

National Area Based Development Programme

Second Quarter Project Progress Report 2012



*Empowered lives.
Resilient nations.*



DONORS



AUSTRALIA



CANADA



DENMARK



EUROPEAN UNION



ITALY



JAPAN



NETHERLANDS



NORWAY



SPAIN



Empowered lives.
Resilient nations.

PROJECT INFORMATION

Project ID:	00070832 (NIM)
Duration:	Phase III (July 2009 – June 2014)
Strategic Plan Component:	Promoting inclusive growth, gender equality, and achievement of the MDGs
CPAP Component:	Increased opportunities for income generation through promotion of diversified livelihoods, private sector development, and public private partnerships
ANDS Component:	Social and Economic Development
Total Budget:	\$294,666,069 USD
Responsible Agency:	The Ministry of Rural Rehabilitation and Development

Cover Photo: Juwaira with her little sister walking to school on the road paved by NABDP in Estalif District
Kabul-Credit: Farzan Wahidi/UNDP

ACRONYMS

AIRD	Afghanistan Institute for Rural Development
ANDS	Afghanistan National Development Strategy
AREDP	Afghanistan Rural Enterprise Development Programme
APRP	Afghanistan Peace & Reintegration Project
ASOP	Afghanistan Social Outreach Programme
AWP	Annual Work Plan
CDC	Community Development Council
CIDA	Canadian International Development Agency
DAIL	Directorate of Agriculture, Irrigation and Livestock
DDA	District Development Assembly
DCC	District Coordination Council
DDP	District Development Plan
DIC	District Information Center
DIAG	Disarmament of Illegally Armed Groups
DMC	Disaster Management Committee
ERDA	Energy for Rural Development of Afghanistan
GFP	Gender Focal Point
IALP	Integrated Alternative Livelihood Programme
IDLG	Institute for the Development of Local Government
IEC	Institute for Election Control
KRARDI	Kandahar Regional Agricultural and Rural Development Institute
LIDD	Local Institutional Development Department
LIPG	Livelihood Improvement Practice Group
MAIL	Ministry of Agriculture Irrigation and Livestock
MBAW	Making Budgets & Aid Work
MHP	Micro Hydro Power Systems
MC	Ministerial Committee
MoRR	Ministry of Refugees and Repatriation
MOI	Ministry of Interior
MOD	Ministry of Defence
MRRD	Ministry of Rural Rehabilitation and Development
NABDP	National Area Based Development Programme
NRM	Natural Resource Management
PCC	Plain Cement Concrete
PRRD	Provincial Rural Rehabilitation and Development Directorate
RCC	Reinforced Cement Concrete
RTP	Rural Technology Park
SIKA	Stabilisation in Key Areas
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
USAID	United States Agency for International Development

TABLE OF CONTENTS

I.	EXECUTIVE SUMMARY	1
II.	RESULTS.....	2
A.	OUTPUT 1: Institutions strengthened at the district level to independently address priority local needs	2
1.	FINANCIALS	6
2.	RISKS/ISSUES:.....	6
	Risks:	6
	Issues:.....	6
3.	LESSONS LEARNED	7
4.	FUTURE PLAN	7
B.	OUTPUT 2: Improved access to key services for the rural poor	8
1.	FINANCIALS	13
2.	RISKS/ISSUES	13
3.	FUTURE PLAN	14
C.	OUTPUT 3: Stabilization in less secure regions and districts	15
1.	FINANCIALS	17
2.	RISKS/ISSUES	17
3.	FUTURE PLAN	18
III.	General Management Issues	18
IV.	ANNEXES	19
A.	ANNEX 1: FINANCIAL TABLE	19
B.	ANNEX 2: EXPENDITURES BY OUTPUT	20
C.	ANNEX 3: EXPENDITURES BY DONOR	21
D.	ANNEX 4: ACTIVITY.....	23
E.	ANNEX 5: RISK LOG	24
F.	ANNEX 6: ISSUE LOG	28
G.	ANNEX 7: ALICEGHAN WATER SUPPLY SCHEME.....	29
H.	ANNEX 8: INTEGRATED ALTERNATIVE LIVELIHOODS PROGRAMME	30

I. EXECUTIVE SUMMARY

During the second quarter of 2012, the National Area-Based Development Programme (NABDP) has continued the implementation of Phase III of its partnership with the United Nations Development Programme (UNDP) to reduce poverty and increase and diversify livelihood opportunities throughout Afghanistan. NABDP has three main outputs which are: a) Institutions strengthened at the local level to independently address priority local needs; b) improved access to key services for the rural poor; and c) stabilization in less secure regions and districts.

Under Output 1, the support to the election process and the capacity development of District Development Assemblies (DDAs) has continued. NABDP was successful in carrying out the re-election process for 37 DDAs in 10 provinces this quarter, resulting in the election of 737 men (70%) and 317 women (30%). Individual and organizational capacities were strengthened through trainings for 40 DDAs (739 men and 322 women), establishment of 30 District Information Centers (DICs), and the provision of Grant in Aid (GiA) to 22 new DDAs. The Gender Unit continued to support women-livelihood projects through a combination of vocational training and agriculture type initiatives. Finally the Local Institutional Development Department (LIDD) has been heavily involved in the preparations for establishing one District Coordination Council in each district of the country.

Output 2 saw the completion of 124 rural infrastructure projects in the sectors of energy, transport, natural resource management, and disaster management. These projects provided temporary employment opportunities for rural people by creating 265,161 labour days for skilled and unskilled labourers. The total numbers of beneficiaries were 930,901.

Under Output 3, the project implements a diverse and comprehensive package of initiatives addressing livelihood in less secure regions and districts. These include the Reintegration unit specifically focusing on the needs of locations with high numbers of ex combatants. In this regard four projects were completed during Q2 with a total number of 21,947 beneficiaries. The Integrated Alternative Livelihood Programme (IALP-K2) that specifically supports livelihoods in Kandahar province is progressing well. The Master plan for Tanark Farm has been completed, capacity development support to DAIL and PRRD is progressing well and the works on Kandahar Regional Agricultural and Rural Development Institute (KRARDI) are now 50 percent completed. The support to Afghanistan Institute for Rural Development (AIRD) in the establishment of a Rural Technology Park (RTP) is progressing in Dehsabz district is progressing. Unfortunately there has been little progress on the Aliceghan project and it is clear that until the conflict with the local community is resolved or an alternative water source identified it will be impossible to complete this project. These activities all contribute to a

Security and the involvement of women were the main challenges faced by project teams. In addition slow and time consuming processes in terms of reviewing the quarterly financial report have caused delays in the project account being replenished. This has led to implementing partners not being paid on time and subsequent delays in implementation of projects. Despite these challenges and issues, the programme has achieved numerous results this quarter and continues to move forward.

II. RESULTS

A. OUTPUT 1: Institutions strengthened at the district level to independently address priority local needs

In Q2, NABDP continued to strengthen DDAs, an important district level institution, to enable them to fulfill their mandate as the developmental gateway at the District level. To date, there are a total of 388 DDAs which represents 96 percent of districts. However, there are 14 districts in Paktitka that do not have DDAs. Although the DDA establishment in Paktitka is not planned until Q3, NABDP began a number of negotiations and discussions with community members in order to establish DDAs in six districts. Paktitka poses a specific challenge because of the poor security situation in the province. In addition, DDAs held re-elections in line with their three year mandate. In Q2, 37 DDAs held re-elections in which 737 men (70%) and 317 women (30%) were democratically elected as new DDAs members.

To further strengthen DDAs, NABDP has created and delivered a series of capacity development training modules to increase both the individual and organizational capacity of DDAs to plan, manage, and implement projects. In Q2, NABDP continued to deliver the training modules on local governance, conflict resolution and gender equity, participatory planning and project cycle management, and finance and procurement. A total of 40 capacity development trainings were delivered for 40 DDAs (739 men and 322 women). In addition, six DDAs were trained in Disaster Risk Reduction Management. The training modules covered different types of disasters and mitigating strategies in order to increase awareness and knowledge among participants as well as encourage the inclusion of disaster prevention projects in the District Development Plans (DDP).

