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**TA Cluster 3874-AFG: Capacity Building
for Reconstruction and Development and
TA 3875-AFG: Disaster Preparedness and
Management Capacity Building
Progress Report**

Attached for information is a progress report on the above subject.

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ASIAN DEVELOPMENT BANK

**PROGRESS REPORT
ON**

**TA CLUSTER 3874-AFG: CAPACITY BUILDING FOR
RECONSTRUCTION AND DEVELOPMENT**

AND

**TA 3875-AFG: DISASTER PREPAREDNESS AND MANAGEMENT
CAPACITY BUILDING**

IN THE

ISLAMIC REPUBLIC OF AFGHANISTAN

January 2005

CURRENCY EQUIVALENTS

(as of 20 December 2004)

Currency Unit	–	afghani (AF)
AF1.00	=	\$0.0211
\$1.00	=	AF47.45

ABBREVIATIONS

ADB	–	Asian Development Bank
AusAID	–	Australian Agency for International Development
CSC	–	Civil Service Commission
DDP	–	Department of Disaster Preparedness
DFID	–	Department for International Development
DOC	–	Department of Construction
HR	–	human resources
IMF	–	International Monetary Fund
MAAH	–	Ministry of Agriculture and Animal Husbandry
MCAT	–	Ministry of Civil Aviation and Tourism
M&E	–	monitoring and evaluation
MIWRE	–	Ministry of Irrigation, Water Resources, and Environment
MIS	–	management information system
MOC	–	Ministry of Commerce
MOE	–	Ministry of Education
MOF	–	Ministry of Finance
MOH	–	Ministry of Health
MOHE	–	Ministry of Higher Education
MMI	–	Ministry of Mines and Industry
MOT	–	Ministry of Transport
MOWA	–	Ministry of Women's Affairs
MWP	–	Ministry of Water and Power
MPW	–	Ministry of Public Works
MRRD	–	Ministry of Rural Rehabilitation and Development
NGOs	–	nongovernment organizations
PARP	–	Public Administration Reform Program
PRR	–	Priority reform and reconstruction
SMP	–	staff-monitored program
TA	–	technical assistance
UNAMA	–	United Nations Assistance Mission to Afghanistan
USAID	–	United States Agency for International Development

NOTES

- (i) The fiscal year (FY) begins on 22 March. FY before a calendar year denotes the year in which the fiscal year ends, e.g., FY2004 ends on 21 March 2004.
- (ii) In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. The technical assistance (TA) cluster for Capacity Building for Reconstruction and Development (TA 3874)¹ was approved by the Board of Directors of the Asian Development Bank (ADB) on 30 May 2002, for \$14.5 million, on a grant basis. On the same day, the TA for Disaster Preparedness and Management Capacity Building (TA 3875),² for \$500,000, was approved by the President, for a total of \$15 million for TA to Afghanistan in 2002. Since then, cofinancing of \$450,000 in 2003 and \$90,000 in 2004 from the Government of Denmark, and contributions of \$136,000 in 2002 and \$271,000 in 2004 from the Government of Australia through the Australian Agency for International Development (AusAID) have been secured.³ This is the fourth progress report. Previous progress reports were circulated in March and December 2003 and July 2004. Appendix 1 presents the TA components and financing amounts. Appendix 2 indicates the latest status of disbursement for TAs 3874 and 3875. Appendixes 3 and 4 compile individual progress reports.

II. SELECTION AND FIELDING OF CONSULTANTS

2. The TA cluster has 19 components: five in agriculture, environment, and natural resources management (subcluster 1); four in the social sector (subcluster 2); seven in the infrastructure sector (subcluster 3); and three in governance and finance (subcluster 4). Adding the TA on disaster preparedness makes a total of 20 TA components. Of these, 19 have been approved either by the President or Director General, South Asia Department, and funds under 1 have been reallocated to support capacity-building activities at the Ministry of Finance (MOF) and the Ministry of Irrigation, Water Resources, and Environment (MIWRE). For several project components the identification of suitable consultants has been difficult and has delayed implementation. However, by end 2004 consultants and consulting firms have been selected and fielded for most of the subclusters.

III. PROGRESS ON THE TECHNICAL ASSISTANCE SERVICES

3. The various TA components have already made a significant first contribution to the foundations for a well-functioning public administration and several key reforms. They are helping build capacity for institutional and organizational development, planning, management, administration, and service delivery by providing consultants as well as much-needed equipment for several ministries. As sector-specific and ministry-specific circumstances continue to differ widely, the TA cluster components have achieved various levels of progress. Appendixes 3 and 4 provide details on the progress achieved under the various TA components.

4. Under subcluster 1—capacity building to reconstruct agriculture and manage natural resources—support to MIWRE has included the development of a water resources policy and strategic framework. MIWRE and other agencies have been trained in environmental impact

¹ ADB. 2002. *Proposed Technical Assistance Cluster to the Republic of Afghanistan for Capacity Building for Reconstruction and Development*. Manila.

