



United Nations Development Programme
Afghanistan
National Area-Based Development Programme
[01-04-2008 – 30-06-2008]

Quarterly Project Report - 2nd Quarter, 2008



District Development Assembly members working with NABDP staff to design a District Development Plan in Argo district, Badakhshan Province.

Project ID: 11020 (NEX), 11012 (DEX) 11025 (Infrastructure rehabilitation)
Duration: Phase II (February 2006 – January 2009)
Component
Total Budget: USD 164m
Unfunded: USD 29m
Implementing Partners/Responsible parties: MRRD, UNDP

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I. Implementation progress

Community Empowerment

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

(1.1) Establish and capacity build District Development Assemblies (DDAs), based on CDCs and other Community representatives

Six DDAs were established in the second quarter of 2008, in Kabul, Jawzjan and Badakhshan provinces. Five of these DDAs were mixed, meaning that men and women share an equal proportion of representation in the DDA forum. Women played an active role in the establishment of these mixed DDAs and their contribution ensured that their priorities were taken into account in the formulation of District Development Plans (DDPs). The all-male DDA established in Kuja Wa Menjan district of Badakhshan has a women's sub-group to allow women to express their views.

The success of female participation in DDA establishment has been followed up by capacity building. In this quarter, the training teams of the Community Empowerment Capacity Building Unit (CBU) carried out Module 1 training for DDAs in Nangarhar, Faryab, Badakhshan, Helmand, Kandahar, Balkh and Kunar provinces. In addition, three sub-committees comprising of finance, procurement and project management, were established in each of the DDAs who had been given capacity building training. Of the current DDA training modules, Module 1 covers governance, conflict resolution and gender equity, Module 2 features participatory project implementation and management, and Module 3 deals with financial management. Additional specialized training will be developed based on DDA needs, and following the approval of a grant for community disaster preparedness from BCPR, a module on disaster management is under preparation for at-risk communities.

(1.2) Establish working relations between and among DDAs, district authorities to facilitate identification of common needs and priorities; and

(1.3) Establish working relations between and among DDAs (representing communities) and PDCs (representing line ministries of the government)

Initially, DDA cross-learning exercises were envisioned in the AWP as an avenue for knowledge-building and advocating for the needs of communities at the PDC level, in partnership with the Ministry of Economy (MoE). However, in January 2008, MRRD decided that the PDCs would no longer be supported, since the support of each sectoral member of the PDC is accomplished by their respective ministry.

(1.4) Community participation in identification of economic development priorities (DDP)

Six DDPs were formulated in the second quarter of the year by the newly-established DDAs. In addition, the Community Empowerment unit edited, translated and finalized a further 21 DDPs from Bamyan and Kandahar provinces, which are being uploaded to the NABDP website through which the DDPs have been made accessible to the general public.

(1.6) Updating of DDPs where funding for project implementation is available.

All finalized DDPs have been re-checked to ensure that they are engendered according to the DDA/DDP Operational Guidelines by the DDP Publishing Team.

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

(2.4) Development of participatory planning manual

The NABDP “Operational Guidelines for Implementation of NABDP Projects” have been completely updated and engendered and the document is currently awaiting approval from the Programme Manager.

(2.5) Updated/engendered DDA/P Operational Guidelines and development of data base management information system

The updating and engendering of the DDA/P Operational Guidelines has been completed by the NABDP Gender Advisor and is awaiting final edits. The Community Empowerment team maintains a DDA/DDP database which is under continual development.

Implementation Support

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

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

Although the Institutional Development unit has taken the lead in PCM assessment within the Ministry, the Implementation Support unit has completed the “Operational Guidelines for Implementation of NABDP projects”, which takes into account Programme Cycle Management principles. The document clearly lays out roles, responsibilities and accountability for the whole project cycle, and is currently awaiting final approval.

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

At the provincial and regional levels, NABDP has tasked the Provincial Rural Development Advisors (PRDAs) and Regional Managers to represent the programme in Provincial Development Council (PDC) meetings. Within these meetings, the ministry representatives, namely the provincial directors, set the priorities under the leadership of provincial governors. Coordination is also done with other relevant programmes as the National Solidarity Programme (NSP), Provincial Reconstruction Team (PRT) programmes, Disarmament of Illegal Armed Groups (DIAG), Education Quality Improvement Programme (EQUIP), Basic Package of Health Services (BPHS), and others at both the central and provincial levels.

(3.6) Support the establishment and development of Technical Support Units to support PRRDs and project implementation

All six Technical Support Units (TSUs), in Kabul, Mazar-i-Sharif, Jalalabad, Kunduz, Paktia and Kandahar, were established by the end of 2007. However, NABDP continues to support the development of TSUs through technical and project management training and by the provision of engineering and computer equipment.

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

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

The ‘Kandahar Approach’ of community-based project selection, design and implementation is being extended to other provinces across the south to allow rapid development in areas thought previously too insecure to work in. Currently, 137 projects are underway in Kandahar, while in

Helmand province, 1482 projects have been requested through the DDAs, of which 17 have been completed in the last quarter, 48 are ongoing and 56 have just been contracted. Similarly, 38 projects are currently underway in Uruzgan and another 22 are about to begin. Much of the work of the Implementation Support unit in the last quarter has been on identifying projects for the Japanese-funded Border Provinces Stabilization project, with 158 projects selected for implementation in Kandahar, Ghazni, Kunar, Nangarhar, Paktia, Nimruz and Badakhshan. Nationally, 371 infrastructure projects have been completed in Phase II and 352 are currently ongoing.

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

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

Regular interactions occurred with the donors and supporters of NABDP, including CIDA, USAID, DFID, Japan, Belgium, Norway, the Netherlands and UNDP through reports and negotiations. All of our donors have indicated their willingness to continue their support through the coming year. A new funding of US\$15 million from the Government of Japan for 'Strengthening Human Security and Stabilization in Border Provinces' was received, and consultations continue with our other donors on future funding opportunities.

