



## QUARTERLY PROJECT REPORT [1<sup>st</sup> Quarter, 2007]

### United Nations Development Programme Afghanistan National Area-Based Development Programme [01-01-2007 – 31-03-2007]

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

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

**Component (MYFF):**

**Total Budget:** USD 182m

**Unfunded:** USD 112 m

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

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## I. PROJECT IMPLEMENTATION CHALLENGES

### UPDATED PROJECT RISKS AND ACTIONS

#### **Community Empowerment**

##### ***Inadequate Funding of District and Provincial Development Plans***

Uncertainty regarding funding and budgets for implementation of priority projects identified and endorsed by District Development Assemblies (DDAs) in District Development Plans (DDPs) and Provincial Development Plans (PDPs) could seed frustration and distrust of the government as well as international donor communities. The provincial and district governments do not have resources to fund DDPs and PDPs. There are no proper programming and budgeting system in the government for funding of the DDPs and PDPs. In addition, higher percentages of international donors' funds are channeled in the southern regions of the country. Also, so far, the DDAs are not recognized by other government authorities, except the Ministry of Rural Rehabilitation and Development (MRRD), as a legitimate local governance body, due to lack of law for registration of DDAs as such. As a result, the DDAs cannot approach to all line ministries and international donor communities for funding priority projects reflected in DDPs and PDPs.

**Actions taken:** NABDP initiated the selection of facilitating partners for the capacity-building of DDA members on planning, resource mobilization, and project management. NABDP also involved representatives of the MRRD Community-led Development Department and relevant line departments (district and provincial levels) of the government in preparation of district and provincial development plans, aiming at institutionalizing the planning process at local levels. NABDP also conducted workshops on the participatory planning process and methodology with the Ministry of Economy (MoE) in order to stimulate collaboration between DDAs and the government on participatory planning and programming.

NABDP has developed relevant formats to register DDAs in MRRD. The programme continued discussion on legalization of DDAs with the Minister and Deputy Minister of MRRD.

#### **Implementation Support**

##### ***Security Conditions Impair Implementation of Sub-Projects in the South***

The insurgents and AGE's increased their activities and it therefore became more difficult to work in certain districts in the southern provinces. In reaction, the government, the donors and MRRD, rapidly expanded reconstruction efforts to reach insecure areas. This required more qualified professionals than there were in the southern region. Engineers, surveyors and others based in other regions of the country were sent to the south. This created shortfalls of staff in other regions, such as Kunduz, and Balkh. NABDP had to identify additional competent staff and to accelerate recruitment to respond to the increase in activities. Some training and measures to increase efficiency in project delivery were instated. Delays in implementation of projects were noted everywhere because of the temporary staff placement in the south. NABDP also was able to ensure the safety of MRRD staff in the districts by entering into a formal agreement with the DDA to transport and protect the staff traveling to the districts. Maruf proved the most difficult district in this respect, but the DDA identified an area where work can start.

## **Economic Regeneration**

The Economic Regeneration unit did not report any risks and actions.

## **Institutional Development**

The Institutional Development component did not report any risks and actions.

## **DIAG**

### ***Security Conditions Impair Implementation of Projects***

DIAG is facing security concerns all over the country, particularly in the south, east and west regions where police and military forces are insufficiently capable of protecting communities in the regions. Security risks hamper DIAG operation, and therefore MRRD cannot go ahead with implementing a DIAG development project. Also, the effectiveness of the law prohibiting people to possess weapons without registration, which provides legal basis for DIAG operation, is questionable; there is lack of political commitment to DIAG at any social levels, and this has led to unsatisfactory results regarding weapons collection and disbandment of IAGs.

## **WatSan**

Due to harsh weather conditions the construction activities in Nuristan, Kapisa, Maidan-Wardak, Kabul, Logar and Daykundi had to be stopped and postponed until Spring.

In Horasan, Kabul province, a previously selected location for a well construction was rejected by the owner of the adjacent piece of land. The new selected location approved by WatSan Kabul will be tested soon. In the case of positive test result the owner of land situated next to land selected for well construction will signed letter for no objection of work.