² ADB. 2002. *Technical Assistance to the Republic of Afghanistan for Disaster Preparedness and Management Capacity Building*. Manila.

³ As of 20 December 2004, the total cost estimate of the TA cluster is \$15,447,000.

assessment and monitoring. Another component of this subcluster supports the improvement of the monitoring and evaluation (M&E) systems in the Ministry of Rural Rehabilitation and Development. Training was provided in renewable energy, and solar-powered water supply systems have been installed on a pilot basis.

5. Under subcluster 2—capacity building to rehabilitate and reconstruct the social sectors—ADB has helped develop a database on education infrastructure, which helps the Ministry of Higher Education plan education delivery. Similarly, the Ministry of Education has received on-the-job training in policy formulation and in construction and maintenance of school facilities. The Ministry of Public Health is being assisted in managing public health services.

6. Under subcluster 3—capacity building to rehabilitate and reconstruct the road transport and energy sectors—all key ministries' planning and engineering functions are being strengthened for major reconstruction work in the road, gas, and energy sectors. Key projects include establishing a transport corridor connecting the central Asian countries to seaports via Iran and Pakistan, rehabilitating gas fields, and reviving power systems. Since infrastructure development is closely linked to Afghanistan's economic development prospects, legislation for cross-border trade is being developed.

7. Under subcluster 4⁴—support to rebuild the financial sector and governance—ADB provides technical advisers to the office of the minister of finance and deputy ministers. The assistance has been instrumental for the introduction of key reforms and has contributed significantly to improvements in the budget preparation process. Another TA component under this subcluster has helped Da Afghanistan Bank develop a national payments system.

IV. DISBURSEMENT AND IMPLEMENTATION

8. Of the total \$15.0 million approved in 2002, about \$13.3 million was committed for consultant contracts and equipment, of which about \$10.4 million had been disbursed as of 20 December 2004. For certain TA components, implementation and therefore disbursements have been slow due to the need to coordinate continuously with other development partners to avoid duplicating efforts, and the rapidly changing political and economic circumstances and Government priorities. However, most of the subclusters have been completed or are substantially completed. It is anticipated that all subclusters will be completed by 31 December 2005.

⁴ Subcluster 4 was originally composed of four components: (i) financial sector needs and priorities assessment, (ii) capacity building for MOF, (iii) approach and design for effective financial service delivery, and (iv) development of a basic market structure. After the aid coordination situation was assessed in mid-2002, the first component was found to have been covered by frequent International Monetary Fund (IMF) missions, and that components (iii) and (iv) were premature, while component (ii) remained relevant. Therefore, the subcluster was reformulated into three components: development of a national payments system, capacity building for MOF, and support for civil service reforms and governance (no longer included in this progress report).

9. TA activities are administered and monitored by individual task officers based at headquarters and by the ADB Afghanistan Resident Mission. The South Asia Operations Coordination Division, in collaboration with MOF, is coordinating and closely monitoring the implementation of the TA components.