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

The NABDP DIAG unit regularly consults with the overall DIAG Joint Secretariat. It also cooperates with ANBP to provide development projects in districts which have disarmed, and is currently assisting the Ministry of Interior to set up an in-house DIAG unit. In the area of alternative livelihoods, the NABDP CNTF unit implements projects in cooperation with the CNTF secretariat and the Ministry of Counter Narcotics. A proposal for a second phase of the CIDA-funded Integrated Alternative Livelihoods Project – Kandahar IALP-K project has been completed in cooperation with the Ministry of Agriculture, Irrigation and Livestock and the Ministry of Education and is currently awaiting donor approval.

(4.6) Coordinate, determine and execute implementation arrangements among all relevant partners and stakeholders including economic regeneration, rural energy, DIAG and other comprehensive rural development projects

At the national level, NABDP cooperates with other MRRD programmes such as NSP, NRAP and Water, Sanitation and Irrigation Programme WATSIP, and with Ministries such as Counter-Narcotics, Public Works, Economy and Agriculture, Irrigation and Livestock. At the regional and provincial levels, regular meetings took place with PRTs, donor funded programs and governors.

Economic Regeneration

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

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

Efforts are ongoing to support AIRD in securing funding based on the 2008 work plan. Proposals have been presented to the Government of Japan for a new AIRD building and technical assistance.

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

Seven organizations submitted a total of 17 proposals for rural Small and Medium Enterprise (SME) implementation support in Balkh, Herat and Bamyan, based on the business plans completed in the 1st quarter of 2008. The proposals were technically evaluated by a team approved by the Deputy Minister of Programmes. Ten proposals qualified technically for which financial proposals were opened in the presence of bidding organization. Based on a combined technical and financial evaluation, five proposals were approved, two proposals rejected, and three were put to further negotiation. The contracts for implementation have so far been signed with Cooperation Center for Afghanistan (CCA) for potato storage in Bamyan, Hand in Hand (HIH) for almond and melon production in Balkh, and Sanayee Development Organization (SDO) for carpet cutting in Balkh and saffron production in Herat. Project implementation for the above was initiated from 20th June. Negotiations are continuing with International Rescue Committee (IRC) and Ghazni Rural Support Programme (GRSP) to finalize their contracts.

Furthermore, as part of the Stabilization of Border Provinces Project, the Economic Regeneration (ER) component has completed planning for the support to rural Small and Medium Enterprise (SME) development in the seven targeted provinces. With the support of MRRD's Afghanistan Rural Enterprise Development (AREDP), ER will survey the provinces to identify potential SMEs. Business Development Specialists (BDS) will identify the need for technical and financial interventions, and provide grants to the most promising SMEs and assist them with planning and promoting business development.

(2.3) Policy feedback and ongoing review of national level Afghan Rural Enterprise Development Programme (AREDP) and policy framework

The Economic Regeneration unit has been working closely on AREDP's strategy and approach through stakeholder meetings involving donors, relevant government Ministries and NGOs active in the field of SME development. Through this work, the World Bank has recently approved AREDP's concept paper and the development of the Programme is in progress.

ER is collaborating with AREDP to support Small and Medium Enterprises (SMEs) as part of the Border Provinces project, which entails using Business Development Specialists (BDS) to identify and support promising SME business plans through grants and technical input and trainings. The AREDP will also receive input from the ongoing SME support pilot projects in Balkh, Bamyan and Herat. The lessons learnt from these pilot projects will provide useful input developing future strategies for AREDP's support to SMEs in Afghanistan.

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

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

The MRRD Balkh Sheep Bank Livelihood improvement project has been in operation for the last two years. The project was initially supported by Belgium and implemented by MRRD and Mae Fae Lung (MFL) Foundation of Thailand. An MoU was prepared between MRRD/NABDP and MFL Foundation on the Balkh Sheep Bank project, which aims to generate income for poor and landless rural residents through providing them with sheep, the offspring of which are returned to the Sheep Bank as a form of payment for veterinary fees. A full proposal has been prepared by the MFL Foundation to continue and expand the Programme to value added income generating activities (IGA) and SME enterprises. The proposal will be submitted to possible donors along with NABDP Economic Regeneration activities.

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

SMEs, each requiring a maximum total investment of \$100,000 in Balkh, Bamyan, and Herat, are being established by the private sector. These SMEs will be financed based on the co-financing principle. Private individuals will commit for initial contribution, and part of these funds will be arranged by them from Banks. Seed money will be available as grants, up to a maximum of 50% of the investment funds, from donors (NABDP/UNDP/MRRD). The funding from donors will be used as seed money for the technical support, training and machinery, for business plans implementation local private entrepreneurs in all three provinces.

Institutional Development

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

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

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

The Institutional Development (ID) unit has continued to support the MRRD Strategic Advisory Team, which provides advice to the Minister on the restructuring of MRRD departments and programmes. As part of this work, the ID unit is assessing MRRD's human resource allocations to ensure that each department has a sufficient number of staff with the appropriate skills. A project charter for this work has been approved by H.E. Minister. The ID unit has also developed a draft concept note on the Afghan Internship Programme for the office of the Deputy Minister.

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

ID unit staff continue to review the PCM process of several of the Ministry's Departments, including HR, Rural Infrastructure Technical Service (RITS), Community-Led Development Department (CLDD), and the Rural Livelihoods & Energy Department (RLED). One National Institutional Development Advisor was assigned to assess each department. However, for the future, the Deputy Minister for Programmes has requested that the ID department change focus from central MRRD departments to the provincial and district level.

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

Regional Managers and PRDAs continue to represent NABDP in PDCs and maintain good working relationships with other development actors. In addition, the ID unit has begun a process of institutional analysis of the provincial development delivery mechanisms, with a particular focus on the role of DDAs.

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

Project Cycle Management (PCM) training workshops were conducted for PRRD staff in the Western, Southern, Eastern, Northern and Northeastern regions.

(3.8) Support establishing an effective and accessible Management Information System (MIS) for collating, maintaining and managing up-to-date information on key aspects and activities of MRRD's organization & programs

NABDP's new Monitoring and Results Reporting Department has taken over responsibility for MIS. A new MIS staff member is being recruited in conjunction with the MRRD MIS department to act as a focal point for all NABDP information gathering, management and archiving.