## **UPDATED PROJECT ISSUES AND ACTIONS**

### **Community Empowerment**

#### ***Too Accelerated DDA Process***

The provincial governors and the MRRD urged NABDP to rapidly expand DDAs and rapidly formulate DDPs. However, if the NABDP focuses too much on field activities for expansion of DDAs and formulation of DDPs, the production of DDP reports will be delayed due to lack of human resource for writing up the DDPs. There is a high possibility of forgetting information and issues discussed during the DDP process which will have serious consequences on quality of the DDPs report. More than 100 DDPs developed in the past have not been reviewed and written in a proper way.

**Action taken:** NABDP requested proposals from qualified firms for reviewing and writing DDPs. At the same time, a sample DDP report was developed, and NABDP appointed four senior Community Development Advisors for preparing DDP reports according to the sample report.

## **Implementation Support**

### ***Contracting Delays***

Delays in contracting of sub-projects continued throughout the first quarter of 2007. NABDP, as a nationally executed (NEX) programme, depends on MRRD departments for the implementation of actions. Therefore, to address this issue, a weekly meeting was initiated with the directors of key MRRD departments to establish a forum for weekly situation reporting and assignment of priority tasks to each relevant department. The MRRD Minister also reviewed staffing and took action: the director of the procurement department was replaced, and additional procurement staff was recruited.

### ***Delays in Implementing Large-Scale Projects identified under NABDP***

A number of large scale projects (e.g. large bridges, dams) were identified by the ministry and during assessment; it became evident that MRRD capacity needed to be further developed so as to implement adequately such projects. An external senior quality control consultant was introduced to the RITS department, and he started working with the engineers while being in regular contact with the NABDP management to raise the identified shortcomings (, to improve quality. Additionally, qualified field supervisors were recruited and trained by the Rural Infrastructure and Technical Services Department (RITS) prior to being assigned to the quality control and oversight duties of large projects.

### ***Delays in Monitoring***

In Kandahar, monitoring (M & E) of projects suffers because of lack of security and the lack of trained personnel. While the quality and progress of the technical work is monitored by the technical support unit (TSU) engineers, by community observation and by MRRD M & E staff from Kabul, there is little evaluation of the impact. This will be addressed in the second quarter through the development of policies and procedures and staff training. Additionally, independent monitoring and beneficiary and technical assessments will be performed on a random sample basis. Also, the work revealed persistent weaknesses in the support and implementation processes of the MRRD in Kabul that will need to be addressed through training of national staff.

### ***Reporting***

Currently, some staff members have been trying to assert their authority by levying written reporting requirements on colleagues whom they believe to be at a lower level. It creates an overly-hierarchical working environment for programme staff which inhibits a culture of openness, information sharing, and learning which NABDP is trying to promote. For this reason, NABDP has instituted as system of informal and steered communication with the expectation that it will eventually improve informal and formal information sharing and reporting.

## **Economic Regeneration**

### ***Facilitating Partner for Regional Rural Economic Regeneration Strategies Study***

GRM was contracted as a facilitating partner for regional rural economic regeneration strategies (RRERS) study; however, they did not employ the required competent manpower for the

project, and thus were not equipped to deliver the committed output. The inception report of the project was submitted with a two-month delay and it was of poor quality. Keeping in mind these facts, MRRD Leadership and the NABDP Expert Committee was convinced that GRM would not be able to deliver the output of the study as per its ToRs. Hence, a timely action was taken for changing the consultant company contracted to do the study. The contract with GRM International to implement the RRERS study was terminated in January 2007, after the Inception phase. A new request for expressions of interest (RFEOI), for province-specific series of feasibility analysis studies, was launched.

### **Institutional Development**

Institutional Development did not have any issues. The process went quite smoothly.

### **DIAG**

#### ***Lack of Local Compliance with DIAG Weapons Collection Retards Delivery of DIAG Development Activities***

Disbursement against the approved budget has been very slow (0.04% of the approved budget), due to the fact that development activities are contingent upon weapons collection compliance criteria which have not been met by the vast majority of the districts. So far only two districts (Mahmud Raqi district of Kapisa province and Farkhar district of Takhar province) have been declared compliant countrywide. Reasons why DIAG weapon collection activities went slowly could partly stem from the fact that local people including illegal armed group members are concerned about their security and feel they need to keep their arms.