TA 3874: CAPACITY BUILDING FOR RECONSTRUCTION AND DEVELOPMENT

Item No.	Component No./Project Name	Completion (Actual/Expected)	Div.	DG SARD Approval		
				Date	Amount	Cum. Amount
1	1a Capacity Building and Institutional Reorganization in Agriculture and Natural Resources Sector Institutions	31 December 2004	AFRM	9-Oct-2002	980,000.0	980,000.0
2	1b1 Support for Water Resources Management and Planning		SAAE	17-Nov-2003	100,000.0	1,080,000.0
3	1b1 Support for Water Resources Management and Planning	30 April 2004	SAAE	9-Oct-2002	683,000.0	1,763,000.0
4	1b2 Support for Agricultural and Natural Resources Management and Planning	31 December 2004	AFRM	9-Oct-2002	650,000.0	2,413,000.0
5	1b3 Support for Rural Development Management Planning	June 2005	SAAE	16-Dec-2002	683,000.0	3,096,000.0
6	1c Establishing Environmental Management Capacity	April 2005	SAOC	26-Sep-2002	300,000.0	3,396,000.0
7	1c Establishing Environmental Management Capacity		SAOC	15-Jul-2003	450,000.0	3,846,000.0
8	1c Establishing Environmental Management Capacity		SAOC	28-Jan-2004	90,000.0	3,936,000.0
9	2a Capacity Building for the Ministry of Higher Education	22 October 2004	SASS	1-Jul-2002	850,000.0	4,786,000.0
10	2b Capacity Building for the Ministry of Education	28 February 2005	SASS	1-Jul-2002	1,150,000.0	5,936,000.0
11	2c Capacity Building for the Ministry of Public Health	20 January 2005	SASS	11-Oct-2002	1,200,000.0	7,136,000.0
12	2d Capacity Building for the Ministry of Women's Affairs	31 December 2005	AFRM	1-Jul-2002	300,000.0	7,436,000.0
13	3a Capacity Building for Key Infrastructure Agencies Including Support for Road Reconstruction Projects	June 2005	SATC	30-Jul-2002	2,460,000.0	9,896,000.0
14	3b Capacity Building for Project Planning in Transport Sector	July 2004	SATC	30-Jul-2002	840,000.0	10,736,000.0
15	3c Development of a Framework and Legislation for Cross-Border Trade	July 2004	SATC	30-Jul-2002	500,000.0	11,236,000.0
16	3d Capacity Building and Training for the Ministry of Power	30 June 2005	SAEN	18-Jun-2002	700,000.0	11,936,000.0
17	3e Study for Power Interconnection for Regional Trade	30 June 2005	SAEN	18-Jun-2002	500,000.0	12,436,000.0
18	3f Assessing Gas Sector Rehabilitation Requirements	30 June 2005	SAEN	18-Jun-2002	334,500.0	12,770,500.0
19	3g Establishing Cost-Effective Methods of Petroleum Storage Rehabilitation	30 June 2005	SAEN	18-Jun-2002	160,643.0	12,931,143.0
20	4a Payments System Development	15 December 2003	SAGF	26-Sep-2002	650,000.0	13,581,143.0
21	4b Capacity Building for Ministry of Finance - Change in Scope; additional AusAID's cofinancing		SAOC	22-Oct-2002	136,000.0	13,717,143.0
22	4b Capacity Building for Ministry of Finance - Expansion of Scope	June 2005	SAOC	11-Feb-2003	200,000.0	13,917,143.0
23	4b Capacity Building for Ministry of Finance - Expansion of Scope	June 2005	SAOC	7-Oct-2003	600,000.0	14,517,143.0
24	4b Capacity Building for Ministry of Finance - Expansion of Scope	June 2005	SAOC	14-Nov-2003	160,000.0	14,677,143.0
25	4b Capacity Building for Ministry of Finance - Expansion of Scope	June 2005	SAOC	17-May-2004	98,857.0	14,776,000.0
26	4b Capacity Building for Ministry of Finance - Expansion of Scope	June 2005	SAOC	1-Jun-2004	271,000.0	15,047,000.0
27	4b Capacity Building for Ministry of Finance	June 2005	SAOC	7-Aug-2002	400,000.0	15,447,000.0
28	4c Support for Civil Service Reforms and Governance		RSGR	17-May-2004		15,447,000.0

AusAID – Australian Agency for International Development, Cum. – cumulative, DG = director general, Div. – division, RSGR = Governance and Regional Cooperation Division, SAAE = Agriculture, Environment and Natural Resources Division, SAEN = Energy Division, SAGF = Governance, Finance & Trade Division, SAOC = Operations Coordination Division, SATC = Transport and Communications Division
Source: Asian Development Bank

STATUS BY COST CATEGORY
(as of 20 December 2004)
Table A2.1: TA 3874 and TA 3875-AFG

Particulars	TA Allocation	Contracts	Disbursed (Contracts)	Undisbursed (Contracts)	Uncommitted (TA)	Undisbursed (TA)
	A	B	C	D (B-C)	E (A-B)	F (A-C)
A. Foreign Costs						
1. Consultants	8,914,182.0	8,700,370.0	7,226,627.0	1,473,743.0	213,812.0	1,687,555.0
2. Equipment	1,317,307.0	1,271,351.0	914,169.0	357,182.0	45,956.0	403,138.0
3. Training/Seminar	609,438.0	621,013.0	423,717.0	197,296.0	(11,575.0)	185,721.0
4. Studies	275,620.0	222,351.0	8,630.0	213,721.0	53,269.0	266,990.0
5. Contract Negotiations	43,000.0	4,000.0	0.0	4,000.0	39,000.0	43,000.0
6. Miscellaneous TA Admin.	273,100.0	178,492.0	166,843.0	11,649.0	94,608.0	106,257.0
7. Contingency	1,339,707.0	368,472.0	0.0	368,472.0	971,235.0	1,339,707.0
Total Foreign Costs	12,772,354.0	11,366,049.0	8,739,986.0	2,626,063.0	1,406,305.0	4,032,368.0
B. Local Costs						
1. Consultants Remuneration/ Per Diem	1,254,292.0	487,665.0	387,786.0	99,879.0	766,627.0	866,506.0
2. Consultants (Others)	640,765.0	550,696.0	372,388.0	178,308.0	90,069.0	268,377.0
3. Equipment	35,402.0	34,402.0	33,402.0	1,000.0	1,000.0	2,000.0
4. Training/Seminar	322,220.0	281,817.0	68,297.0	213,520.0	40,403.0	253,923.0
5. Studies	241,000.0	73,833.0	39,399.0	34,434.0	167,167.0	201,601.0
6. Miscellaneous TA Admin.	216,544.0	167,136.0	105,227.0	61,909.0	49,408.0	111,317.0
7. Contingency	464,423.0	329,222.0	0.0	329,222.0	135,201.0	464,423.0
Total Local Costs	3,174,646.0	1,924,771.0	1,006,499.0	918,272.0	1,249,875.0	2,168,147.0
Total F & L Costs	15,947,000.0	13,290,820.0	9,746,485.0	3,544,335.0	2,656,180.0	6,200,515.0
C. Claims and Advances						
1. Pending Claims	0.0	0.0	0.0	0.0	0.0	0.0
2. O/S Advances	0.0	0.0	635,676.0	(635,676.0)	0.0	(635,676.0)
Total	15,947,000.0	13,265,820.0	10,382,161.0	2,883,659.0	2,681,180.0	5,564,839.0