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

Although a decision was made by NABDP management last year to end NABDP's direct support to PDCs following the ANDS Sub-National Consultation, the ID unit has continued to work with AIMS on the Afghanistan Assets and Profile Management System, which acts as a PDC database. The first version of the database has been completed and reviewed by the Ministry of Economy, and IDLG and ASGP have agreed to provide support to the provincial roll-out of the system.

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

The ID unit has participated in the two Working Groups on Capacity Building and Research chaired by AIRD, and is working jointly with AIRD and the Minister's office on the MRRD Capacity Building policy document. Furthermore, members of the Capacity Building department also accompany ID staff to PRRD trainings to observe instructional techniques and allow practical 'on-the-job' training.

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

Although funding is currently unavailable for the provision of physical resources, the provision of professional development courses is continuing. Courses in reporting skills and professional writing and in personal development have been successfully piloted by NABDP in this quarter, and may be run again for MRRD staff in the next quarter. As the NABDP Capacity Building policy has now been finalized, the process of selecting staff for training programmes and educational courses has begun.

DIAG

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

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

In addition to the canal cleaning project and basic health clinic already completed, the DIAG component is currently implementing or preparing 43 projects in 43 districts. 10 have just been announced, 7 are currently under construction, 13 are in the survey or design stages 11 are pending due to DIAG operational or procedural reasons. The projects include schools, clinics, roads, gabion walls and wells.

DIAG Project Status	21 Jun	19 May	31 Mar
Completed	2	2	1
Construction	7	7	7
Announced	10	10	0
Announced soon (procurement)	0	0	8
Estimation	3	1	2
Design	7	5	5
Survey	2	4	4

Survey planned	0	2	3
Identified	1	2	0
Pending due to operational problems	3	3	3
Pending due to other reasons	8	7	4
Total	43	43	37

CNTF

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

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

Five projects – two bridges, one water reservoir, one retaining wall and one road – are currently ongoing. Due to issues of security, design revisions and flooding, five projects have been temporarily suspended. Four further projects have been contracted and are in the preparatory stage.

On 16 June 2008, the CNTF Management Board approved a further \$19 million in funding for MRRD projects in 14 provinces which have reduced levels of opium production. \$10 million of this has been allocated to NABDP for labour-intensive infrastructure projects in ten provinces. A full budget, work plan and project list is currently being worked on for immediate implementation.

WatSan (Belgium)

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

Work on the final 36 wells in Ghor provinces is ongoing and expected to be completed by August 2008. A joint team from WatSan, MRRD Procurement and MRRD M&E visited the completed wells in Daykundi to assess work quality and found that the wells had not been dug to the required width. The MRRD's Conflict Resolution Committee is dealing with the issue. For various reasons, a monitoring mission to Ghor province has been delayed, but a MRRD joint M&E & Water, Sanitation and Irrigation Programme (WATSIP) team is currently in the province to approve and hand over the wells.

Hard Component of the project:

S.No	Location		Planned Activities			Up to date Completed Activities			Progress % age
	Province	District	Wells	Pipe Scheme	Stand Posts	Wells	Pipe Scheme	Stand Posts	
1	Daykundi	Neli, Sharistan, Sang Takht Bandar	72	0	0	72	0	0	Completed
2		Khidar and Geti	44	0	0	100	0	0	Completed
4	Ghor	Lal Sarjantal ^{wa}	100	0	0	60	0	0	Agreed with WatSan to Cancel the contract*
5		Chigchiran,	111	0	0	75	0	0	67.57%

		Murghab and Qurullah							complete project ongoing
6		Pasaband-Dolaina, Chighchiran, Qara allahyar	90	0	0	90	0	0	Completed

Soft Component of the Project

S. No	Project Location		Planned Activities		Up to date Completed Activities		Progress % age
	Province	District	Latrines	Hygiene Education (Person)	Latrines	Hygiene Education	
1	Daykundi	Neli, Sharistan, Sang Takht Bandar, Khidar and Geti	363	63,525	Contract Canceled with the Contractor		
2	Ghor	Lal wa Sarjantal, Chighchiran, Murghab, Qurullah, Pasaband-Dolaina, Chighchiran, Qara allahyar	375	65,625	375	65,625	100

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

14 out of 165 well projects contracted have yet to be completed. Unexpectedly hard rock strata in Kapisa has meant that the contractor is unlikely to complete three of the remaining wells. In Maidan Wardak, the remaining wells are 60% complete and should be finished within 6 weeks.

Progress Achieved against Outputs/ Deliverables:

No	Project Location		Planned Activities of the Project				Well Status		Progress (%)
	Province	District	Wells	Pipe Scheme	Water Reservoir	Stand Post	Completed	Ongoing	
1	Maidan-Wardak	Maid-Shar	8				8	0	100%

2	Maidan-Wardak	Maid-Shar	16				8	8	50%
2	Kabul	Zere Kotal		1	1	36	36	0	100%
4	Kabul	Khorasan		1	1	30	30	0	100%
	Kabul	Istalif		1	1	10	10	0	100%
5	Dai - Kundi	Nili	9				9	0	100%
6	Maidan-Wardak	Maid-Shar		1		149	150	0	100%
7	Logar	M.Agha	18				18	0	100%
8	Logar	Pul Alam	32				32	0	100%
9	Logar	Baraki Barak	37				37	0	100%
10	Kapisa	Kohistan (II)	24				21	2	91%
11	Kapisa	Kohistan (I)	9				7	1	88%
12	Kapisa	Nejrab	12				9	3	75%

Energy For Rural Development in Afghanistan (ERDA)

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

(2.6) Clarify policies and strategies on rural energy development (Energy for Rural Development in Afghanistan (ERDA))

ERDA is a new sub-component of NABDP which aims to demonstrate an innovative approach to development of rural energy in Afghanistan, as well as contributing to the development of rural energy policy and help build up capacity at different levels. ERDA has completed Detailed Project Reports for two Micro Hydropower projects in Bamyan province, one of which will be implemented immediately with NABDP resources. ERDA has also carried out detailed studies of 4 microhydro projects in Badakhshan province, two of which will be developed as part of the Border Provinces Project. Pre-feasibility studies have been carried out for other pilot energy projects in Kabul, Parwan, Badakhshan, Bamyan and Baghlan provinces, and work is ongoing on plans for 100 biogas plants in Nangarhar province. In order to obtain funding for further energy projects, ERDA supported UNDP in preparation of a proposal to the Government of the Republic of Korea for support to rural energy systems over an 18-month period.