Countermeasure: NABDP and the Joint Secretariat of DIAG are reviewing the DIAG structure, in order to encourage the Afghan government and officials to be more involved in the process. One of the countermeasures for this purpose is called DIAG District Initiative (DDI) in which around 20 districts that are assumed the easiest target districts around the country will be selected. In this initiative, Afghan officials will be less reluctant to take an initiative for DIAG because of easy target districts and will be expected to take bolder steps in non-target districts after they achieve good results and get confidence in DIAG.

#### ***Restructuring of DIAG Operation***

The delay in implementation of DIAG development projects is due to external factors (i.e. stringent compliance criteria which the districts have not fulfilled), however, internally, NABDP is reviewing the operational plan to support the restructuring of DIAG. Soon, priority districts will be selected. Once the selection of those districts is finalized by the Afghanistan New Beginnings Programme (ANBP) regional offices and the DIAG Operation unit, the DIAG Operation will renew focus on those districts. Additionally, the criteria for starting development projects ought to be revised to enable the implementation of development projects before the criteria are met.

### **WatSan**

In provinces Maidan Wardak and Kapisa, due to hard geological strata, new locations for construction of water points were selected and the diameter of drilling machines was increased. Request for approval of new scope of work was sent to procurement department.

In Istalif, Kabul province, for the construction of a pipe scheme, and in Logar province, for the construction of 69 wells, the low technical capacity and low progress of work resulted in a request for termination of the existing contract; a new announcement calling for bids was sent to the procurement department.

In the case of some projects, the procurement and transfer of contract instalment has taken an extremely long time. WatSan asked Minister to assist in solving this issue.

For the maintenance programme component, MRRD did not agree with the proposal in its initial stage and it was supposed to be modified. A meeting was organised with Implementing Partner and the modified proposal will be submitted for review as soon as possible.

## **II. IMPLEMENTATION PROGRESS**

### **Community Empowerment**

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

NABDP, under the community empowerment component, carried out three major activities during the reporting period: (i) establishment of 20 DDAs, (ii) formulation of District and Provincial Development Plans, and (iii) capacity building of communities and government on participatory planning.

#### *(i) Establishment of District Development Assemblies*

20 DDAs were established in three provinces: Laghman, Paktya, and Khost. NABDP also succeeded in deepening mobilization and instilling an ethos of responsibility within the DDAs for the results and sustainability of NABDP activities. In Kandahar Province, for instance, DDAs have been effective in ensuring security for field personnel in field project surveys within their respective districts. In Uruzgan, DDAs have successfully implemented, monitored, and reported on their projects which were not reached by the National Solidarity Programme or through previous development work.

#### *(ii) Formulation of District & Provincial Development Plans*

NABDP assisted the MoE to develop District and Provincial Development Plans. The DDPs are the linkages of community priorities to the PDPs, which will be used to inform the national development strategy. During the quarter, NABDP supported the inclusion of 17 DDPs into an overall PDP in Kandahar Province. NABDP devised plans to improve the screening of priority project ideas and the translation of them in to English. In this reporting period, seven DDP reports (three in English and four Afghan languages) were reviewed and finalised in electronic versions; with the improved process, NABDP is looking to increase this number significantly in the next reporting period.

*Appreciation and Replication of DDP model:* On the request of the Governor of the Laghman province, MRRD instructed NABDP to establish DDAs and formulate DDPs there; however, there was no funding for this province. With support from MRRD, the DDP team of the NABDP

successfully completed establishment of DDAs and formulation of DDPs in Laghman province in March. After the completion of DDPs, the team made a presentation of outputs of the DDA and DDP exercises in the Governor's office, where members of the Provincial Development Committee, representatives of the provincial council, and representatives of line departments were present. The Governor stated an appreciation for the work and issued certificate of recognition to the team members for their good work.