Admin. = administration, O/S advances= outstanding advances (advances paid to consultants but not yet liquidated), TA = technical assistance, F&L= foreign and local

Source: Asian Development Bank

Table A2.2: TA 3874-AFG

Particulars	TA Allocation	Contracts	Disbursed (Contracts)	Undisbursed (Contracts)	Uncommitted (TA)	Undisbursed (TA)
	A	B	C	D	E	F
				(B-C)	(A-B)	(A-C)
A. Foreign Costs						
1. Consultants	8,745,682.0	8,535,773.0	7,116,149.0	1,419,624.0	209,909.0	1,629,533.0
2. Equipment	1,267,307.0	1,223,621.0	866,440.0	357,181.0	43,686.0	400,867.0
3. Training/Seminar	394,438.0	406,383.0	215,458.0	190,925.0	(11,945.0)	178,980.0
4. Studies	275,620.0	222,351.0	8,630.0	213,721.0	53,269.0	266,990.0
5. Contract Negotiations	43,000.0	4,000.0	0.0	4,000.0	39,000.0	43,000.0
6. Miscellaneous TA Admin.	268,100.0	177,127.0	165,479.0	11,648.0	90,973.0	102,621.0
7. Contingency	1,332,707.0	367,502.0	0.0	367,502.0	965,205.0	1,332,707.0
Total Foreign Costs	12,326,854.0	10,936,757.0	8,372,156.0	2,564,601.0	1,390,097.0	3,954,698.0
B. Local Costs						
1. Consultants Remuneration/ Per Diem	1,232,292.0	467,107.0	369,898.0	97,209.0	765,185.0	862,394.0
2. Consultants (Others)	628,065.0	541,771.0	372,112.0	169,659.0	86,294.0	255,953.0
3. Equipment	33,402.0	33,402.0	33,402.0	0.0	0.0	0.0
4. Training/Seminar	320,220.0	279,817.0	68,297.0	211,520.0	40,403.0	251,923.0
5. Studies	241,000.0	73,833.0	39,399.0	34,434.0	167,167.0	201,601.0
6. Miscellaneous TA Admin.	203,444.0	154,107.0	94,666.0	59,441.0	49,337.0	108,778.0
7. Contingency	461,723.0	327,805.0	0.0	327,805.0	133,918.0	461,723.0
Total Local Costs	3,120,146.0	1,877,842.0	977,774.0	900,068.0	1,242,304.0	2,142,372.0
C. Claims and Advances						
1. Pending Claims	0.0	0.0	0.0	0.0	0.0	0.0
2. O/S Advances	0.0	0.0	586,715.0	0.0	0.0	0.0
Total	15,447,000.0	12,789,599.0	9,936,645.0	2,852,954.0	2,657,401.0	5,510,355.0

Admin. = administration, O/S advances = outstanding advances (advances paid to consultants but not yet liquidated), TA = technical assistance.

Source: Asian Development Bank

Table A2.3: TA 3875-AFG

Particulars	TA Allocation	Contracts	Disbursed (Contracts)	Undisbursed (Contracts)	Uncommitted (TA)	Undisbursed (TA)
	A	B	C	D (B-C)	E (A-B)	F (A-C)
A. Foreign Costs						
1. Consultants	168,500.0	164,597.0	110,478.0	54,119.0	3,903.0	58,022.0
2. Equipment	50,000.0	47,730.0	47,729.0	1.0	2,270.0	2,271.0
3. Training/Seminar	215,000.0	214,630.0	208,259.0	6,371.0	370.0	6,741.0
4. Studies	0.0	0.0	0.0	0.0	0.0	0.0
5. Contract Negotiations	0.0	0.0	0.0	0.0	0.0	0.0
6. Miscellaneous TA Admin.	5,000.0	1,365.0	1,364.0	1.0	3,635.0	3,636.0
7. Contingency	7,000.0	970.0	0.0	970.0	6,030.0	7,000.0
Total Foreign Costs	445,500.0	429,292.0	367,830.0	61,462.0	16,208.0	77,670.0
B. Local Costs						
1. Consultants Remuneration/ Per Diem	22,000.0	20,558.0	17,888.0	2,670.0	1,442.0	4,112.0
2. Consultants (Others)	12,700.0	8,925.0	276.0	8,649.0	3,775.0	12,424.0
3. Equipment	2,000.0	1,000.0	0.0	1,000.0	1,000.0	2,000.0
4. Training/Seminar	2,000.0	2,000.0	0.0	2,000.0	0.0	2,000.0
5. Studies	0.0	0.0	0.0	0.0	0.0	0.0
6. Miscellaneous TA Admin.	13,100.0	13,029.0	10,561.0	2,468.0	71.0	2,539.0
7. Contingency	2,700.0	1,417.0	0.0	1,417.0	1,283.0	2,700.0
Total Local Costs	54,500.0	46,929.0	28,725.0	18,204.0	7,571.0	25,775.0
C. Claims and Advances						
1. Pending Claims	0.0	0.0	0.0	0.0	0.0	0.0
2. O/S Advances	0.0	0.0	48,961.0	0.0	0.0	0.0
Total	500,000.0	476,221.0	445,516.0	30,705.0	23,779.0	54,484.0