In addition, ERDA has proposed seven micro hydropower projects to the Inter-Ministerial Coordination Committee (IMCCH) on Hydropower for development with Asian Development Bank (ADB) / Japan Fund for Poverty Reduction (JFPR) funding. As per the decisions of the Inter-Ministerial Coordination Committee for Hydropower (IMCCH), ERDA carried out pre-feasibility study and reviewed detailed study report of a 750 kW project in Bamyan prepared by Indian Embassy and Aga Khan Development Network AKDN. Similarly, ERDA carried out a reconnaissance survey for a 500kW hydropower project in Khash district of Badakhshan province. IMCCH has authorized MRRD to implement both of these projects. ERDA already prepared and submitted a TOR for detailed studies.

At the policy level, ERDA is supporting Rural Enterprise and Energy Department (REED) of MRRD to plan for the development of rural energy in Afghanistan and formulate necessary policies. ERDA staff also supported MRRD in the preparation of a Five-Year Rural Energy Plan.

II. Project implementation challenges

Updated project risks and actions

Community Empowerment

The security situation was problematic in Kandahar, Kunar and Helmand provinces, and our staff were unable to travel safely to district centers to hold DDA trainings. Order to overcome this, DDA members traveled to provincial centers and safe areas of their own districts to participate in trainings.

The deployment of DDA training teams to Nimruz, Helmand and Uruzgan is proving problematic due to the difficulties in arranging air transport to the two provinces. As there are no commercial flights to these provinces, if flights cannot be arranged, the CE Capacity Building Unit will be unable to fulfill the targets set out in the Annual Work Plan.

Implementation Support

Poor security remains a problem across Afghanistan, particularly in the southern provinces of Kandahar and Helmand, where some districts are now inaccessible to MRRD staff. As a result, project progress has been slowed in some cases and proper monitoring is difficult, particularly in Helmand. Security problems are also delaying project surveys in Ghazni province.

DDAs and CDCs continue to provide effective project security and the new Monitoring and Results Reporting unit of NABDP is investigating the possibilities of greater community-based monitoring. If operations in certain districts prove impossible, funding may be shifted to other more accessible districts if the donor approves.

Economic Regeneration

The component encountered no significant risks during the reporting period.

Institutional Development

The component encountered no significant risks during the reporting period.

DIAG

Several projects have been identified for DIAG development funds which are above the approved funding ceiling, and so these have been put on hold. A more strategic discussion on this matter needs to take place, led by the MRRD with support from NABDP. Discussions are continuing between NABDP, Afghanistan New Beginnings Programme (ANBP) and the Joint Secretariat about responsibility for project identification and ensuring a strong technical process at this stage. In the meantime, a list of projects which can go ahead immediately has been compiled, and in future PRRD staff will accompany the Joint Secretariat on project identification field missions. Issues raised from the field are delays in procurement process which also needs to be addressed in consultation with MRRD.

CNTF

One project in the Balabuluk district of Farah province is 60% complete but has been suspended since last year due to poor security. Discussions are ongoing as to how the project can be re-started.

Watsan (Belgium)

Lack of staff and transportation difficulties meant that there was a long delay in sending a team to Ghor province to monitor and handover the wells. The wells in Daykundi province were completed to a different size than specified, and following the intervention of the MRRD Conflict Resolution Committee, the matter has been referred to H.E. Minister for a final decision.

Watsan (USAID)

The contractor for Kapisa has encountered unexpectedly hard rock strata while drilling and may be unable to complete the wells on time. As USAID has not granted a no-cost extension, the matter will be referred to the MRRD Conflict Resolution Committee if necessary.

ERDA

The component experienced no major risks in this quarter.

Updated project issues and actions

Community Empowerment

The problem of shortage of space and lack of internet access has been solved by renting of a new, larger building, which now accommodates the Community Empowerment and Institutional Development.

A recent field mission to assess two NABDP Facilitating Partner (FP) organizations – BRAC and IRC – in establishing and training DDAs in Kunar and Nangarhar provinces found that some of their work was not up to the required standards. Requests by the FPs for no-cost extensions have been turned down and discussions on how some of the work can be re-done, including the re-writing of DDPs, are ongoing.

Implementation Support

The low capacity of contractors is a continuing problem for effective project work. The poor quality of the ongoing Abulkhizria School project in Balkh is an example of this, and MRRD has asked Balkh PRRD to investigate the matter.

A further problem with contractors is that, lacking a budget of their own, they often depend on payment instalments from MRRD to continue working on projects. These instalments can take a great deal of time to process, which leads to major delays. This problem has been particularly notable in Helmand and Faryab provinces. The MRRD Deputy Minister for Administration and Finance has instructed the relevant department to modify their procedures in order to speed up the payment process.

Lack of sufficient staff is causing problems for project identification and survey in Ghazni province, which has only one engineer assigned to deal with the 50 infrastructure projects planned for the province.

Economic Regeneration

Two of the SME implementation support proposals were temporarily put on hold. The IRC proposals for Cashmere and Silk production in Herat included a significantly higher amount of international expert input than appropriate, resulting in an unreasonably high final budget. Through negotiations between ER and IRC, a revised proposal has been designed which has been referred to the Evaluation Committee for a decision.

The Ghazni Rural Support Programme (GRS) proposal was put on hold due to arithmetic errors in the proposal which affected the budget. GRS has presented a revised proposal which is being considered by the valuation Committee.

Institutional Development

The ID unit currently lacks an administrative assistant. As a result, financial and administrative tasks have to be carried out by the National Institutional Development Advisors, reducing the amount of time they can spend on capacity building activities.