NABDP also presented the District and Provincial Development Planning procedure and methodology in the Provincial Development Committee in Laghman, where UNAMA and USAID were present. As a result, provincial stakeholders became interested in the processes and a major funding agency, USAID/DAI, showed interest to fund for preparation of a provincial development plan of Laghman province. Consequently, the Governor of Kunar province also approached MRRD for the possibility of replicating the work in its province.

### *(iii) Capacity Building of Communities and Government*

The Community Empowerment unit conducted trainings for 58 government staff at district, provincial and national levels on participatory planning, and involved them in district and provincial planning processes. These exercises provided theoretical knowledge and enhanced practical skills on participatory planning to the participants.

Also, workshops were organized for NABDP staff working in the unit and representatives of MoE and Community-led Development Department (CLDD), to share and discuss lessons learned from the field, and to review the district development planning methodology and procedures to use in future exercises.

*Gender Mainstreaming:* NABDP started to review the process of integrating gender mainstreaming in formulation of DDP in more systematic manner. The methodology and procedure of women participation in District Development Planning was reviewed to improve the current methodology.

*Strengthening cooperation with government counterparts:* The unit initiated planning for strengthening the capacities of the MoE, the MRRD partner for PDP. A draft Memorandum of Understanding between MoE and MRRD/NABDP was prepared and discussed between the two parties. Further discussions were held with the MRRD leadership in order to incorporate the Ministry of Finance and the ANDS secretariat in the MOU. NABDP also initiated a capacity building agreement with CLDD which will support the DDA when NABDP term ends.

## **Implementation Support**

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

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

The essential departments for programme cycle management within MRRD are planning, RITS, procurement and M & E, aside from the finance department. Furthermore each provincial RRD department has a role to play in each stage of the project cycle. Collaboration was established

with each of these departments, and the ID Unit of NABDP is implementing strategic and operational planning exercises with each. A forum of directors was initiated that examines the progress of projects within each department. In Kandahar a start was made to decentralize the management of the project cycle. Here professionals from each department received a mandate to prepare project dossiers to be signed by the minister for implementation.

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

NABDP participated on decentralized level in established PDCs, and called meetings within the regions for directors to compare, learn and coordinate. NABDP furthermore participates and supports the Policy Action Group (PAG), consultation with donors and consultation with other line ministries within the provinces.

*(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*

In Kandahar, 1132 projects have been identified, 327 surveyed and designed, and 225 contracted. Those projects have been identified through a bottom-up consultation process.

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

In this reporting period, the concentration was on funding activities relating to work plan activity 4.5 (see next page). Private sector consultations/negotiations were not pursued in this quarter.

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

A reintegration unit is now in place within MRRD. The DIAG component accelerated its activities. A first project, canal cleaning, was approved and will start its implementation in Kapisa province. A second project in Kohistan 2 district for a veterinary clinic is under preparation. A third project, a micro hydro plant in Fakhar District (Takhar) is being reviewed. Assessments showed that the project turned out to be more complicated than initially shown. For this reason a redesign was done. Lastly NABDP now also hosts a Counter Narcotics Trust Fund (CNTF) component, which acts as the MRRD focal point for all projects proposed by various programmes to be checked and finalized prior to being introduced to CNTF for funding.

*(4.4) prepare proposals for improving livelihoods and living conditions for poppy farmers, disbanded illegal armed groups, returnees and other vulnerable groups within the framework of the comprehensive rural development plans.*

NABDP prepared a revised DIAG development proposal. The proposal aims to utilize NABDP methods more flexibly in the DIAG process. The proposal is under review in the Disarmament and Reintegration Commission, which has an ultimate authority to make a decision/modification to the DIAG strategy.

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

Regular consultation was held with the existing donor agencies: Canadian International Development Agency (CIDA), Japan, Norway, Belgium, the Netherlands and United States Agency for International Development (USAID). Contacts were established with Sweden, Swiss

Agency for Development and Cooperation (SDC), United Kingdom Department for International Development (DfiD), World Bank and the European Commission, and proposals drafted for a number of provinces. Additional requests were sent to Belgium, and a consortium of The Netherlands, Norway and Australia for Uruzgan was formed. Lastly, within MRRD, NABDP was asked to provide support for the Afghanistan Government Policy Action Group, for the implementation of 74 projects in the south to combat insecurity.