Admin. = administration, O/S advances =outstanding advances (advances paid to consultants but not yet liquidated), TA = technical assistance.
Source: Asian Development Bank

TA SUBCLUSTER PROGRESS REPORT

Table A3.1: Component 1a—Capacity Building and Institutional Reorganization in Agriculture and Natural Resources Sector Institutions

Counterpart	Ministry of Agriculture and Animal Husbandry (MAAH); Ministry of Irrigation, Water Resources, and Environment (MIWRE); and Ministry of Rural Rehabilitation and Development (MRRD)
Date of Memorandum of Understanding Signing	August 2002
Total Grant Financing	\$980,000 Reallocation of \$20,000 to component 4b approved by the director general of South Asia Regional Department on 17 May 2004
Approved by	Director General, South Asia Department
Date of Approval	9 October 2002
Project Officer	A. Kelly, Afghanistan Resident Mission
Consulting Services	International consultants (18 person-months) have been engaged: a team leader (12 person-months), a human resources development specialist (3 person-months), and a financial management specialist (3 person-months).
Expected Completion Date	31 December 2004
Status Implementation	The TA has provided a number of strategic inputs to assist the three ministries it covers. Capacity building and training of ministry and provincial staff have been undertaken in identified priority management and technical areas: institutional and organizational analysis and assessment and support to formulate reorganization plans for public institutions.
Key Activities	In MIWRE the focus has been on providing an institutional specialist, who over the last year has helped the ministry prepare stages 1 and 2 of the (priority reform and reconstruction) process for the ministry. The ministry was helped to prepare its water resources and irrigation policy and strategic framework. Equipment was provided, and 10 provincial staff members, directors took a 5-month management training course at BRAC in Bangladesh. The initial activities in MAAH involved providing English training to a large number of staff members. Later the training was refocused to more intensively train a smaller group. Other activities were 2-week technical and project management courses, a 5-month management training course at BRAC for 10 staff members from key departments; assistance for the initial stages of the institutional reform process; the development budget and planning process; and provision of equipment to support TA activities. In MRRD the TA supported the capacity-building director and department activities, and provided Information Technology support, management training courses for MRRD Kabul directors and provincial directors, and equipment.

Table A3.2: Component 1b1—Support for Water Resources Management and Planning

Counterpart	Ministry of Irrigation and Water Resources and Environment (MIWRE)
Date of Memorandum of Understanding Signing	August 2002
Total Grant Financing	1. \$683,000 2. \$100,000 reallocated from subcluster 4c on 17 November 2003
Approved by	Director General, South Asia Department
Date of Approval	9 October 2002
Project Officer Consulting Services	T. Panella, Agriculture, Environment, and Natural Resources Division The total requirement of consulting services amounted to 71 person-months. The TA consultants have completed their services.
Completion Date	30 April 2004
Status of Implementation	<p>Progress has been excellent under this component. A change in scope was approved in November 2003 to include two additional irrigation engineers to strengthen MIWRE's capacity for design, project management, and construction supervision, and to increase the total cost by \$100,000.</p> <p>In April 2004 a TA review mission held a tripartite meeting with MIWRE and the TA consultants to review the final report and the TA's activities and accomplishments. The consultant has inventoried all the materials and equipment to be turned over to MIWRE.</p>
Key Activities	<p>Key activities that were carried out include the following:</p> <ul style="list-style-type: none"> (i) A brief water resources policy and strategy paper was prepared. The paper is issue-based and outlines a policy that will meet immediate requirements, including approaches to river basin management. It identifies key areas for change, options, and recommended directions, with a suggested implementation plan and required follow-on activities. (ii) A water resources database and information system was established, which involved the review of water resources databases and identification of gaps and database information system requirements to establish an efficient system. (iii) Formal and on-the-job training was provided to line ministry staff from central and selected provincial agencies in data collection, management, and analysis. (iv) The hydrological and hydrogeologic network was assessed by reviewing a previous network, evaluating technical options, and identifying technologies and requirements for cost-effective design. A detailed investment and phased implementation plan was prepared based on priority regions and river basins. (v) An initial groundwater strategy was prepared.