In order to prioritize and address local needs, DDAs develop DDPs. DDPs are an important mechanism for districts to be able to articulate their priorities to ministries and donors. The DDP is updated every three years following the election process. In Q2, 37 DDPs were updated.

Furthermore, NABDP provides functional and organizational support to DDAs through Grant in Aid (GiA). GiA is utilized for the physical capacity of the office such as office equipment and supplies in order to enhance the professional working environment of DDAs. In Q2, GiA was provided to 22 DDAs. NABDP also set-up 30 District Information Centers (DICs) which will **collect, maintain, and utilize district's** socio-economic data. This data will assist DDAs in development planning and identifying appropriate projects as well as providing an important database at the District level.



Figure 1: A District Information Center in Asadabad district, Kunar Province. Credit: AhsanSaadat/NABDP.

Gender has been identified as a cross-cutting issue and NABDP has recognized that in order for **DDAs to respond to community's needs**, they will have to reflect all voices of the community **including women**. **NABDP has incorporated a number of gender activities to ensure that woman's** needs are represented and addressed without compromising cultural and religious norms in Afghanistan. One gender activity is the establishment of gender sub-committees. These sub-committees are responsible for managing gender specific issues at the district level. In Q2, five gender sub-committees were established in Kunar, Laghman, and Nangarhar provinces.

NABDP is also directly supporting the implementation of women economic empowerment projects identified as a priority by women in the DDPs. In Q2, five women economic empowerment projects were completed in carpet weaving, embroidery, tailoring, and vocational trainings. In total, these projects benefitted 260 vulnerable women (widows, poor, and women headed households). A further 670 women are involved in 17 ongoing agricultural type projects such as poultry and fish farming, bee keeping, vegetable production and food processing.

There is a history of concern over overlapping district level institutions, in particular DDAs (supported by MRRD/NABDP) and Afghanistan Social Outreach Programme (ASOP) councils (supported by IDLG). Although there are slight differences between both, their co-existence has created tensions. In response to this, the Afghan Government formed a special Ministerial Committee (MC) involving Senior Minister Arsala, MAIL, MRRD and IDLG. The MC agreed that there should be one body at the district level. Ideally this body, in line with the constitution, would be elected based on an agreed constituency. However, it was recognized that this could not happen anytime soon due to cost, lack of clarity on district boundaries, etc. In the meantime, the MC has agreed to the establishment of a body referred to as the District Coordination Council (DCC). It is not exactly clear how DCCs will be established and what its functions will be, however, there is a clear vision that this will supersede the DDAs and ASOP councils. IDLG and MRRD will be taking the lead on the establishment of DCCs which includes the production of a policy and the development of guidelines and Terms of Reference for DCCs. Although there are many outstanding issues that still need to be clarified, this is a very positive initiative that the NABDP team looks forward to be involved in.

Below is a snapshot of where NABDP is in relation to its annual targets after Q2

Table 1 Output 1 Snapshot

2012 Baseline	2012 Annual Targets	Q1 Planned	Q1 Actual	Q2 Planned	Q2 Actual	Q1+Q2 Planned	Q1+Q2 Actual	Comments
388 District Development Assemblies (DDA) established and 338 District Development Plans (DDP) formulated	402 District Development Assemblies (DDA) established and 402 District (100%) Development Plans (DDP) formulated	0	0	6	0	6	0	The ongoing security problems in Paktika have made initiating this process impossible to date.
191 DDAs re-elected and 191 DDPs updated	325 DDAs re-elected and 325 DDPs updated	44	28	49	37	93	65	Due to the lack of funding, re-election in several districts has been postponed.
4,236 Women members participate in DDAs	5576 Women Participate in DDAs	440	212	330	317	770	529	Cultural and religious norms continue to pose a huge challenge.
388 DDPs produced and uploaded on Web	402 DDPs produced and uploaded on web	0	0	0	0	0	0	This activity is pending until the establishment of DDAs in the remaining districts
328 Capacity Development Trainings delivered for the established and re-elected DDAs	458 Capacity Development Trainings delivered for the established and re-elected DDAs	30	18	35	40	65	58	All the proposed re-elections were not completed therefore capacity development activities were delayed
236 DDAs benefited from physical capacity development (Grant in Aid)	286 DDAs benefit from physically equipped offices at District Governor offices (Grant in Aid)	15	5	15	22	30	27	On target
79 District Information Centers established	144 District Information Centers Established	16	6	17	30	33	36	On target
148 Disaster Management Trainings delivered to the DDAs	178 Disaster Management Trainings delivered to the DDAs	6	3	10	6	16	9	In six districts Disaster Management trainings are ongoing
18 Provincial Monitoring Team established in the high-security risk provinces	30 Provincial Monitoring Teams established in high-security risk provinces	3	3	14	2	17	5	Due to the lack of funds, PMT establishment in several districts has been postponed.
68 Women Economic	98 Women Economic	5	1	6	5	11	6	Three other projects are physically completed but not

Empowerment Projects implemented	Empowerment Projects Implemented							handed over due to pending payment of the final installments
Little or no coordination between DDAs and PCs	7 regional DDA-Provincial Councils (PC) linkage workshops conducted	0	0	0	0	0	0	These workshops will be conducted in Q3and Q4
No Gender mainstreaming committees established	28 Gender Mainstreaming Sub-Committees in DDAs established	7	2	7	5	14	7	Gender unit is having shortage of staff and several female community mobilizers have resigned

1. FINANCIALS

During Q2, a total of USD 860,584 was spent for this output. For more details, please look at Annex 1 and Annex 2

2. RISKS/ISSUES:

Risks:

- Project selection criteria

The manner in which projects are selected and the lack of clarity and procedures has been an ongoing concern. There are many cases where selected projects do not reflect the priorities as outlined in the DDPs but rather the agenda of specific members of Parliament, Governors, and in some cases donors. The need for clear selection criteria has been raised in the audit report and a selection criteria has been developed however due to the funding shortfall (apart from for emergency interventions) there will be no new projects funded this year

- Funding shortfall

Due to funding shortfall, construction of DDA offices in Nish, Bost, Ghanikhel, Kholm, Gardez, and Shiberghan districts have been postponed. In many cases UN Habitat and other donors have supported the construction of these offices in other locations and NABDP is increasing looking to garner such support.

- Deteriorating security situation

Due to insecurity DDAs could not be established in the 14 remaining uncovered districts in Paktika. Similarly, **re-election was postponed in some districts and women's participation in re-elections** and capacity development activities have also been decreased.

Issues:

- Contractual Issue of DDA Maturity Assessment study:

The engagement of an international consultancy company for the DDAs Maturity Assessment was a major issue. A company was selected; however, the study was cancelled by the senior management of NABDP and MRRD due to procurement issues. The current plan is for this study to take place before the end of the year. Given the significant changes that are in process, see previous section DCCs etc, the intention is to amend the original ToR in line with this ongoing process.

- Decreased involvement of women

The overall trend is a reduction of the involvement of women in project activities. This can partly be explained by the worsening security situation but also reflects deeply embedded social norms that NABDP is challenging particularly in the south of the country. There is no simple solution and NABDP will continue to include and benefit women through gender sub-committees and women empowerment projects. In addition extra effort will be made to ensure that the project has sufficient female staff, see next point.

- Shortage of Female Community Mobilisers:

NABDP is currently facing a shortage of female staff in some provinces, however, recruitment is being kept to an absolute minimum due to funding constraints. In order to overcome this issue, NABDP proposes to examine flexible labour arrangements such as hiring women on a part time basis.

3. LESSONS LEARNED

- Project selection criteria

In order for project funding not to be hijacked by a political elite, a clear project selection criteria and process must be developed and agreed upon by all parties. In the last few years this has not been the case with NABDP and the team is now addressing this issue and drafting a criteria and process.

- Involvement of Women

For women to really participate in the project activities, more proactive measures will be required. Of particular importance is maintaining a core of female staff in the project offices in the regions outside of Kabul. Sadly the recent trend on this issue has been a negative one and the project is currently considering more innovative methods it can employ, such as part time appointments, to retain female staff.