#### *(4.6) Coordinate, determine and execute implementation arrangements among all relevant partners and stakeholders*

In Kandahar, regular contacts are maintained with the Canadian, Dutch and British PRT's. In other provinces regular contact is held by the International advisors and the Regional Managers with governors. In Kabul NABDP is represented in the DIAG and CNTF joint secretariats and a presence was given on the combined PAG and R & D mixed commission.

By the end of the quarter, NABDP had contracted 226 projects for a total value of 6,282,555 USD in Kandahar; and 200 of the projects are currently underway. Five districts do not have any projects contracted (Registan, Shorabak, Maruf, Nish and Miyanishin). With the exception of Registan, security was the most difficult issue to overcome when attempting to plan and design projects for implementation. In Registan, the impediment was re-electing a truly representative and acceptable DDA to the people. It is anticipated that all districts will have a minimum of one contracted project by the end of the second quarter.

During this quarter a number of the projects started in Panjwai and Zhari districts, intended to encourage the return of IDPs.

In Uruzgan Province there are 16 projects underway and five have been contracted. The Community Development Advisor made two trips to Uruzgan to work with the Provincial Director of RRD to select survey and design projects for implementation. 113 projects were surveyed, 98 are under design and 15 are completed.

The Southern Regional Office also visited Nimruz, Helmand and Zabul; but, because no funding is currently available for NABDP in those provinces, no direct benefit came of the trips other than to raise awareness of the programme.

The volume and speed of the project implementation was aided by the passage of a Presidential decree that allowed MRRD to procure and contract projects under special rules for a period of four months; and by the provision of extra personnel assigned to Kandahar to assist in the process.

### **Economic Regeneration**

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

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

The Terms of Reference (ToRs) for assessing the feasibility of niche sectors comprising sub-sector analysis and business plan development in selected provinces were prepared. The

Request for Expression of Interest (RFEOI) for “regional rural economic regeneration through rural enterprise development in selected provinces: sub-sector analysis and business plan development [in Balkh, Bamyan, Herat, Kabul, Kandahar, and Nangarhar]” was launched in February 2007. It was published in two national newspapers and on UNDP and MRRD websites. The Expression of Interest (Eoi) was evaluated and the Request for the Proposal (RFP) for the same was finalized and distributed to short-listed consultants. In this study, collaborative linkages with the Private Sector Development (PSD) unit of UNDP are being maintained.

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

Socio-economic assessments of the 25 provinces have been completed and their economic potentials have been identified. Provincial profiles highlighting economic potentials in niche sectors in respective provinces have been shared with the relevant ministries and put onto the MRRD web site for wider use and dissemination. These provincial profiles reflect the ANDS categories relevant to the Economic Regeneration unit with sections based on ANDS Sector 3 – Infrastructure and Natural Resources, 6 – Agriculture and Rural Development, 8 – Economic Governance and Private Sector Development and on 1 – Security.

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

For developing economic regeneration scenarios and strategies, province-specific sub-sector sector analysis and business plan development studies have been initiated. More consolidated progress on this activity will be reported in Quarter 4.

**Output 2 (AWP):** 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

e.g. (2.3) Policy feedback and ongoing review of rural development policy framework

A REDP concept paper has been developed and it is being used as a catalyst for stakeholder discussion, while at the same time exploring collaborative opportunities with potential partners. The Rural Enterprise Development Programme (REDP) draft concept paper was distributed to various stakeholders for feedback and comments.

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

The office of AIRD in the Ministry was equipped. Short-term international advisors were recruited to review and finalize the AIRD concept paper and develop a training curriculum. A short-term national consultant was recruited to review the MRRD training activities.

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

The revised regional rural economic regeneration strategies (RRERS) inception report was evaluated, and it was decided by MRRD/ NABDP to focus on province-specific the sub-sector sector analysis and business plans development in niche sectors. Business plans implementation by local communities are expected to trigger a chain of rural enterprises, which

will eventually benefit the poorest in the rural areas, provide maximum employment and contribute to rural poverty alleviation in the provinces.