- (vi) Water resources and irrigation scheme assessment procedures were prepared to allow ranking of priority systems for rehabilitation based on objective technical, social economic, financial, and environmental criteria, and to initially assess and rank the schemes.
 - (vii) Areas for pilot-testing of river basin planning on a major sub-basin were selected.
 - (viii) Capacity building was conducted to plan, implement, and monitor agriculture, natural resources, and rural development projects and programs.
 - (ix) On-the-job training and advice was provided to formulate water resources policies in line with the private sector-led and community-based principles of the Government's National Development Framework.
 - (x) Support was provided to establish a development program and budget, and an initial development framework as a basis to prioritize, formulate, and appraise medium-term projects and programs for institution building, reconstruction, and development that may be financed by ADB or other organizations.
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Table A3.3: Component 1b2—Support for Agricultural and Natural Resources Management and Planning

Counterpart	Ministry of Agriculture and Animal Husbandry (MAAH)
Date of Memorandum of Understanding Signing	August 2002
Total Grant Financing	\$650,000 Reallocation of \$34,000 to component 4b approved by the director general, South Asia Department, on 17 May 2004
Approved by	Director General, South Asia Department
Date of Approval	9 October 2002
Project Officer	A. Kelly, Afghanistan Resident Mission
Expected Completion Date	31 December 2004
Status of Implementation	<p>The TA consultants were mobilized on 6 May 2003. In the September 2003 tripartite meeting it was agreed that the technical assistance (TA) would focus on the following:</p> <ul style="list-style-type: none"> (i) agricultural policy and strategy, (ii) development and planning program, (iii) agricultural research and technology transfer, and (iv) forest and rangeland management. <p>The TA inception report was submitted in July 2003, and the TA interim report in February 2004. The forestry and rangeland subsector report and the summary report version are being translated into Dari. A draft of the Agricultural Research and Technology Transfer report was submitted in November and is being reviewed.</p>
Key Activities	<p>Key activities included the following:</p> <ul style="list-style-type: none"> (i) Agricultural policy and strategy <ul style="list-style-type: none"> (a) A draft agricultural sector policy and strategy framework was prepared; an MAAH working group facilitated; and a document, which was finalized for submission to the Cabinet, drafted. (b) Agricultural workshops and policy dialogue to support the Government reform program. (c) On-the-job training and advice were provided to formulate agriculture and natural resources policies in line with the National Development Framework. (ii) Development program and planning <ul style="list-style-type: none"> (a) Existing planning processes, reporting, and coordination systems were assessed. (b) A working group was established to improve development budget planning. Inputs by the team to prepare the agricultural sector investment program, and a 12-year development plan, which was part of a key Government document, <i>Securing Afghanistan's Future</i>, were prepared for the Berlin Conference.

(iii) Agricultural research and technology transfer

- (a) An initial inventory assessment of MAAH research facilities was undertaken.
- (b) A subsector policy and strategy were prepared. An outline of the institutional framework for a feasible, client-oriented agricultural research and technology transfer system is being finalized.
- (c) Preparation included a series of stakeholder workshops.

(iv) Forest and range management

- (a) Forest and rangeland resources inventories were reviewed and key land issues assessed with the Forestry and Rangeland Department.
 - (b) A policy and strategy working group was established, and MAAH helped to draft a subsector strategy for community-based forestry and rangeland. The strategy was finalized after discussion during the TA workshops and seminars on subsector policy and strategy.
 - (c) High-priority forestry and rangeland projects were prepared, and MAAH staff members trained.
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Table A3.4: Component 1b3—Support for Rural Livelihood Improvement of MRRD Monitoring and Evaluation System

Counterpart	Ministry of Rural Rehabilitation and Development (MRRD)
Date of Memorandum of Understanding Signing	November 2002
Total Grant Financing	\$683,000
Approved by	Director General, South Asia Department
Date of Approval	16 December 2002
Project Officer	D. Walton, Agriculture, Environment, and Natural Resources Division
Consulting Services	<p>The technical assistance (TA) requires 12 person-months of international consultants: 10 person-months of a monitoring and evaluation (M&E) systems specialist and 2 person-months of a rural livelihood and social protection specialist.</p> <p>The rural livelihood and social protection specialist has not yet been recruited as finding appropriate candidates is difficult. A new shortlist of candidates has been prepared. The position is expected to be filled in early 2005.</p>
Expected Completion Date	June 2005
Status of Implementation	<p>TA activities were expected to have begun in February 2003 and to be implemented over 12 months. As identifying suitable and interested consultants was difficult, TA activities did not take place as scheduled. By the time suitable consultants were identified, the Department for International Development (DFID) of the United Kingdom was financing some overlapping TA support to MRRD. To avoid duplication, the objectives and scope of the ADB TA were reviewed. The international M&E systems specialist was recruited and commenced services in February 2004.</p> <p>During the M&E component's inception, it became clear that Government priorities had changed since TA approval. Over the last 2 years, MRRD's portfolio has greatly increased and present M&E systems have become inadequate. To establish a basic M&E system, the following changes were proposed: (i) instead of domestic consultants, 10 regional M&E advisers and 20 provincial M&E assistants would be recruited; (ii) the input of the international rural livelihood and social protection specialist would be reduced to 2 person-months; and (iii) the vehicle budget would be used to fund local transport costs. The 10 regional M&E advisers would help establish provincial M&E systems, supervise M&E missions, and organize M&E training. Each proposed M&E adviser would cover three or four provinces. The M&E assistants would take part in monitoring missions along with MRRD headquarters and provincial M&E staff. They would work closely with provincial rural rehabilitation and development staff and provide on-the-job training. The regional M&E advisers and M&E assistants would be funded for 1 year.</p> <p>The international rural livelihood and social protection specialist's input was reduced by recruiting a senior livelihood and social protection adviser</p>