4. FUTURE PLAN

Moving forward, NABDP will continue building on the progress made in Q2. DDA establishment, re-elections and revisions to DDPs will continue throughout the year to ensure that they are **reflective of the community's priorities and needs**. Furthermore, capacity development trainings will continue to be conducted in order to strengthen DDAs. **Work on increasing women's** participation in community development will continue through gender sub-committees and women livelihood/economic projects identified in the DDPs.

A key focus during the next quarter will be the development of the policies and guidelines with regards to the DCCs as discussed earlier in the report. Several joint meetings have already begun with the Afghanistan Sub National Governance Programme (ASGP) and IDLG.

Another major initiative will be the development and implementation of a Sub National Governance Strategy. This is an initiative by UNDP that focuses on developing a strategy and subsequent plan as to how the organization engages at the sub-national level. The objective is to better coordinate the various UNDP projects that work on the sub-national level so that it is more coherent and effective. In addition, it aims to reach out to other actors working at the sub-national level and draw on their strengths and expertise. There have been initial discussions with the World Bank and it appears that a strong partnership can be established here.

B. OUTPUT 2: Improved access to key services for the rural poor

NABDP aims to improve access to basic services such as clean water, irrigation, energy and flood protection for the rural poor through a variety of projects. In Q2, 124 projects in irrigation, transport and water supply & sanitation were completed. The completed projects benefitted 930,901 individuals and created 265,161 labour days for locally employed workers.

Sustainable energy is one of the most important basic services provided given that the vast majority of rural communities have no access to on grid electricity. In Q2, NABDP completed 96 micro-hydro power (MHP) projects which provided 21,108 households with electricity in 17 provinces. In addition, one biogas project was completed which provided lighting and cooking fuel at reduced costs while also creating quality fertilizer for agricultural use to ten households. In order to ensure the sustainability of these projects training of 108 Community Development Council members on the operations and management of MHPs and biogas was conducted in Q2.

In addition to energy, NABDP also focuses on irrigation and disaster management since DDAs have identified these as other priority needs. In Q2, 70 Natural Resource Management (NRM) projects were completed of which 23 were irrigation systems. These projects included the construction of:

- 4 canals;
- 1 gabion box
- 4 intakes;
- 2 karezes;
- 2 river embankments;
- 1 rock cutting
- 4 super passages and;
- 5 water reservoirs.

Through these projects, a total of 1,826 jerebs of land can be irrigated and 20,363 households will benefit.

In addition, under the NRM sector, 47 disaster management projects were implemented, which included nine gabion walls, nine retaining walls, and 29 protection walls. These projects protected 7,404 jerebs of land and benefitted 51,302 households. Also, temporary employment opportunities were provided by creating 37,843 labour days.

Furthermore, 22 transportation sector projects were completed to connect local communities to districts and provincial centers. The completed projects included five bridges, six culverts, one secondary road, nine tertiary roads and one wash. A total of 37,834 households benefitted from these projects.

“Energy Lights Up the life”

The completion of the Micro Hydro Power (MHP) Project in Gaja village, Pashtun Zarghun district of Herat province which provided electricity for 45 households and created 814 labor days.

Local residents from Gaja village are very happy as a result of the project and said “before we were using normal lamps for lighting our houses and now we utilize electricity for this purpose. Our children can study and we can work late at night to generate sufficient income from our businesses. This will result in a positive change in the development of our village ”

In addition, NABDP implemented and completed 26 water supply and sanitation projects in Q2, benefitting 13,628 households. These projects will provide clean drinking water, reduce the labour required for water collection (a task normally performed by women and children) and decrease the vulnerability of the local population to water borne diseases.

As these projects continue throughout the year, it is expected to significantly improve access that the rural poor have to key services and contribute towards reducing rural poverty.

Safe drinking water and secure the future

The installation of 172 hand pumps provides safe drinking water to 28,033 individuals in Zabul province.

A resident from one of the target communities, Haji Gul Agha, is especially grateful for the water pump. His daughter was killed in a car accident while collecting water for their household from the other side of the Kabul-Kandahar high way. **He said,** “I am a poor man having 13 family members in my house and all of my children are small and young. I am working at a hotel far away from my home. My family needs drinking water and as a result my children are put at risk when fetching water and this was how my small daughter Jamila died”. He went on to praise the installation of the water and highlighted the benefits it will bring.

Below is a snapshot of where NABDP is in relation to its annual targets after Q2

Table 2 Output 2 Snapshots

2012 Baseline	2012 Annual Targets	Q1 Planned	Q1 Actual	Q2 Planned	Q2 Actual	Q1+Q2 Planned	Q1+Q2 Actual	Comments
7,184 household have access to sustainable energy supply	166 sustainable power projects micro-hydro power (MHP) and biogas projects completed and 45 new MHP and biogas projects identified and implemented	31 MHP and 10 Biogas projects	27 MHP and 5 Biogas projects completed	22 MHP and 8 Biogas projects	5 MHP and 1 Biogas projects completed	53 MHP and 18 Biogas projects	32 MHP and 6 Biogas projects completed	Delayed due to the transfer of a few projects to on-budget and late disbursements of payment
	1a. 21,000 households (completed projects)	4365 households	3862 households	2234 households	665house holds	6,599 households	4,527 house holds	Delayed due to the transfer of a few projects to on-budget and late disbursements of payment
	1b. 6,000 households (new projects)	0	0	0	0	0	0	No new projects due to unavailability of funds
286 persons (DDAs/CDCs and NABDP engineers) trained on sustainable management of energy projects	250 persons (DDAs/CDCs and NABDP engineers) trained on sustainable management and operation of energy projects	50 persons	20 persons	100persons	108persons	150persons	128 persons	On target
640,464 households with access to improved transport infrastructure and public buildings (community centers, libraries, etc.)	3. Ongoing transport sector projects completed and 80 new transport and 12 public building projects started	12 ongoing transport projects completed, 20 new projects started	Three transport and three public building projects completed,	25 ongoing transport and public building projects completed	22 transport and four public building projects completed, six new	37 ongoing transport and public building projects completed	25 transport and seven public building projects completed, 19 new	Late disbursement of payments caused delay in the completion of projects

2012 Baseline	2012 Annual Targets	Q1 Planned	Q1 Actual	Q2 Planned	Q2 Actual	Q1+Q2 Planned	Q1+Q2 Actual	Comments
			13 new projects started		projects started		projects started	
	3a. 767,233 households with access to improved transport infrastructure and public buildings	N/A	4,214 families have access to improved transport infrastructure s. Additionally 6,546 households access to improved public buildings.	40,000 families have access to improved transport infrastructure and public buildings	37,834 families have access to improved transport infrastructure s and 3,528 families have access to public building.	40,000 families have access to improved transport infrastructure and public buildings	42,048 families have access to improved transport infrastructure s and 10,074 families have access to public building	Late disbursement of installments caused delays in the completion of projects
520,820 households that have benefited from Natural Disaster Protection projects (irrigation systems)	4. 635,720 households benefit from Natural Disaster Protection work and trainings	45,161 households that have benefitted from Natural Disaster Management Projects	35,776 households benefitted from Natural Disaster Management Projects	60,000 families will be benefitted from natural disaster management sector projects	51,302 households benefitted from Natural Disaster Management Projects.	105,161 families will be benefitted from natural disaster management sector projects	87,078 households benefitted from Natural Disaster Management Projects	No new projects have been initiated because of the funding shortfall.
	4a. 137 new projects to protect communities from natural disaster such as floods, landslides,	30 ongoing projects completed	27 projects completed	50 ongoing projects completed	47 projects completed	80 ongoing projects completed	74 projects completed	Late disbursement of installments caused delay in the completion of projects
550,360 households have benefited from agriculture and irrigation projects	5. 626,495 households benefiting from agriculture and irrigation projects	6,463 households have benefited	6,463 families benefited from	22,000 families benefiting from	20,363 households benefited from	28,463 families benefiting from	26,826 households benefited from	No new projects have been initiated because of the funding