DIAG

The lack of technical staff and capacity in MRRD's Rural Infrastructure Technical Service (RITS) unit has been a major factor in delaying the progress of DIAG development projects, as the survey, design and procurement stages are currently takes from three to ten months to complete. In order to speed up this process, four new engineers have been recruited for the RITS unit, to focus exclusively on DIAG projects. The engineers are currently in training and will begin work very shortly.

CNTF

Delays have continued on the Nahresaraj Intake Construction project in Helmand. The contractor completed the channel excavations in early April but a revision of the design is required as the project scope is greater than expected. Once RITS completes project revision and re-estimation, a formal request for more funds will be submitted to CNTF.

ERDA

Apart from a limited amount of UNDP support for initial setup, ERDA does not have any donor funding allocated directly to it, which makes long-term planning difficult. Funding for micro-hydro and biogas projects has been given from the Border Provinces Project, and a proposal has been submitted to the Government of the Republic of Korea for funding. However, if additional funding is not granted soon, it will be difficult to begin infrastructure projects before the onset of winter.

Overall Programme Risks and Issues

Security

The generally deteriorating security situation has hampered the operations of several NABDP components, especially in the southern region. The recent upsurge in insurgent activity there has meant that NABDP staff have had difficulty in working in districts such as Kakaji in Helmand and Argandab in Kandahar. Security agreements and community contracting with DDAs have allowed NABDP to work in many areas previously thought too insecure for development work, but in extreme cases project funds may have to be re-allocated to other, more secure areas.

Monitoring and Evaluation

The Mid-term Review Report highlighted weaknesses in monitoring and evaluation, and noted that a dedicated Monitoring and Results Reporting Unit had just been set up to improve NABDP's capacity in this regard. Previously, NABDP has relied on MRRD's M&E unit and PRRD staff to carry out monitoring. The new unit has recruited and is currently training three project monitors, and is also preparing a monitoring manual. In addition, a training module on monitoring for DDAs is being developed to promote effective monitoring of community-contracted projects.

Future Plans

Phase II of NABDP ends in December 2008, and preliminary planning is underway for Phase III. NABDP, MRRD and UNDP staff have begun discussions on the future structure and role of the programme, taking into account the recommendations of the Mid-term Review Report as well as

MRRD and UNDP strategic plans. As securing the support of donors is obviously vital to the future of NABDP, donors will be invited to attend and contribute to future planning sessions for Phase III.

III. Financial status and utilization

Financial status

Table 1 – Contribution Overview (February 2002 – December 2008)

Donor	Contributions		Contribution Balance
	Committed	Received	
UNDP	3,989,381	3,989,381	-
UNHCR	4,574,496	4,345,296	229,200
Japan DIAG	15,000,000	15,000,000	-
Belgium	17,904,509	15,714,963	2,189,546
CIDA	25,160,816	25,160,816	-
CIDA ANDS	1,434,000	1,000,000	434,000
CIDA 08 bridging fund	5,112,474	5,112,474	-
Italy	5,767,087	5,767,087	-
Japan	27,284,864	27,284,864	-
Japan 08 Border provinces	15,000,000	-	15,000,000
Holand	7,100,000	3,209,109	3,890,891
Norway	6,280,099	3,575,014	2,705,085
DFID	10,309,278	5,154,639	5,154,639
UK	1,562,500	1,562,500	-
USA	18,165,309	18,165,309	-
Total	164,644,814	135,041,453	29,603,361

Financial utilization

Table 2
National Area Based Development Programs (NABDP)

Quarterly Expenditure by Activities (1st Jan 08 - 30th Jun 08)

ACTIVITY	BUDGET 2008	1st QTR (Jan-Mar-08)	2nd QTR (Apr-Jun-08)	Total Expenditures	BALANCE	DELIVERY (%)
ACTIVITY16 Economic Regeneration	984,958	149,127	106,837	255,964	728,994	26%
ACTIVITY17 Institutional Development	4,515,008	1,086,198	930,214	2,016,412	2,498,596	45%
ACTIVITY18 Immediately Recovery Projects	17,237,728	1,841,890	3,151,810	4,993,700	12,244,028	29%
ACTIVITY19 Programme Management	1,877,303	282,767	383,278	666,045	1,211,258	35%
ACTIVITY20 Community Empowerment	2,313,963	246,818	319,933	566,751	1,747,212	24%
ACTIVITY21 IALP Programme	7,682,367	553,474	1,981,307	2,534,781	5,147,586	33%
ACTIVITY22 DIAG Programme	1,859,125	209,456	56,903	266,359	1,592,766	14%
ACTIVITY23 Energy for Rural Dev. of Afg.	436,000	46,649	70,391	117,040	318,960	27%
ACTIVITY5 UNHCR Water Supply	180,899	70,633	-	70,633	110,266	39%
ACTIVITY7 USAID Water Supply	725,135	153,528	132,983	286,511	438,624	40%
ACTIVITY1 Programme Management DEX	487,400	157,821	-	157,821	329,579	32%
GMS	2,206,985	244,701	398,661	643,362	1,563,624	29%
Total	40,506,872	5,043,062	7,532,317	12,575,379	27,931,493	31%

Table 3
National Area Based Development Programs (NABDP)

Quarterly Expenditure by Donors (1st Jan 08 – 30th Jun 08)

Donor	Activity	Budget 2008	1st QTR-2008	2nd QTR-2008	Total Expenditures	Balance	Delivery Rate
UNDP	Energy for Rural Dev. of Afg.	400,000	46,649	70,391	117,040	282,960	
	Programme Management (DEX)	100,000	-		-	100,000	
Sub Total (UNDP)		500,000	46,649	70,391	117,040	382,960	23%
UNHCR	UNHCR Water Supply	180,899	70,633		70,633	110,266	
	GMS* 5%	9,521	3,718	-	3,718	5,803	
Sub Total (UNHCR)		190,420	74,351	-	74,351	116,069	39%
DIAG	DIAG Programme	1,859,125	209,456	56,903	266,359	1,592,766	
	GMS* 5%	97,849	11,024	2,995	14,019	83,830	
Sub Total (Japan DIAG)		1,956,974	220,480	59,898	280,377	1,676,596	14%
BELGIUM	Institutional Development	1,629,646	512,147	260,874	773,021	856,625	
	Immediately Recovery Projects	3,437,878	369,613	187,544	557,157	2,880,721	
	Programme Management (NEX)	598,803	96,122	142,990	239,112	359,691	
	Community Empowerment	299,849	3,100		3,100	296,749	
	Programme Management (DEX)	316,000	134,677		134,677	181,323	
	GMS* 3%	194,294	34,505	18,291	52,796	141,498	