for MRDD under DFID funding for 3 years, as well as by planning the recruitment of several other consultants in the same field. The only activity in the specialist's terms of reference that remains uncovered is the assistance in preparing M&E criteria to assess beneficiary impact, which will require approximately 2 person-months.

The director general approved the proposed changes on 28 April 2004.

Key Activities

Current Status

Below are the achievements of the M&E specialist against each task in the terms of reference.

- (i) Advise the relevant MRRD departments in coordinating counterpart M&E and (Management Information System) teams.

This is a continuous activity. Day-to-day advice was given to the M&E Department, and regular advice to the Planning Department (which is responsible for MIS). The advice concerned not only coordination of the teams but also the M&E Department's activities and MRRD's MIS operations.

- (ii) With ministry counterparts, undertake workshops and seminars in M&E and MIS.

An inception workshop, and a workshop on the MRRD logical framework were organized and the consultant participated in several MIS workshops.

- (iii) Review Government M&E and MIS systems, hold workshops and consultations with all key stakeholders to identify M&E and MIS system needs and requirements, and assess options.

M&E and MIS systems were reviewed. All key stakeholders were consulted to identify needs and requirements.

- (iv) Develop and establish a comprehensive M&E system in MRRD and provincial offices to enable assessment of MRRD activity performance and beneficiary impact.

A comprehensive MRRD M&E system has started to be developed and implemented.

- (v) Identify key M&E and MIS training, workshop, and seminar needs of counterpart staff, and prepare and implement a training program, including on-the-job training.

The consultant advised on M&E and MIS training, organized a training workshop, and conducted limited on-the-job training.

- (vi) Prepare M&E manuals and M&E report framework.

A first draft of an MRRD M&E manual was prepared, and an M&E report framework developed.

- (vii) Prepare the following reports.
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A brief inception report (within 1 month after the TA started) outlining the TA implementation plan for M&E and MIS activities, a summary progress report after 6 months, and a brief final report with the draft of this report one month before TA completion were prepared. The final report includes a summary report on TA progress, key issues, and recommended follow-on activities. The inception report and summary progress reports were prepared three and six months after the TA started.

Table A3.5: Component 1c—Capacity Building for the Ministry of Irrigation, Water Resources, and Environment

Counterpart	Ministry of Irrigation, Water Resources and Environment (MIWRE) and Ministry of Water and Power (MWP)
Date of Memorandum of Understanding Signing	2 August 2002
Total Grant Financing	(i) \$300,000 (ii) \$450,000 cofinancing from the Government of Denmark approved by the President on 21 March 2003 (iii) \$90,000 cofinancing from the Government of Denmark approved by the President on 28 January 2004
Approved by	Director General, South Asia Department
Date of Approval	26 September 2002
Project Officer	A. Azimi, Operations Coordination Division
Consulting Services	50 person-months (15 international and 35 domestic). The TA will be implemented flexibly to keep pace with the ministry's evolving capacity building.
Expected Completion Date	April 2005
Status of Implementation	<p>Originally the TA was titled Establishing Environmental Management Capacity, and the financing amount was \$300,000. The scope was expanded as cofinancing of \$450,000 and \$90,000 was secured.</p> <p>Substantial capacity-building activities have been undertaken in the environment and renewable energy components. MOWP staff members have undergone two sets of external training in renewable energy, and workshops have been organized in Kabul to enhance staff capacities. MIWRE staff members have been supported for training in the United States in water quality analysis. Equipment for the water chemistry laboratory and renewable energy technologies for pilot projects have been identified and procured. Office equipment has been provided to the Environment Department and Department of Renewable Energy.</p>
Key Activities	<p>The TA is being carried out in two parts. For organizational development, 50 officials, including those from MIWRE and other Government agencies, have been trained in environmental impact assessment and monitoring. Environmental impact assessment guidelines in Dari have been produced and widely disseminated. Equipment for a water chemistry laboratory to be housed in MIWRE has been procured, and three MIWRE staff members will train in basic drinking water analysis and microbiology in the United States.</p> <p>The organizational structure and terms of reference for the Environment Department have been prepared and submitted to the civil service commission.</p> <p>Under the renewable energy component,</p>