2012 Baseline	2012 Annual Targets	Q1 Planned	Q1 Actual	Q2 Planned	Q2 Actual	Q1+Q2 Planned	Q1+Q2 Actual	Comments
		from agriculture and irrigation projects	irrigation projects	Agriculture & rural development projects	agriculture and irrigation projects	Agriculture & rural development projects	agriculture and irrigation projects	shortfall
	5a. 126 new agriculture and irrigation projects contracted and initiated	20 ongoing projects completed	10 projects were completed	25 ongoing projects completed	23 irrigation projects were completed	45 ongoing projects completed	33 irrigation projects were completed	No new projects have been initiated because of the funding shortfall
79,248 households with access to potable water through NABDP's work	6. 102,056 households have access to potable water	19,153 households with access to potable water	16,600 households have access to potable water	15,000 households with access to potable water	13,628 households have access to potable water	34,153 households with access to potable water	30,228 households have access to potable water	No new projects have been initiated because of the funding shortfall
	6a. 118 new projects contracted and initiated	40 ongoing projects completed	39 projects completed	70 ongoing projects completed	26 projects completed	110 ongoing projects completed	65 projects completed	Late disbursement of installments caused delay in the completion of projects

1. FINANCIALS

During Q2, a total of USD 10,322,917 was spent for this output. For more details, please look at Annex 1 and Annex 2.

2. RISKS/ISSUES

Risks:

- Deteriorating Security

The worsening security situation in some of the provinces continued in Q2 which either delayed or completely stopped project implementation and follow-up. The key challenge is that at the local level the security situation is changing on a frequent basis. In addition, while the security in a specific district may be stable often there may be problems associated with access. The NABDP team will try to assess these factors before agreeing to work in a specific district. However should the security deteriorate, efforts will continue to be made to implement projects in coordination with local people.

- Procurement and Management of Projects implemented by Private Companies

NABDP implements projects through two methodologies: community contracting (DDA/CDC) for simpler projects and private companies for larger more complex projects. When contracting private companies, the majority of the procurement and contract management is done by the MRRD procurement department. It is becoming apparent there are capacity issues with this department that presents a risk to the project. This risk is being closely examined in more detail and will continue to be reported on.

Issues:

- Lack of Technical Companies

The delays in the supply and delivery of equipment necessary for the implementation of MHP projects is due to a limited number of suppliers who can procure or produce the necessary equipment. Furthermore, there is a lack of technical knowledge amongst both the communities and the engineers regarding MHP and biogas. As a mitigating strategy, ERDA will continue to invest in capacity development of community members, private service providers and its own staff.

- Community Conflicts

Community conflicts over land disputes continued to hamper implementation during Q2. This issue will be solved by involving community members prior to the selection of projects and by getting their signatures and finger prints as commitments, as well as training CDCs and DDAs members on conflict resolution

- Funding Shortfall

Due to a funding shortfall, NABDP is unable to commit to any new energy projects in 2012, except in a few specific cases where earmarked funding is available. The ERDA team and the Productive Rural Infrastructure Department is now focusing on the completion of ongoing projects although there are a small number of new initiatives being funded to address emergency situations such as

flooding and landslides. The new updated AWP that is currently being drafted will reflect this new state of affairs.

- Earmarked Funding

More and more donors are choosing to earmark their funding and focus on specific geographical areas due to their respective government policy agendas. This leads to a situation whereby a few provinces have significant resources for project implementation whereas the remainder has little to no resources. This could be a cause of conflict in the long run if not addressed. The project continues to highlight the downside of this approach to all the relevant actors to influence the policy debate and ultimately see a reduction in this practice.

- Problematic projects

Although NABDP has an established system for the implementation and monitoring of projects that works well in a vast majority of cases, there are a group of problematic projects that have been ongoing for several years with some dating back as far as 2004. The most common reasons are private contractors going bankrupt or the security situation in a given area deteriorating to such a degree that it can no longer be accessed. NABDP is attempting to resolve this issue by either completing the projects or closing them down. In many cases, it is impossible to complete projects for a variety of reasons, namely cost and security. However in certain cases with design amendment and some additional funding, the DDAs or CDCs can finish these projects. In other cases there is no alternative but to close the project. This is an ongoing process that NABDP will continue to report upon.

3. FUTURE PLAN

Moving forward in 2012, NABDP will continue building on the progress made in Q2. Sustainable energy projects (MHP and biogas) will continue to be implemented throughout the year to provide rural households with electricity. DDAs/CDCs will continue to be trained on the management and operation of the MHP and biogas to ensure sustainability of these projects. Furthermore, projects providing additional key services such as transportation, clean drinking water, irrigation services and flood protection will continue throughout the year. In addition, other projects providing infrastructure for key services such as education and health will be implemented in Q3 and Q4.

It is important to note that **implementation of “on budget” will begin in the third quarter**. This is a positive initiative as it aligns with the objectives of the Afghan Government as well as the donor community. However, establishing the necessary systems for operating via such a mechanism has been slow and time consuming and it is now clear that the initial target of spending USD 24 million via “on budget” during 2012 will not be achieved.

C. OUTPUT 3: Stabilization in less secure regions and districts

While NABDP attempts to run the same programme and associated activities in all districts across Afghanistan, the presence of active insurgency and instability in some districts requires specific approaches to stabilize those areas. NABDP has assisted in stabilizing less secure regions and districts by implementing a number of development projects which create employment for ex-combatants and helps reintegration into communities.

In Q2, four projects were completed which created a total of 18,905 labour days for residents in insecure districts affected by conflict. In many cases these beneficiaries were themselves ex-combatants. One of the

projects was the provision of eight tractors along with accessories (thresher, trolley, blades, plough) to the ex-combatants of Gardez district in Paktia province. These tractors were specifically requested from NABDP in 2012 by DDA members in this district due to the strong demand of the local people whom most are engaged with agricultural type activities. The machinery will be employed for a host of tasks including harvesting, cultivation, transport of goods to market and other agricultural purposes. A cooperative



administrated by DDA members and MAIL will manage the use and maintenance of the machinery thus ensuring the sustainability of this intervention.

In addition, a Rural Technology Park (RTP) is under construction in Dehsabz District in Kabul province. This park will identify new rural technologies and assess their suitability to the local conditions of Afghanistan and pilot projects of proven rural technology which have not yet been used in Afghanistan. Furthermore, training will be provided for farmers, of which some may be ex-combatants, on renewable and non-renewable energy sources as well as preservation techniques of fruits, vegetables, and food grains. This will increase the productivity of farmers, and assist in stabilizing less secure districts and provinces. To date, 25 percent of the work has been completed. Designing of the bore well and pump house is completed, while work on the surrounding wall, store, office, and water reservoir is ongoing. The following activities will be completed once the RTP construction works have been completed:

- purchasing and installing of 20-30 Rural Technology Units both from abroad and within Afghanistan;
- training of 100 people (villagers) on model villages;
- And training of 250 people to run Rural Technology Units

For an update on Aliceghan Water Supply Scheme and Integrated Alternative Livelihoods Program-Kandahar Phase Two (IALP-K2), please refer to Annex 7 and Annex 8 respectively.

Below is a snapshot of where NABDP is in relation to its annual targets after Q2

Table 3 Output 3 Snapshots

2012 Baseline	2012 Annual Targets	Q1 Planned	Q1 Actual	Q2 Planned	Q2 Actual	Q1/Q2 Planned	Q1/Q2 Actual	Comments
1.48 Reintegration projects completed	84 Reintegration Community development projects facilitating reintegration project completed	7	5	5	4	12	9	The target will be adjusted as part of the new AWP
2.Integrated Alternative Livelihoods Programme (IALP) for Kandahar initiated 2a. 10% completion of works on the Kandahar Regional Institute of Agriculture and Rural Development (KRARDI) 2b. 200 male and 90 female staff trained, 45 modules developed and 3 training manuals finalized	2. IALP completed	N/A	36%	N/A	48%	N/A	48%	This project was initially planned to be completed by the end of March 2012. The current expected completion date is the end of September 2012.
	2a. Nine KRARDI curriculum and training manuals developed	2	2	7	7	9	9	100%
3. Spain AECID Design of Rural Technology Park completed, survey for selection of model villages completed	3. Spain AECID 1 Rural Technology park established and functional	N/A	20%	N/A	25%	N/A	25%	Work progressing but this is significantly slower than planned and will not be finished by the end of the year
	3a. Rural Technology Park exhibition (1 in 2012)	N/A	N/A	N/A	N/A	N/A	N/A	This is planned for third quarter
	3b. Research conducted on existing rural technologies in 10 provinces	N/A	N/A	N/A	N/A	N/A	N/A	This is planned for the fourth quarter

1. FINANCIALS

During Q2, a total of USD 1,738,761 was spent for this output. For more details, please look at Annex 1 and Annex 2.