### **Institutional Development**

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

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

A series of consultations took place with the planning department and its director to finalize the participatory strategic planning workshop as part of the operationalisation of the MRRD Strategic Intent document 1386-1388. The workshop took place on 19-20 and 27 March 07. 11 key staff members participated. The alignment of Millennium Development Goals (MDGs), Afghanistan National Development Strategy (ANDS) benchmarks, MRRD Strategic Intent and PD plans for the future were intensely discussed. New functions for the department were identified (strategic planning, project cycle management (PCM) and coordination). The new structure and ToRs of the department have been elaborated based on the new functions and are to be approved by the MRRD Deputy Minister for Programmes. ToRs for a short-term international consultant were discussed and adjusted to the needs of the planning department. These activities were conducted to streamline PCM and provide support to the departments.

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

Staff consultations identified shortcomings in the M&E processes, as well as problematic projects. NABDP worked with RITS to establish daily supervision for larger projects. NABDP also established a pre-qualified roster of companies, vendors and consultants, to increase the speed of procurement activities.

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

The Senior Institutional Development Advisor was approached by the minister's office with a request to support the finalisation of the MRRD Sector Strategy. The following documents were submitted to the minister's office: 1.) LogFrame, 2.) Risk Management Table and 3.) M&E plan for further consideration and discussions.

*Output 3.5 Support the establishment of appropriate coordination and consultation structures at national and provincial levels.*

At the strategic planning operationalisation workshop, it was decided that the Institutional Development unit should assume a coordinating function at national level as far as planning in comprehensive rural development is concerned. The PDC orientation workshop package was revised, taking into account that the workshop should end with a practical action plan for PDC members and MoE employees to follow it up with a capacity building intervention prior to the

PDP process. A team of three trainers went to Uruzgan province to conduct a PDC orientation workshop. UNDP CO and the RISE group have contacted NABDP to deliver M&E workshops to PDCs in Balkh, Nangarhar and Kandahar province. The draft action plan and a budget were submitted to RISE for further consideration (approximately 100,000 USD).

*Output 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.*

Based on a request from the deputy minister for programmes, the ID unit piloted the strategic planning operationalisation workshop together with the Community-Led Development Department (CLDD). The workshop took place on 2, 3 and 6 January 07. Twenty two CLDD employees participated. The alignment of MDGs, ANDS benchmarks, MRRD Strategic Intent and CLDD plans for the future were intensely discussed. The first version of a logframe of CLDD activities was drafted based on the workshop outputs. CLDD ToRs were re-visited and necessary changes were brought in. ToRs for a short-term consultant were discussed and adapted. The ID Unit supported CLDD formulating NSP Facilitation Partners' Exit Strategy.

*Output 3.8 Improve technical capacity through providing specialised/ technical support in finance, procurement, human resources, engineering, etc.*

A strategic planning operationalisation workshop was conducted for RITS on 25-26 March 07. Fifteen key employees took part. The first draft of the operational plan was developed as a result. It was agreed that RITS would continue to improve the draft and submit the next version for ID review in two weeks time.

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

In regard to MRRD Management Information Systems (MIS) the unit improved the data exchange process by including multiple metrics per project output and upgrading a data export tool for NRAP. An agreed format for information exchange was introduced to ISAF and the Japan International Cooperation Agency (JICA) and communicated to the Microfinance Investment Support Facility for Afghanistan (MISFA). MIS also actively participated in the cross-government initiative to create universal information sharing mechanisms regarding development activities.

Several meetings with staff took place to move the standardization process forward. The documents have been revised and will be submitted to the leadership.

A web-based project reporting system was created allowing staff to select filtering criteria and download dynamically generated reports in Microsoft Excel format.

The unit guided the recruitment of Reporting and Data Quality Officers for MRRD MIS and Senior MIS Officer for WATSAN, prepared ToRs, practical tests and graded the tests. The human resources (HR) system was modified according to requirements of the new MRRD HR director. The system was installed and made ready for use.

Ongoing help desk, training classes and on-the-job training was provided to national staff of the MIS unit in both technical and management areas.