Sub Total (Belgium)		6,476,470	1,150,164	609,699		1,759,863	4,716,607	27%
CIDA	Economic Regeneration	144,000	-	10,446		10,446	133,554	
	Institutional Development	801,800	20,658	342,829		363,487	438,313	
	Immediately Recovery Projects	2,250,000	336,405	159,028		495,433	1,754,567	
	Programme Management (NEX)	286,200	15,125	53,731		68,856	217,344	
	Community Empowerment	60,000	-	-		-	60,000	
	IALP Programme	6,427,267	254,987	1,684,119		1,939,106	4,488,161	
	Energy for Rural Dev. of Afg.	36,000				-	36,000	
	Programme Management (DEX)	-	-			-	-	
	GMS* 5% & 7%	633,622	41,435	131,243		172,677	460,945	
Sub Total (CIDA)		10,638,889	668,610	2,381,396		3,050,005	7,588,884	29%
JAPAN	Economic Regeneration	764,775	144,543	96,391		240,934	523,841	
	Institutional Development	46,400	16,038		-	16,038	30,362	
	Immediately Recovery Projects	4,000,000	914,500	1,757,456		2,671,956	1,328,044	
	Programme Management (NEX)	70,000	63,879	2,151		66,030	3,970	
	Community Empowerment	165,000	68,050	100,925		168,975	(3,975)	
	IALP Programme	292,598	46,947	18,595		65,542	227,056	
	Programme Management (DEX)	-	-			-	-	
	GMS* 5%	280,988	65,998	103,975		169,972	111,016	
Sub Total (Japan)						3,399,447		60%

		5,619,762	1,319,955	2,079,493		2,220,314	
HOLAND	Economic Regeneration	-	-	-	-	-	
	Institutional Development	194,400	22,012	-	22,012	172,388	
	Immediately Recovery Projects	2,513,850	63,924	434,356	498,280	2,015,570	
	Programme Management (NEX)	144,500	-	38,145	38,145	106,355	
	Community Empowerment	319,700	-	-	-	319,700	
	Programme Management (DEX)	-	-	-	-	-	
	GMS* 7%	238,787	6,468	35,565	42,033	196,754	
Sub Total (Holand)		3,411,237	92,404	508,066	600,470	2,810,767	18%
NORWAY	Economic Regeneration	12,000	-	-	-	12,000	
	Institutional Development	493,577	203,270	23,899	227,169	266,408	
	Immediately Recovery Projects	2,500,000	157,448	564,946	722,394	1,777,606	
	Programme Management (NEX)	453,200	-	94,491	94,491	358,709	
	Community Empowerment	843,268	22,636	187,662	210,298	632,970	
	Programme Management (DEX)	33,600	-	-	-	33,600	
	GMS* 5% & 7%	312,289	21,368	55,845	77,213	235,076	
Sub Total (Norway)		4,647,934	404,722	926,843	1,331,565	3,316,369	29%
DFID	Economic Regeneration	64,183	4,584	-	4,584	59,599	
	Institutional Development	1,349,185	312,073	302,612	614,685	734,500	
	Immediately Recovery Projects	2,536,000	-	48,480	48,480	2,487,520	

	Programme Management (NEX)	324,600	107,641	51,770	159,411	165,189	
	Community Empowerment	400,000	20,573		20,573	379,427	
	Programme Management (DEX)	37,800	23,145		23,145	14,655	
	GMS* 7%	354,649	35,227	30,323	65,550	289,099	
Sub Total (Dfid)		5,066,417	503,242	433,185	936,427	4,129,990	18%
USA	Community Empowerment	226,146	132,459	31,346	163,805	62,341	
	IALP Programme	962,502	251,540	278,593	530,133	432,369	
	Programme Management (DEX)	-	-		-	-	
	USAID Water Supply	725,135	153,528	132,983	286,511	438,624	
	GMS* 5% & 3%	84,987	24,959	20,425	45,384	39,603	
Sub Total (USA)		1,998,770	562,486	463,347	1,025,833	972,937	51%
Grand Total		40,506,872	5,043,062	7,532,317	12,575,379	27,931,493	31%

Annexes

ANNEX I. PROGRESS SUMMARY BY DONOR

DONOR NAME: UNDP

I. Contribution Summary

	Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	2002-2006 Disbursements	2007 Disbursed (USD)	2008 Disbursed (USD)	Balance	Contract End Date
A	Unearmarked	Phase II		1,253,982	-	1,224,432		29,550	Balance Refunded back
		Phase II (2008)		100,000				100,000	for this year
	Total Unearmarked		-	1,353,982	-	1,224,432	-	129,550	
B	Earmarked	Phase II (2008)		400,000		-	117,040	282,960	for ERDA
	Total earmarked			400,000	-	-	117,040	282,960	
	TOTAL			1,553,982	-	1,224,432	117,040	382,960	

II. Implementation Progress Supported by UNDP during the Reporting Period

A. Earmarked

1. COMPONENT OR RRF(or AWP) OUTPUT:

- Funding allocated to support the set-up and overhead costs of ERDA. All staff have now been hired and programme activities are ongoing.