2. RISKS/ISSUES

Risks:

- Security

The worsening security situation in some of the insecure provinces such as Badghis, Herat, and Nangarhar, as well as in the provinces that were previously relatively secure such as Balkh, Jawzjan, Sar-e-Pul, Faryab, and Samangan have caused the cancellation, postponement, or delay of a number of reintegration projects. At this time, there is no mitigating strategy in place and projects will be postponed until the security situation improves.

- Procurement Capacity in MRRD

The contracting of several projects has been delayed in particular where their value is greater than USD 60,000 thus requiring additional signatures before approval. As a result of slow and cumbersome governmental procurement procedures, contracting of 13 reintegration projects was pending in MRRD's procurement department. To mitigate this risk, a dedicated focal point will continue to be placed at MRRD procurement department to regularly follow up on the procurement process and flag issues of concern to NABDP management.

Issues:

- Slow financial disbursements

Delay in reviewing the quarterly financial reports and releasing the advance for the following quarter is a major issue that seriously affects project implementation. The slow release of funds to the project causes delay in payments and thus impacts upon implementation. This has been a particular problem in 2012 and is an effect of the tightening up and improvement of the oversight function provided by the UNDP Country Office. That being said, all involved both on the Country Office side and the project side are doing all they can to speed up this process without compromising on the quality of the oversight function.

- APRP

The reintegration team also takes responsibility for implementation of the APRP projects that NABDP implements. Strictly speaking these are not part of the NABDP Annual Work Plan and thus should not be reported upon here. However for the information of the reader the APRP supported part of the Reintegration unit includes funding for 1390 and 1391. 1390 is a portfolio of 22 projects that are approved plus two projects that have recently been submitted to the Joint Secretariat for approval. Of the 22 approved projects one is complete, eight are ongoing and 13 are in the procurement department. The total value of the 1390 funding is two million USD. For 1391, 27 projects have been identified but as yet have not been approved by the Joint Secretariat. The total funding available for 1391 is three million USD.

3. FUTURE PLAN

Moving in to Q3, NABDP will continue implementing 37 ongoing and new reintegration projects. In addition, the construction of the Rural Technology Park will continue in Q3 as well as research on existing rural technologies in Baghlan, Herat, Kunduz, and Panjshir provinces.

III. General Management Issues

There have been a number of general management issues that will now be reported upon individually.

Results Framework:

The NABDP project team, in collaboration with the UNDP Regional Office in Bangkok, has updated the results framework. The initial draft has now been shared with the donors for their comments. Once the comments have been received and addressed, the finalized version will be presented before the Project Management Board for endorsement.

Annual Work Plan:

The NABDP team is reviewing the Annual Work Plan to ensure that the planned activities and expenditures are realistic. The process is currently under way and will not be completed until the early part of the third quarter, however it is most likely that the target expenditure will be reduced.

On Budget Implementation Modality:

The NABDP Finance Team has been working on the required system to support the on budget implementation modality. It is almost ready and in Q3 payments will be made through the on budget mechanism. The initial estimate was that USD 24 million would be delivered via this methodology but this has now been reduced to 11 million.

Recruitment:

There have been several important recruitment processes that have taken place. First, a new project manager has been identified and selected. He will be joining in Q3. In addition there is an ongoing process for recruitment of an international reporting officer. A selection process has taken place and an individual been identified however the recruitment process is ongoing. Finally an international project coordinator has been recruited who will manage the NABDP project in Bagdhis. This individual will divide her time between Bagdhis and Kabul and will be joining the project in September.

IV. ANNEXES

A. ANNEX 1: FINANCIAL TABLE

Donor	REVENUE					EXPENSES AND COMMITMENTS				BALANCE	Remarks
	Commitment (a)	Total Received (b)	Total Receivable c=(a-b)	Carry Over (d)	Total Resources e = (b+d)	Cumulative Expenses as of Mar 2012 (f)	Total Expenses (Apr - Jun 2012) (g)	Commitments (h)	Total Expenses & Commitments i = (f + g+h)	Balance j=(e-i)	
UNDP	32,542,157	32,542,157	-	-	32,542,157	17,728,690	735,048		18,463,739	14,078,418	
UNDP BCPR	-		-	482,510	482,510	480,131	-		480,131	2,379	
Afghanistan	-		-	11,699,666	11,699,666	8,100,600	(22,999)		8,077,601	3,622,065	
Belgium	-		-	4,000,000	4,000,000	3,929,341	-		3,929,341	70,659	
Canada	-		-	1,279,637	1,279,637	1,279,637	-		1,279,637	-	
Denmark	4,331,945	4,331,945	-	-	4,331,945	2,644,341	1,684,050		4,328,391	3,554	
Germany	571,668	571,668	-	-	571,668	571,668	-		571,668	0	
Italy	3,521,459	1,740,485	1,780,974	-	1,740,485	291,373	16,542		307,915	1,432,570	
Japan (CRD)	-	-	-	7,877,283	7,877,283	6,623,702	358,701		6,982,403	894,880	
Japan (2010/Border)	10,000,000	10,000,000	-	8,586,422	18,586,422	18,586,422	-		18,586,422	0	
Japan (2011 & ANBP)	14,530,333	14,530,333	-	-	14,530,333	11,484,281	1,023,892		12,508,172	2,022,161	ANBP contribution for the year 2012 included;
Netherlands	15,324,200	15,324,200	-	173,687	15,497,887	13,611,737	382,842		13,994,579	1,503,308	
Norway	17,406,811	17,406,811	-	1,982,644	19,389,455	15,646,644	3,731,876		19,378,520	10,935	
European Union	25,059,675	16,629,190	8,430,485	-	16,629,190	8,494,170	437,130		8,931,300	7,697,890	
CIDA	19,046,236	19,046,236	-	7,079,000	26,125,236	18,538,760	1,546,564		20,085,325	6,039,911	
DFID	-	-	-	7,336,091	7,336,091	7,336,091	-		7,336,091	0	
AECI/Spain	20,950,667	20,950,667	-	3,357,654	24,308,321	14,635,289	576,306		15,211,596	9,096,725	
AusAID	6,451,613	3,131,524	3,320,089	-	3,131,524	-	-		-	3,131,524	
UNHCR	128,392	128,392	-	-	128,392	-	-		-	128,392	
Gov of Australia	41,287	41,287	-	-	41,287	-	-		-	41,287	
Australian DIMA	486,787	486,787	-	-	486,787	-	-		-	486,787	
Grand Total	170,393,230	156,861,683	13,531,547	53,854,594	210,716,277	149,982,879	10,469,952	-	160,452,831	50,263,447	

Note:

i) Cumulative expenses as of march 2012 is actual (column)

ii) Expenses reported for the accounting period of April to June 2012 is provisional.

iii) Income received in currency other than USD is approximated to USD based on UN- Operational Rate of Exchange applied.