In regard to NABDP and MIS Modules for procurement, HR and finance were designed and tested, each separately, with the goal to fully link them in the course of the second quarter. Performance problems of the NABDP server, including the triggering rapid cable connecting the NABDP computers, were resolved. NABDP now has optimized performance of the finance, HR and procurement applications to work with the integrated and secure SQL Server database instead of Microsoft Access. NABDP also guided the development of a web-based system to support DDPs.

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

Several meetings were held with the CDD director to identify joint activities for 1386. CDD staff member was involved in co-facilitation of the strategic planning sessions for Planning Department and RITS Department. It was agreed to conduct such session for CDD in April.

*Output 3.12 Provide for professional development and physical resources as needs are identified.*

Based on the workshop held for the CLDD, major needs for sub-national consultation's capacity building and physical resources were identified. The CE component drafted a CLDD sub-national consultation capacity building plan.

## **DIAG**

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

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

With the help of DIAG funding five DDAs (three in Takhar and two in Kapisa) were established because these are the only provinces that have so far complied with the criteria. DIAG's own development intervention has not been started yet during the reporting period.

## **WatSan**

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

## **Project Achievements Supported by the United States Agency for International Development (USAID)**

The programme provides safe drinking water through construction of wells and pipe schemes, hygiene education and sanitation. Monitoring teams have concluded the handover of 36 wells and 465 latrines to local communities. Hygiene education trainings were received by 7,620 families.

The training sessions for water and sanitation engineers and technical staff of MRRD, local NGOs and construction companies, which have been conducted by DACAAR since July 2005, were completed and the final hand over of the project was done in January 2007. In total, nearly 702 engineering and technical staff of MRRD and 71 engineers from local NGOs and construction companies received training on various subjects related to water, sanitation engineering and project implementation. The types of training courses included: Basic Hydrology, Planning, Social Organization, Surveying, Water Quality, Well Construction, Introduction to Pipe Scheme Design, Geographic Information Systems, Project Management Cycle, Hygiene and Sanitation Promotion, and Social Aspects of the WatSan Project.

## II. FINANCIAL STATUS AND UTILISATION

Donors	Activity	Budget	Expend.	Oblig. Sub-Proj.	Total Expend.	Balance	Deliv. Rate
UNHCR	UNHCR Water Supply	673,221	118,978	347,801	466,779	206,442	
	UNHCR Reintegration	-	-		-	-	
	<b>GMS* 5%</b>	<b>47,125</b>	<b>5,949</b>		<b>5,949</b>	<b>41,177</b>	
<b>Sub Total (UNHCR)</b>		<b>720,346</b>	<b>124,927</b>	<b>347,801</b>	<b>472,728</b>	<b>247,618</b>	<b>66%</b>
Belgium	Economic Regeneration	665,017	-		-	665,017	
	Capacity Building	430,818	189,680		189,680	241,138	
	Immediate Recovery Project	5,789,625	807,690	2,204,090	3,011,780	2,777,845	
	Programme Management	313,588	136,280		136,280	177,308	
	Community Development	-	-		-	-	
	Programme Management DEX	435,031	2,179		2,179	432,852	
	<b>GMS* 3%</b>	<b>229,022</b>	<b>34,075</b>	<b>66,123</b>	<b>100,198</b>	<b>128,825</b>	
<b>Sub Total (Belgium)</b>		<b>7,863,101</b>	<b>1,169,904</b>	<b>2,270,212</b>	<b>3,440,117</b>	<b>4,422,985</b>	<b>44%</b>
Japan	Economic Regeneration	1,213,425	112,720		112,720	1,100,705	
	Capacity Building	1,918,679	937,327		937,327	981,352	
	Immediate Recovery Project	16,602,361	-	1,718,160	1,718,160	14,884,201	
	Programme Management	946,897	410,883		410,883	536,014	