DONOR NAME:	UNHCR
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I. Contribution Summary

	Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	2004-2006 Disbursements	2007 Disbursed (USD)	2008 Disbursed (USD)	Balance	Contract End Date
		Phase 1		4,345,296	3,625,465	-		719,831	Closing balance 2006
B	Earmarked	B/F to 2007		720,346		338,800		381,546	End of June 07
		B/F to 2008		381,546			74,351	307,195	
	Total Earmarked		-	4,345,296	3,625,465	338,800	74,351	307,195	
	TOTAL		-	4,345,296	3,625,465	338,800	74,351	307,195	

DONOR NAME: CIDA General and IALP Kandahar

I. Contribution Summary

	Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	2003-2006 Disbursements	2007 Disbursed (USD)	2008 Disbursed (USD)	Balance	Contract End Date
A	Unearmarked	Phase I		15,327,191	11,998,110	0		3,329,081	Closing balance 2006
		B/F to 2007		4,329,081	-	5,186,641		(857,560)	31st March 08 incl 1m ANDS
		B/F to 2008		4,254,914			1,008,841	3,246,073	including new funds 5.1m (CIDA-08)
	Total Unearmarked		-	21,439,665	11,998,110	5,186,641	1,008,841	3,246,073	
B	Earmarked	Phase II						-	
		IALP Kandahar	C\$ 5,000,000	4,385,964	-	648,024		3,737,940	31-Dec-08
		QIP Kandahar	C\$ 6,100,000	5,447,660	-	2,637,637		2,810,023	31st March 08
		B/F to 2008		6,547,964		-	2,041,164	4,506,800	
	Total Earmarked			9,833,625	-	3,285,661	2,041,164	4,506,800	
	TOTAL		-	31,273,290	11,998,110	8,472,302	3,050,005	7,752,873	

II. Implementation Progress Supported by the CIDA General and IALP-K Fund During the Reporting Period

A. Earmarked

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

200k Projects

i. Implementation Progress

- 53 infrastructure projects have been completed, 48 are ongoing and 3 are about to start.

- Projects were implemented in Arghandab, Arghistan, Dand, Khakirz, Nish, Shahwalikot, Shorakak, Takhta Pul and Zhani districts of Kandahar.
- The majority of projects are contracted to CDCs for community implementation.

ii. Risks, Issues and Actions

- Security problems have meant that projects in Mianishin and Ghorak districts have been cancelled. The funds allocated for these districts have been moved to other provinces.

6 Infrastructure Projects

iii. Implementation Progress

- Three major bridges and one road have been completed in Dand, Daman, Khakriz and Shawalikot district. The Char Gholba bridge in Arghandab district will be completed by August 2008.

iv. Risks, Issues and Actions

- The Ghorak check dams project was cancelled due to lack of security, and the funds reallocated to the 200k projects.

IALP-K

v. Implementation Progress

- 35 infrastructure projects have been completed and 68 are currently under way in Maiwand, Daman, Spin Boldak and Marouf.
- Further projects are in the planning stages to complete the disbursement of funds.

vi. Risks, Issues and Actions

- Security problems have occasionally slowed project implementation.
- Inter-Ministerial coordination has been problematic due to lack of capacity in other Ministries participating in the project.
- The above issues have been addressed in the design of IALP-K Phase 2, the proposal for which has been finalized and submitted to CIDA.

DONOR NAME: USAID Livelihood

I. Contribution Summary

	Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	2005-2006 Disbursements	2007 Disbursed (USD)	2008 Disbursed (USD)	Balance	Contract End Date
A	Unearmarked	Phase I		3,165,309	2,843,928	-		321,381	Closing balance 2006
		B/F to 2007		321,381	-	88,482		232,899	30th Sep 2007
		B/F to 2008		232,899	-	-	172,426	60,473	
	Total Unearmarked		-	3,165,309	2,843,928	88,482	172,426	232,899	
B	Earmarked	Phase II							
		Kandahar	5,000,000	5,000,000		4,239,117		760,883	30th Oct 2007
		B/F to 2008		760,883			558,035	202,848	
	Total Earmarked		5,000,000	5,000,000	-	4,239,117	558,035	202,848	
	TOTAL		5,000,000	8,165,309	2,843,928	4,327,599	730,461	435,747	

DONOR NAME: USAID WatSan

I. Contribution Summary

	Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	2004-2006 Disbursements	2007 Disbursed (USD)	2008 Disbursed (USD)	Balance	Contract End Date
A	Unearmarked	Phase I		10,000,000	8,118,014	-		1,881,986	Closing balance 2006
		B/F to 2007		1,881,986		1,156,569		725,417	30th Sep 2007
		B/F to 2008		725,417			295,372	430,045	
	Total Unearmarked		-	10,000,000	8,118,014	1,156,569	295,372	430,045	

DONOR NAME: Norway - Faryab

I. Contribution Summary

	Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	Prior Years Disbursements	2007 Disbursed (USD)	2008 Disbursed (USD)	Balance	Contract End Date
		Phase II		-	-	-		-	
A	Earmarked	Faryab		1,880,099	-	868,018	799,814	212,267	Jul-08
	Total Earmarked		-	1,880,099	-	868,018	799,814	212,267	
B	Unearmarked			1,694,915		-	531,752	1,163,164	
	Total Unearmarked		-	1,694,915	-	-	531,752	1,163,164	
	TOTAL		-	3,575,014	-	868,018	1,331,565	1,375,431	

II. Implementation Progress Supported by Norway During the Reporting Period

A. Earmarked

2. COMPONENT OR RRF(or AWP) OUTPUT

vii. Implementation Progress

- Four projects – the digging of 20 wells in Dowlatabad district and the construction of health clinics in Shirin Tagab, Qaisar and Kohistan districts - are completed.
- Eight further high school and clinic projects are ongoing.
- A recent NABDP field mission to Faryab assessed work progress on the seven high school projects and designed a work plan which will ensure all projects are completed by September 2008.

viii. Risks, Issues and Actions

- The Bilchiragh clinic project has encountered problems with water seeping into the foundations. The matter is being considered by the PRRD, RITS and NABDP's new Quality Control Unit.

DONOR NAME: Japan DIAG

I. Contribution Summary

	Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	Disbursements	2007 Disbursed (USD)	2008 Disbursed (USD)	Balance	Contract End Date
		Phase II		-				-	
B	Earmarked	Takhar & Kapisa	15,000,000	15,000,000	-	498,315	280,377	14,221,308	Mar-08
	Total Earmarked		15,000,000	15,000,000	-	498,315	280,377	14,221,308	
	TOTAL		15,000,000	15,000,000	-	498,315	280,377	14,221,308	

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

A. Earmarked

3. COMPONENT OR RRF(or AWP) OUTPUT

ix. Implementation Progress

- All DDAs in DIAG-targeted districts were established by the end of January 2008.
- Projects were selected in accordance with DDPs
- Two projects have already been completed and 41 are in various stages of implementation.

x. Risks, Issues and Actions

- The slow progress of DIAG development projects is now a political issue, with donors and other stakeholders becoming increasingly concerned. The lack of survey and design capacity within RITS is the major factor behind delays. Four new engineers have been hired for RITS to concentrate exclusively on DIAG projects.

