**

DONOR NAME	CONTRIBUTIONS		CONTRIBUTION BALANCE
	Committed	Received	
UNDP	628,300	628,300	-
Norway	3,194,888	3,194,888	-
Italy	374,532	374,532	-
Canada	862,069	862,069	-
<b>TOTAL US \$</b>	<b>5,059,789</b>	<b>5,059,789</b>	<b>0</b>

## Financial Utilization

**Table 2: Quarterly Expenditure by Activity [1 Jan – 30 September 2007]**

Activity	Budget	Q1 Expenditures	Q2 Expenditures	Q3 Expenditures	Total	Balance	Delivery Rate
Activity 1: Support to Policy	717,669	-	159,579	335,984	495,563	222,106	69%
Activity 2: Support to PAR	1,988,456	225,293	363,760	1,017,350	1,606,404	382,052	81%
Activity 3: Support to PC	708,482	183,630	287,670	117,349	588,650	119,833	83%
Activity 4: Project Management	792,518	105,898	95,319	475,061	676,278	116,240	85%
Activity 5: Faryab support	542,458	3,260	62,523	184,734	250,517	291,941	46%
GMS 7% for None-core and 0% for UNDP	310,204	23,208	62,490	148,869	234,566	75,638	76%
<b>Total</b>	<b>5,059,787</b>	<b>541,290</b>	<b>1,031,340</b>	<b>2,279,348</b>	<b>3,851,977</b>	<b>1,207,810</b>	<b>76%</b>

Note: Out of \$ 5,059,788 , a total amount of US \$ 628,300 belongs to Core Fund which has no GMS cost.

**Table 3: Quarterly Expenditure by Donor [01-Jan – 30-September 2007]**

DONORS	Description (as per approved budget)	2007 Budget	Q1 Jan-March	Q2 April-June	Q3 July-Sep	Total (Jan -Sept 07)	BALANCE as of 30/09/07	DELIVERY RATE%
UNDP	Activity01 Support to Policy	-	-	-	-	-	-	80%
	Activity02 Support to PAR	113,300	-	851	79,569	80,420	32,880	
	Activity03 Support to Provincial councils	-	138,239	68,170	(206,409)	-	-	
	Activity04 Project Management	515,000	71,508	69,612	279,494	420,613	94,387	
	Activity05 Support to Faryab	-	-	-	-	-	-	
GMS 7% (No GMS for Core-Fund)		-	-	-	-	-	-	
<b>Subtotal DONOR I</b>		<b>628,300</b>	<b>209,747</b>	<b>138,632</b>	<b>152,654</b>	<b>501,033</b>	<b>127,267</b>	
Norway	Activity01 Support to Policy	222,917	-	94,319	106,772	201,091	21,827	77%
	Activity02 Support to PAR	1,668,557	225,293	362,910	731,741	1,319,944	348,613	
	Activity03 Support to Provincial councils	410,441	44,012	149,781	201,660	395,454	14,987	
	Activity04 Project Management	126,873	34,051	24,692	67,931	126,673	200	
	Activity05 Support to Faryab	542,458	3,260	62,523	184,734	250,517	291,941	
GMS 7%		223,642	23,079	52,253	97,310	172,643	51,000	
<b>Subtotal DONOR II</b>		<b>3,194,888</b>	<b>329,695</b>	<b>746,478</b>	<b>1,390,148</b>	<b>2,466,321</b>	<b>728,567</b>	
Italy	Activity01 Support to Policy	98,573	-	-	97,050	97,050	1,523	65%
	Activity02 Support to PAR	-	-	-	-	-	-	
	Activity03 Support to Provincial councils	157,994	1,379	69,719	43,600	114,698	43,296	
	Activity04 Project Management	91,747	340	1,015	85,325	86,680	5,068	
	Activity05 Support to Faryab	-	-	-	-	-	-	
GMS 7%		26,217	129	5,324	17,009	22,462	3,755	
<b>Subtotal DONOR III</b>		<b>374,531</b>	<b>1,848</b>	<b>76,058</b>	<b>242,984</b>	<b>320,890</b>	<b>53,641</b>	
CIDA	Activity01 Support to Policy	396,179	-	65,260	132,162	197,422	198,757	57%
	Activity02 Support to PAR	206,599	-	-	206,040	206,040	559	
	Activity03 Support to Provincial councils	140,048	-	-	78,498	78,498	61,550	
	Activity04 Project Management	58,898	-	-	42,312	42,312	16,586	
	Activity05 Support to Faryab	-	-	-	-	-	-	
GMS 7%		60,345	-	4,912	34,549	39,461	20,883	
<b>Subtotal DONOR IV</b>		<b>862,068</b>	<b>-</b>	<b>70,172</b>	<b>493,561</b>	<b>563,733</b>	<b>298,335</b>	
<b>Grand Total</b>		<b>5,059,787</b>	<b>541,290</b>	<b>1,031,340</b>	<b>2,279,348</b>	<b>3,851,977</b>	<b>1,207,810</b>	<b>76%</b>

## **ANNEX I**

Annual Workplan – separate attachment

## **ANNEX II**

**Decree No: 73**

**Date: 30 – 08 – 2007**

**Subject: Establishment of the Independent Department of Local Administrations**

Pursuant to Article 142 of the constitution, for the purpose of better management and facilities in the provincial and district affairs, the establishment of the Independent Department of Local Administrations is approved as a first budgetary unit in the framework of the President Office of Afghanistan.

- The new office will supervise the affairs related to the governors and district governors and their offices as well as the municipalities (except Kabul Municipality) and will report to the President's Office regarding performance.
- The Tashkil and budget of the Civil Administration Branch of MOI, excluding MOI ID Department, should be separated from MOI and be integrated in the Tashkil and budget of the new office.
- The Tashkil and budget of the PC Support Unit of OAA should also be separated from OAA and be integrated in the Tashkil and budget of the new office.
- The Ministries of Finance, Interior, CSC and OAA should make the Tashkil and budget of the new office with respect to the grade of its chairman which is out of the grade as well as the over grades positions for the policy & coordination and Finance & Admin Deputies. The budget for the two deputy offices should be arranged from the previous approved budget of MOI.
- The current staff in the grades one and lower than that of the Civil Administration Branch of MOI should be hired in the equivalent grades with maintaining of their PRR rights and incentives in the structure of new office.
- Ministry of Justice and other relevant authorities should bring the necessary amendments in the articles of some laws which need to be changed based on the establishment of the new office.

Hamid Karzai  
President of Afghanistan

Article No. (142): The government establishes the new offices and institutions for the purpose of fulfilment of the provisions and ensuring the values of this constitution