	Community Development	1,420,401	10,657		10,657	1,409,744	
	Programme Management DEX	36,000	-		-	36,000	
	<b>GMS* 5%</b>	<b>1,106,888</b>	<b>73,579</b>	<b>85,908</b>	<b>159,487</b>	<b>947,401</b>	
<b>Sub Total (Japan)</b>		<b>23,244,651</b>	<b>1,545,166</b>	<b>1,804,068</b>	<b>3,349,235</b>	<b>19,895,416</b>	<b>14%</b>
USA	Economic Regeneration	-	-		-	-	
	Capacity Building	-	-		-	-	
	Immediate Recovery Project	4,761,905	127,530	1,441,572	1,569,102	3,192,803	
	Programme Management	-	-		-	-	
	Community Development	283,834	-		-	283,834	
	USAID Water Supply	1,827,171	185,413	1,384,307	1,569,720	257,451	
	Programme Management DEX	252,851	28,545		28,545	224,306	
	<b>GMS* 5% &amp; 3%</b>	<b>325,422</b>	<b>11,783</b>	<b>72,079</b>	<b>83,862</b>	<b>241,560</b>	
<b>Sub Total (USA)</b>		<b>7,451,182</b>	<b>353,271</b>	<b>2,897,957</b>	<b>3,251,228</b>	<b>4,199,954</b>	<b>44%</b>
CIDA	Capacity Building	1,374,830	-		-	1,374,830	
	Immediate Recovery Project	1,672,555	661,199	2,660,671	3,321,870	(1,649,315)	
	Programme Management	156,912	20,059		20,059	136,853	
	Community Development		-		-	-	
	Kandahar Activity (IALP+200K ...)	9,050,513	366,951	5,132,983	5,499,934	3,550,579	
	Programme Management DEX	287,218	36,866		36,866	250,352	

	<b>GMS* 5%</b>	<b>627,102</b>	<b>54,254</b>	<b>389,683</b>	<b>443,936</b>	<b>183,165</b>	
Sub Total (CIDA)		<b>13,169,129</b>	<b>1,139,329</b>	<b>8,183,337</b>	<b>9,322,666</b>	<b>3,846,463</b>	71%
UK	Programme Management NEX	-	-		-	-	
	Programme Management DEX	13,987	-		-	13,987	
	<b>GMS* 3%</b>	<b>433</b>			<b>-</b>	<b>433</b>	
Sub Total (UK)		<b>14,420</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,420</b>	0%
UNDP	Programme Management	-	123,690		123,690	(123,690)	
	UNDP TTF (IDP Project)	-	-		-	-	
Sub Total (UNDP)		<b>-</b>	<b>123,690</b>	<b>-</b>	<b>123,690</b>	<b>(123,690)</b>	0%
Japan-DIAG	DIAG Activity	14,285,714	5,768		5,768	14,279,946	
	<b>GMS* 5%</b>	<b>714,286</b>	<b>288</b>		<b>288</b>	<b>713,997</b>	
Sub Total (Japan DIAG)		<b>15,000,000</b>	<b>6,056</b>	<b>-</b>	<b>6,056</b>	<b>14,993,943</b>	0%
Norway	Capacity Building	111,229	-		-	111,229	
	Immediate Recovery Project	1,432,467	-	1,897,742	1,897,742	(465,275)	
	Programme Management	16,100	-		-	16,100	
	Community Development	230,775	26,402		26,402	204,373	
	<b>GMS* 5%</b>	<b>89,529</b>	<b>1,320</b>	<b>94,887</b>	<b>96,207</b>	<b>(6,679)</b>	
Sub Total (Norway)		<b>1,880,100</b>	<b>27,722</b>	<b>1,992,629</b>	<b>2,020,351</b>	<b>(140,252)</b>	107%

Netherlands	Immediate Recovery Project	1,373,832					
	<b>GMS 7%</b>	<b>96,168</b>					
Sub Total (Holland)		<b>1,470,000</b>	-	-	-	-	0%
Italy	Programme Management DEX	24,025	-		-	24,025	
	Programme Management NEX	-	-		-	-	
	<b>GMS* 5%</b>	<b>1,201</b>	-		-	<b>1,201</b>	
Sub Total (Italy)		<b>25,226</b>	-	-	-	<b>25,226</b>	0%
<b>Grand Total</b>		<b>70,838,155</b>	<b>4,490,065</b>	<b>17,496,005</b>	<b>21,986,070</b>	<b>47,382,084</b>	<b>31%</b>