DONOR NAME: Japan Comprehensive Rural Development (CRD)

I. Contribution Summary

	Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	2003-2006 Disbursements	2007 Disbursed (USD)	2008 Disbursed (USD)	Balance	Contract End Date
A	Unearmarked	Phase I		5,454,450	4,040,213	0		1,414,237	Closing balance 2006
		B/F to 2007		1,414,237	-	606,356		807,881	End of Project
		B/F to 2008		807,881	-	-	253,615	554,266	
	Total Unearmarked		-	5,454,450	4,040,213	606,356	253,615	554,266	
B	Earmarked	Phase II			-			-	
		Kandahar, Bamyan, Nangarhar & Balkh		21,830,414	-	6,896,114		14,934,299	31st Dec.2008
				14,934,299	-	-	3,145,832	11,788,467	
	Total Earmarked		-	21,830,414	-	6,896,114	3,145,832	11,788,467	
	TOTAL		-	27,284,864	4,040,213	7,502,470	3,399,447	12,342,733	

II. Implementation Progress Supported by Japan during the Reporting Period

A. Earmarked

4. COMPONENT OR RRF(or AWP) OUTPUT

xi. Implementation Progress

- 111 infrastructure projects have been identified and surveyed. Eleven projects have been completed, 49 are in progress, and 15 are committed.
- Japanese CRD funding has been used for the Economic Regeneration SME support projects in Bamyan, Balkh and Heart.

xii. Risks, Issues and Actions

- The low capacity of contractors has led to problems on certain projects. The new NABDP Quality Control and Monitoring and Results Reporting units are responsible for monitoring and ensuring project quality.

DONOR NAME: Belgium

I. Contribution Summary

	Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	2005-2006 Disbursements	2007 Disbursed (USD)	2008 Disbursed (USD)	Balance	Contract End Date
		Phase I		11,668,316	3,806,462	-		7,861,854	Closing balance 2006
		B/F to 2007		446,835		-		446,835	
		Phase II						-	
		Nimroz, Uruzgan, Ghor, Daikundi		7,415,019		5,458,655		196,502	Nov-07
A	Earmarked	B/F to 2008		4,243,149			1,759,863	2,483,286	including new Funds
	Total Earmarked		-	15,714,963	3,806,462	5,458,655	1,759,863	2,483,286	
	TOTAL		-	15,714,963	3,806,462	5,458,655	1,759,863	2,483,286	

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

II. Implementation Progress Supported by Belgium During the Reporting Period

A. Earmarked

5. COMPONENT OR RRF(or AWP) OUTPUT

xii. Implementation Support

- Of the infrastructure projects funded by Belgium, 18 have been completed, 24 are ongoing, 13 are committed and 10 are signed for.
- Projects include bridges, schools, gabion walls, wells and irrigation systems.

xiii. Risks, Issues and Actions

- Poor security, particularly in Uruzgan province, has continued to hamper project implementation.

DONOR NAME:

Netherlands

I. Contribution Summary

	Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	Prior Years Disbursements	2007 Disbursed (USD)	2008 Disbursed (USD)	Balance	Contract End Date
A	Unearmarked	Phase II		-				-	
	Total Unearmarked		-	-	-	-	-	-	
B	Earmarked	Urzgan		3,209,109	-	445,007		2,764,102	December 2007
		B/F to 2008		2,764,102		-	600,470	2,163,632	
	Total Earmarked			3,209,109	-	445,007	600,470	2,163,632	
	TOTAL		-	3,209,109	-	445,007	600,470	2,163,632	

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

A. Earmarked

6. COMPONENT OR RRF(or AWP) OUTPUT

xiv. Implementation Progress

- Eight infrastructure projects have been completed and 60 more are under construction.
- Projects include roads, schools, bridges and retaining walls.
- Further projects have been identified to ensure complete disbursement of both funding batches by end of no-cost extension period.

xv. Risks, Issues and Actions

- Poor security at project sites and on the Kandahar-Uruzgan highway was an obstacle to project progress. DDAs were often able to guarantee security but several projects had to be cancelled.
- The low capacity of construction companies is particularly pronounced in Uruzgan. The new NABDP Quality Control and Monitoring and Results Reporting units are responsible for checking contractor capacity and ensuring work quality.

DONOR NAME:

DFID

I. Contribution Summary

	Type	Description of Allocation	Commitment (Local Currency)	Received (USD)	Prior Years Disbursements	2007 Disbursed (USD)	2008 Disbursed (USD)	Balance	Contract End Date
A	Earmarked	Phase II (2008)		5,154,639	-	-	936,427.43	4,218,212	
	Total Earmarked		-	5,154,639	-	-	936,427	4,218,212	
	TOTAL			5,154,639	-	-	936,427	4,218,212	

II. Implementation Progress Supported by DFID during the Reporting Period**A. Earmarked****7. COMPONENT OR RRF(or AWP) OUTPUT****xvi. Implementation Progress**

- A total of 1,480 projects have been identified for all MRRD HARDP programmes though updated DDPs.
- NABDP is concentrating on irrigation infrastructure projects.
- 62 projects are ongoing, 25 have been completed, and another 18 have been contracted.
- Module 1 training is underway for all Helmand DDAs.

xvii. Risks, Issues and Actions

- Security is a major risk in Helmand but the 'Kandahar Model' of DDAs/CDCs guaranteeing security for community-implemented projects is being rolled out in the province. However, NABDP has been unable to begin implementing projects in the Kakaji district of Helmand and the money may be reallocated to other districts.
- MRRD/NABDP staff have difficulties travelling to and from Kabul to Helmand as road transport is not possible due to poor security and are no private flights as yet.