B. ANNEX 2: EXPENDITURES BY OUTPUT

Project Output	2012 Budget (AWP)	Expenses (Apr-Jun. 2012)	Cumulative expenses (Jan-Jun. 2012)	Delivery Rate	Remarks
00081443 - Institutions strengthened at the district level to independently address priority local needs	6,566,803	841,788	1,751,064		
General Management Service (GMS) Fee	166,654	18,796	28,674		
Sub-total Output 1	6,733,457	860,584	1,779,738	26%	
00081444 - Improved access to key services for the rural poor	48,372,704	9,689,732	12,052,764		
General Management Service (GMS) Fee	3,022,350	633,184	780,261		
Sub-total Output 2	51,395,053	10,322,917	12,833,025	25%	
00081449 - Stabilization in less secure regions and districts	12,574,071	1,625,616	2,745,851		
General Management Service (GMS) Fee	831,843	113,145	187,533		
Sub-total Output 3	13,405,915	1,738,761	2,933,384	22%	
00081452 - Monitoring and Evaluation	1,576,089	160,415	410,415		
General Management Service (GMS) Fee	81,655	8,215	21,008		
Sub-total Output 5	1,657,744	168,630	431,423	26%	
00070832 - Programme Management	4,428,685	(2,484,233)	1,578,366		
General Management Service (GMS) Fee	233,528	(136,706)	82,160		
Sub-total Output 6	4,662,213	(2,620,939)	1,660,526	36%	
Grand Total	77,854,381	10,469,952	19,638,096	25%	

Note:

-Output 4 - 00081451 related to AREDP (REDKAN, REDHLD), not included in the above report;

- budget under revision mode;

C. ANNEX 3: EXPENDITURES BY DONOR

Donor	Project Output	2012 Budget (AWP)	Expenses (Apr-Jun. 2012)	Cumulative expenses (Jan-Jun. 2012)	Balance	Delivery Rates
UNDP - CCF	00070832 - Programme Management	3,057,490	(1,868,967)	977,797	2,079,693	
	00081444 - Improved access to key services for the rural poor	7,613,149	1,778,900	2,462,265	5,150,883	
	00081449 - Stabilization in less secure regions and districts	276,728	54,302	117,247	159,481	
	00081452 - Monitoring and Evaluation	1,433,586	150,700	386,038	1,047,548	
	General Management Service (GMS) Fee (5%)	619,048	5,747	197,167	421,880	
Sub-Total		13,000,000	120,682	4,140,515	8,859,485	32%
UNDP - XB	00070832 - Programme Management	-	-	16,699	(16,699)	
Sub-Total		-	-	16,699	(16,699)	#DIV/0!
UNDP - TRAC	00070832 - Programme Management	219,000	2,707	108,586	110,414	
	00081443 - Institutions strengthened at the district level to independently address priority local needs	4,186,036	573,278	1,341,440	2,844,596	
	00081444 - Improved access to key services for the rural poor	2,594,964	38,381	44,485	2,550,479	
Sub-Total		7,000,000	614,366	1,494,511	5,505,489	21%
UNHCR	00081449 - Stabilization in less secure regions and districts	132,069			132,069	
	General Management Service (GMS) Fee (7%)	9,245	-	-	9,245	
Sub-Total		141,314	-	-	141,314	0%
Afghanistan	00081449 - Stabilization in less secure regions and districts	2,140,352	(21,904)	116,565	2,023,787	
	General Management Service (GMS) Fee (5%)	107,018	(1,095)	5,828	101,189	
Sub-Total		2,247,370	(22,999)	122,393	2,124,977	5%
Australia	00081449 - Stabilization in less secure regions and districts	38,586			38,586	
	General Management Service (GMS) Fee (7%)	2,701	-	-	2,701	
Sub-Total		41,287	-	-	41,287	0%
Denmark	00070832 - Programme Management	132,600	891	1,257	131,343	
	00081443 - Institutions strengthened at the district level to independently address priority local needs	127,625	10,210	50,159	77,466	
	00081444 - Improved access to key services for the rural poor	1,162,846	1,553,062	1,553,348	(390,502)	
	00081452 - Monitoring and Evaluation	142,503	9,715	24,377	118,126	
	General Management Service (GMS) Fee (7%)	109,590	110,171	114,040	(4,450)	
Sub-Total		1,675,165	1,684,050	1,743,181	(68,017)	104%
Italy	00070832 - Programme Management	505,595	(36,090)	190,042	315,553	
	00081443 - Institutions strengthened at the district level to independently address priority local needs	302,148	51,550	94,773	207,375	
	00081444 - Improved access to key services for the rural poor	2,439,812			2,439,812	
	00081452 - Monitoring and Evaluation	-			-	
	General Management Service (GMS) Fee (7%)	227,329	1,082	19,937	207,392	
Sub-Total		3,474,884	16,542	304,752	3,170,132	9%
Japan (CRD)	00081444 - Improved access to key services for the rural poor	1,491,457	341,620	553,655	937,802	
	General Management Service (GMS) Fee (5%)	74,573	17,081	27,683	46,890	
Sub-Total		1,566,030	358,701	581,338	984,692	37%
Japan (2011 & ANBP)	00081444 - Improved access to key services for the rural poor	374,551	(63,591)	(59,946)	434,497	
	00081449 - Stabilization in less secure regions and districts	3,500,112	1,020,499	1,833,592	1,666,520	
	General Management Service (GMS) Fee (7%)	271,226	66,984	124,155	147,071	
Sub-Total		4,145,889	1,023,892	1,897,801	2,248,088	46%
Netherlands	00070832 - Programme Management	20,000	-	-	20,000	
	00081443 - Institutions strengthened at the district level to independently address priority local needs	124,160	4,218	4,218	119,942	

	00081444 - Improved access to key services for the rural poor	3,044,426	353,578	609,722	2,434,704	
	General Management Service (GMS) Fee (7%)	223,201	25,046	42,976	180,225	
Sub-Total		3,411,786	382,842	656,916	2,754,871	19%
Norway	00070832 - Programme Management	100,000	53,697	120,514	(20,514)	
	00081443 - Institutions strengthened at the district level to independently address priority local needs	384,980	90,984	144,047	240,933	
	00081444 - Improved access to key services for the rural poor	3,995,824	3,343,054	3,822,624	173,200	
	General Management Service (GMS) Fee (7%)	313,656	244,141	286,103	27,553	
Sub-Total		4,794,461	3,731,876	4,373,288	421,173	91%
European Union	00070832 - Programme Management	324,000	39,965	152,237	171,763	
	00081443 - Institutions strengthened at the district level to independently address priority local needs	1,100,454	82,768	82,768	1,017,686	
	00081444 - Improved access to key services for the rural poor	11,423,587	285,800	709,886	10,713,701	
	General Management Service (GMS) Fee (7%)	899,363	28,597	66,142	833,221	
Sub-Total		13,747,404	437,130	1,011,033	12,736,371	7%
CIDA	00070832 - Programme Management	70,000	(676,436)	11,234	58,766	
	00081443 - Institutions strengthened at the district level to independently address priority local needs	163,000	28,780	33,659	129,341	
	00081444 - Improved access to key services for the rural poor	2,446,158	1,564,000	1,564,000	882,158	
	00081449 - Stabilization in less secure regions and districts	5,000,933	529,043	589,575	4,411,358	
	General Management Service (GMS) Fee (7%)	537,606	101,177	153,893	383,714	
Sub-Total		8,217,697	1,546,564	2,352,361	5,865,336	29%
AECI/Spain	00081444 - Improved access to key services for the rural poor	8,785,931	494,928	792,725	7,993,206	
	00081449 - Stabilization in less secure regions and districts	1,030,350	43,676	88,872	941,478	
	General Management Service (GMS) Fee (7%)	687,140	37,702	61,712	625,428	
Sub-Total		10,503,420	576,306	943,309	9,560,112	9%
Australian DIMA	00081449 - Stabilization in less secure regions and districts	454,941	-	-	454,941	
	General Management Service (GMS) Fee (7%)	31,846	-	-	31,846	
Sub-Total		486,787	-	-	486,787	0%
AusAID	00081443 - Institutions strengthened at the district level to independently address priority local needs	178,400	-	-	178,400	
	00081444 - Improved access to key services for the rural poor	3,000,000	-	-	3,000,000	
	General Management Service (GMS) Fee (7%)	222,488	-	-	222,488	
Sub-Total		3,400,888	-	-	3,400,888	0%
Grand Total		77,854,381	10,469,952	19,638,096	58,216,285	25%

Note:

Output 4 - 00081451 related to AREDP (REDKAN, REDHLD), not included in the above report;

budget under revision mode;

D. ANNEX 4: ACTIVITY

Activity	Description of Result	Progress
1.1 Mobilize communities to articulate their needs and identify priorities and solution	37 DDAs re-elected	27.61%
1.2 Delivery of Capacity Development Trainings to DDAs in order to strengthen them to function as district level development—coordination entity	40 DDAs were provided with Capacity Development Training	30.76%
1.3 Development of effective mechanisms to mainstream gender equality/women's empowerment, ensure equal gender participation in all components of the programme	5 Gender sub committees established	17.85%
1.4 Support to DDAs to support livelihood actions	Five women economic empowerment projects were completed that benefitted 260 vulnerable women (widows, poor, and women headed households)	16.66%
2.1 Establishment of Sustainable Energy Project managed by communities	5 MHP projects completed	4.5%
2.2 Capacity Development of ERDA staff and communities for operation and maintenance of rural energy systems and institutionalization and up-scaling of rural energy development activities	108 CDC members were trained on MHP	43.2%
2.3 Implement priority infrastructure projects at the district/community level in the transport, disaster management, education, irrigation/agriculture and water supply sectors	23 irrigation, 47 disaster management, 22 transportation, and 26 water supply projects completed	Irrigation (18.2%), disaster management (34.3%), transportation (27.5%), water supply (22%)
3.1 Priority projects implemented in specific districts with a view to facilitating the integration of former combatants	4 projects completed	11.4%
3.2 Establishment of Water supply network for Aliceghan community	Providing clean drinking water to Aliceghan community	64% completed
3.3 Completion of IALP 2-AIRD	training on monitoring and evaluation conducted for DDA	100%
3.4 Completion of IALP 2-MAIL	Two trainings on various topics were conducted for DAIL staff and farmers.	90%
3.5 Completion of IALP 2 - NABDP	Construction of the Kandahar Regional Agricultural and Rural Development Institute (KRARDI)	Works 48% completed
3.6 Development of Afghanistan Institute of Rural Development, Establishment of a Rural Technology Park	Establishment of Rural Technology Park	Works 26% completed

E. ANNEX 5: RISK LOG

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Management response	Owner	Submitted by	Status
1	Project selection criteria	30/6/2012	Political	<p>DDAs voiced numerous concerns that their DDPs are not being adhered to during the project selection processes. This is a large concern for DDAs and also put into question, that NABDP's project selection process does not always follow DDPs either</p> <p>P =4</p> <p>I = 5</p>	As a result, NABDP is taking initiative to develop project selection criteria for avoiding direct political intervention as well as looking at how standardized processes can be introduced	Programme Manager		1. Criteria have been developed but the process is still under design.

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Management response	Owner	Submitted by	Status
2	<p>Funding Shortfall</p> <p>Due to funding shortfall, NABDP is unable to start any new energy project or infrastructure projects in year 2012. The exception is where there is earmarked funding available and with a small number of emergency interventions.</p>	30/6/2012	Operational	Frustration amongst rural people that surveyed and designed projects pending for implementation will not be implemented	<p>The annual workplan is in the process of being revised and both ERDA and PRID will focus on completing ongoing projects. Where new projects are initiated they will only be in provinces where there is earmarked funding available.</p> <p>The NABDP have begun to approach current and new donors for further financial support.</p>	<p>Programme Manager</p> <p>Chief Technical Advisor</p>		Ongoing

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Management response	Owner	Submitted by	Status
3	<p>Deteriorating Security</p> <p>Over the second Quarter of 2012, security has been identified as one of the major constraints for timely implementation and supervision of a number of activities</p>	30/6/2012	Operational	<p>All outputs of the project are affected by this issue</p> <p>P = 4</p> <p>I = 3</p>	<p>At the current time the main strategy is to focus upon the areas where it is possible to work. Also in certain instances the DDA monitoring teams can be employed in order for monitoring and oversight.</p>	<p>Programme Manager</p> <p>CTA</p> <p>Heads of LIDD, ERDA, PRID and Reintegration Unit</p>		Ongoing

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Management response	Owner	Submitted by	Status
4	Procurement Capacity in MRRD	30/6/2012	Operational	<p>The contracting of several projects has been delayed in particular where their value is greater than 60,000 USD thus requiring additional signatures before approval. As a result of slow and cumbersome governmental procurement procedures, contracting of 15 reintegration projects are pending in MRRD procurement department</p> <p>P = 4</p> <p>I = 4</p>	To mitigate this risk, a dedicated focal point will be placed at MRRD procurement department to regularly follow up on the procurement process.	Eng. M. Usman Coordinator of APRP and Project Manager		Ongoing

F. ANNEX 6: ISSUE LOG

ID	Type	Date Identified	Description	Status/Priority	Status Change Date	Author
1	Contractual Issue of DDA Maturity Assessment study	30/6/2012	There was a failure to recruit a company to complete the DDA maturity assessment.	Medium	It was decided that once the ToR have been adjusted to take account of the new development with DCCs the assignment will be re-advertised.	
2	Shortage of Female Community Mobilizers	30/6/2012	Local Institution Development Department (LIDD) is currently facing the shortage of female staff in some provinces, however recruitment of new staff is also not allowed due to the lack of budget	Medium	Female staff will be engaged on daily/ part time contracts	
3	Lack of Technical Capacity	30/6/2012	ERDA has indicated the delay in supply and delivery of equipment which hinders project progress. In addition there is a lack of individuals with the necessary technical knowledge and skill at every level	Medium	Capacity development is required at every level.	
4	Community Conflicts	30/6/2012	There have been a number of land disputes because some communities are unhappy that NABDP projects are being implemented on their land without their prior approval. As a result, a number of projects were delayed or stopped.		This issue will be solved by involving communities members prior to the selection of projects	

G. ANNEX 7: ALICEGHAN WATER SUPPLY SCHEME

Aliceghan water supply scheme aims to provide potable water to Aliceghan refugees in Qarabagh district. Construction work continues to be delayed due to an ongoing land dispute between the local community and the Afghan government. Although high level Government officials have attempted numerous times to resolve it, none have been successful. Unless there is solution found in the near future, this project will have to be closed.

Progress made under each of the four lots in Q2 is given below:

Lot One includes testing and development of two existing deep wells, construction of pump and generator houses, supply and installation of submersible, generators, flow meter, surface test of the water pumps and generators and final test of the pump station. Work on this lot is progressing with a total 80 percent completed. The remaining activities are the installation of generators and submersible as well as the final lot test. However, construction work on this lot stopped due to the land dispute in Q3 2011.

Lot Two is the construction and installation of the 7.2 km long polyethylene pipe and final test of the combined four lots. This lot is 10 percent complete. The remaining work includes the trench excavation for the pipe and the final test of the water supply project. Although construction work was planned for Q1, it did not commence as planned due to the land dispute. Again this lot cannot be completed until the land dispute is resolved.

Lot Three is the construction of a reinforced concrete reservoir with a total capacity of 45,000 litres. This was completed in 2011, making this lot 100% complete. However there are some leaks in the reservoir. NABDP Aliceghan technical team instructed the contractor to repair and retest the reservoir.

Lot Four is the construction of a 15 km water distribution system and 189 stand pipes. This lot is ongoing with 80 percent of the construction work completed. Gate and pressure reducing valve installation and final testing of the network is remaining. Construction work on this lot has been delayed due to insecurity, low quality PE pipe, and lack of capacity of the construction company. It is now anticipated that this lot will be completed in Q3.

H. ANNEX 8: INTEGRATED ALTERNATIVE LIVELIHOODS PROGRAMME

Output 1: Establishment of a Kandahar Regional Agriculture and Rural Development Institute (KRARDI) including an Agricultural High School (AHS) at Tarnak Farm

Lot 1: This lot comprises of a facility with 30 classrooms, a technical workshop, training facility building and ten washrooms. Construction work on this lot is ongoing with 52 percent of the work completed. Excavation, plain cement concrete (PCC), reinforced cement concrete (RCC), column steel work, stone masonry, ring beam, brick masonry, shattering, and first floor RCC slab for the technical workshop, training workshop and toilets have all been completed. The column work for second floor and brick masonry for technical workshop, training workshop and toilet are all ongoing.

Lot 2: This lot comprises of a dining room and hostel for female students. Construction work on this lot is 48 percent completed. Excavation, PCC foundation, columns and steel work, stone masonry, ring beams, RCC columns and shattering are completed in the female dining room, female hostel and toilet. Brick masonry and steel work are ongoing.

Lot 3: The Excavation, PCC foundation, columns and steel work, stone masonry, ring beams, bricks masonry, shattering for slab, RCC shuttering and RCC slab are complete in the Mosque, male dining room and male hostel. Plastering of the mosque, installation of doors and windows for the dining room and brick masonry for second floor are ongoing.

Lot 4: The digging work of an 80m well and construction of water tank, ring beam, and brick masonry of the boundary wall were all completed successfully. Plastering is ongoing with a progress of 95 percent. In addition, the security guard room was constructed.

Lot 5: The construction work of the fountain and 50 percent of the landscaping is completed. The 54 m deep bore well was completed and pump tested. Excavation, pipe extension, and excavation pipe for the electricity system for the water supply was implemented while work on the extension pipe for the sewerage system is ongoing. Overall 30 percent of the work is completed.

Subject Matter Teacher Training and Curriculum Development (SMTTCD)

The establishment of Kandahar Regional Agricultural and Rural Development Institute (KRARDI) also includes a SMTTCD component to develop curricula for the institute and associated teacher training. The proposed 20 curricula in the fields of Agronomy, Horticulture, Plant Protection, Forest and Natural Resources, Agricultural Economics and Development and Animal Science have been developed in 47 books. All of these books were written and a draft version printed. Currently the draft version is being proof read and once this process has been completed then the final version of the book can be printed.

Output 2: Development of Tarnak Farm Master Plan

This was completed in 2011 by Studio Zarnegar.

Output 3: Enhancement of the capacities of Kandahar Provincial Departments of MRRD and MAIL

a) DAIL Capacity Enhancement

The capacity enhancement of the Provincial Directorate of Agriculture, Irrigation and Livestock (DAIL) staff and lead farmers from various districts through different trainings were completed and the final report has been submitted to NABDP. The enhancement of DAIL staff capacity on a variety of topics will bring synergy among governmental institutions, NGOs, local councils, and civil society at provincial, district, and village levels. Poverty reduction will be enhanced by strengthening the capacity among all line departments. In addition, through the implementation of trainings on various technical topics, the lead farmers will adopt the best practice approach for increasing their agriculture and livestock production. It is expected that the trained farmers will share their knowledge and skills with other farmers at village and district level, thus multiplying the impact of the training.

Additionally, the capacity of DAIL staff has been improved through the provision of essential facilities necessary for conducting their work. Of the proposed support items, 75 percent were purchased in 2011 and transferred to the Kandahar DAIL Office. Requests for the remaining items and internet installation have been submitted and their purchase is anticipated in the upcoming quarter.

b) PRRD Capacity Enhancement

AIRD conducted monitoring and evaluation training for 51DDA members in Kandahar province. The training strengthened internal capacity of DDA members on monitoring and evaluation techniques. This will allow DDA members to better review the variety of different rural development interventions that are implemented in their districts.

Furthermore, nine curricula and training manuals were developed for KRARDI. These curricula included Training of Trainers (ToT), Orientation to MRRD policies, programmes and strategies, good governance, social change and rural development, research methodology, management (time management and filing system), leadership, communication and report writing, and project management cycle. All of these curricula were translated in to Pashto.

RISKS/ISSUES

Issues:

- Project progress hampered due to military exercise near by

The progress of construction works continued to be affected in the second quarter due to military exercises near by the KRARDI project site. However, as a result of discussions with the Corps Commander, a schedule was agreed upon whereby shooting practice would take place at specific times and thus not interfere with the construction work. Since this agreement was made the work has progressed without any further stoppages.

I. Annex 8: CIDA/IALP Budget Breakdown

Revised breakdown of the IALP-2K budget												
Code	Heading	QTY	Unit	Duration	Unit	Unit price	Total Budget in USD (approx)	Exp (Jan-Dec 2009)	Exp (Jan-Dec 2010)	Exp (01 Jan-31 Dec 2011)	Exp (01 Jan-30 Jun 2012)	Remarks
1	Direct Operational Cost											
1.01	Project Manager- KDH (International)	1	person	7	months	15,000	100,372	100,372				
1.02	Project Manager- KDH	1	person	24	months	2,250	69,600	15,600	19,074	15,750		
1.02	Agro Business Specialist	1	person	18	months	1,417	28,340	2,834	17,562	19,992	5,166	
1.03	Community Mobilizer - KDH	3	person	3	months	1,000	12,450	3,450	36,962	14,400	3,813	
1.04	Office Secretary - KDH	1	person	24	months	450	11,700	900	1,686			
1.05	Short Term TA (Monitoring & Evaluation)	1	person	1	month	15,000	15,000	-	13,751	19,695	4,662	
1.06	Armoured Vehicle	1	vehicle	1		126,971	126,971	126,971				
1.07	Equipment						41,762	1,062	1,935			
1.08	Administration / Extension (NABDP/RRRD Office Kandahar)						93,809	12,086				
1.09	Rental Vehicles (KDH)	2	vehicle	24	month	900	43,200					
1.1	Office Rent for IALP-2K	1	Building	18	month	5,000	90,000					
1.11	NABDP Indirect Cost						350,000	242,838	49,223		48,780	
Sub-Total 01 - Direct & In direct Operational Cost							983,204	506,113	140,192	69,837	62,421	
2	Licit Livelihoods Strengthened and Diversified (Outcomes 1 & 2) – Grant through UNDP											
2.01	Livelihood Study (Data Collection)	1	contract				37,550	22,530	13,495			
2.02	Livelihood Study (Data Collection Oversight, Support & Analysis)	1	contract					-				
Sub-Total 02 - Licit Livelihoods Strengthened and Diversified (Outcomes 1 & 2)							37,550	22,530	13,495	-	-	
3	Institutional Capacity Strengthened and Diversified (Outcomes 3 & 4) – Grant through UNDP											
3.01	Capacity Building DAIL	1	contract				221,256	-		118,593	22,786	DAIL expenses
3.02	Capacity Building PRRD (Phase 1)	1	contract				33,935	-				
3.03	Capacity Building PRRD (Phase 2)	1	contract				147,490	-		89,040	66,472	AIRD expenses
3.04	KRARDI Construction and Equipment	1	contract				3,754,000	-		482,209	172,960	under to contracts (from-1 & form-3)
3.05	KRARDI Agricultural Laboratories and Equipments	3					180,000	-				
3.06	KRARDI Curriculum Development (Development of teaching materials)	1	contract				120,000	-		12,600	1,976	Expenditure of MoE
3.07	Tarnak Farm Masterplan study	1	Contract				298,039	-		298,040	262,960	154,361 carry over from IALP-K1 and 93,678 from Tarnak Infrastructure
	Infrastructure based on Tarnak farm master plan						891,195					
3.08	Tarnak-KRARDI Connecting Infrastructure	1	contract				-					850000 USD To be/or may funded by CERP or NABDP
3.09	KRARDI Capacity Development (Teacher Trainings)	1	contract				94,749	-				
Sub-Total 03 - Institutional Capacity Strengthened and Diversified (Outcomes 3 & 4)							5,740,664	-	0	1,000,482	527,154	
4	UNDP General Management Services (GMS)											
4.01	UNDP GMS 7%						508,924	39,790	11,568	80,562	41,270	
Sub-Total 04 - General Management Services (GMS)							508,924	39,790	11,568	80,562	41,270	
Grand total							7,270,342	568,433	165,255	1,150,881	630,845	