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- (i) 12 wind-monitoring towers to gather resource data have been tendered and purchased;
 - (ii) training for renewable energy engineers has been organized overseas;
 - (iii) feasibility studies for installation of three microhydro units, including community social mobilization, have been completed and the units are expected to provide electricity to about 10,000 people;
 - (iv) procurement for microhydro equipment has been completed;
 - (v) the first solar-powered building in Afghanistan has been inaugurated and solar-powered water supply systems installed;
 - (vi) a training workshop in May 2004 reforested a hill in Kabul using a solar and wind hybrid pump with drip irrigation; and
 - (vii) solar hot water systems will be installed at an orphanage, and a policy framework for developing and managing renewable energy resources in Afghanistan has been prepared and presented to the Cabinet.
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Table A3.6: Component 2a—Capacity Building for Ministry of Higher Education

Counterpart	Ministry of Higher Education (MOHE)
Date of Memorandum of Understanding Signing	29 May 2002
Total Grant Financing	\$850,000
Approved by	Director General, South Asia Department
Date of Approval	1 July 2002
Project Officer	L. Gutierrez, Social Sectors Division
Consulting Services	<p>64.50 person-months consulting services (29.75 international, 34.75 domestic). The TA was implemented flexibly to be responsive to the wide range of needs and changes taking place in MOHE.</p> <p>The higher education policy planning and management adviser was recruited as an individual consultant for 14.5 person-months. At the Government's request, his services were extended by 4.5 person-months. The adviser was in the field as of 21 August 2002, and services were completed on 6 June 2004.</p> <p>The consulting firm's services started on 24 April 2003 and were completed on 22 October 2004.</p> <p>The consultant team was fielded on schedule. The minister found its services relevant and helpful.</p>
Completion Date	22 October 2004
Status of Implementation	<p>In connection with the planned launch of a pilot community college, the minister requested the infrastructure planning specialist to redesign the physical plan proposal and to draft sample floor plans of a typical classroom and a typical computer laboratory. The community college specialist assessed the concept of community colleges in the context of Afghanistan. He also developed the plan for the curricular and other academic requirements of a community college. The higher education financial management and accounting system specialist completed the reform implementation plan in June 2004.</p> <p>Training programs in English, computer use, and auto-CAD were completed within MOHE. However, the training programs were not effective as staff members were transferred and duties and responsibilities not yet clearly defined. Training programs would be more useful after the planned reform.</p> <p>A telephone system for the MOHE building was installed. At turnover, the system was functioning.</p>
Key Activities	The TA has been completed. No other services are to be rendered.

Table A3.7: Component 2b—Capacity Building for Ministry of Education

Counterpart	Ministry of Education (MOE)
Date of Memorandum of Understanding Signing	May 2002
Total Grant Financing	\$1,150,000
Approved by	Director General, South Asia Department
Date of Approval	1 July 2002
Project Officer	J. Sarvi, Social Sectors Division
Consulting Services	83.75 person-months (39.75 international and 44.00 domestic)
	<p>As requested by the Afghan Assistance Coordination Authority at the time of TA fact-finding, the terms of reference of the TA and implementation plan have been designed to be flexible to accommodate the evolving needs and circumstances for capacity building within MOE.</p> <p>The selected firm mobilized consultants on 24 April 2003 and is expected to end consultancy inputs on 28 February 2005. So far, 90% of the person-months allocated for international consultants, and 91% for local consultants have been utilized. Where necessary, local experts have been engaged as resource persons and trainers.</p>
Expected Completion Date	28 February 2005
Status of Implementation	<p>To expedite TA start-up, a lead consultant was recruited as an individual for an initial 12 person-months. He was fielded in August 2002. Contract variation allowed him to procure training equipment to speed up initiation of training activities and facilitate efficient start-up of the work of consultants recruited through a firm in 2003. He completed his inputs.</p> <p>The lead consultant supported the Department of Construction (DOC) of MOE, and coordinated with the United Nations Children's Fund (UNICEF), which is the program secretariat agency in the education sector under MOE, and with other aid agencies. The lead consultant regularly participated in aid coordination meetings in this area.</p> <p>The lead consultant provided advice and on-the-job training to MOE and DOC related to policy development, planning, and capacity building for school construction and renovation. A capacity-building plan for DOC was developed, and a target group identified for training in close consultation with MOE. MOE provided office and training facilities (in a separate building) for DOC personnel and associated staff. Office facilities were renovated, and training equipment (computers, software, drawing tables, etc.) procured by the lead consultant to ensure that the DOC training room was adequately equipped before the rest of the consultants were fielded (through the firm).</p>

The TA provided a wide variety of training courses in fields such as basic English language, accounting, computer skills, auto-CAD training, procurement, school mapping, vocational skills training, and community participation. Courses ranged from a few days to 6 months. About 150 MOE staff members participated in training. The basic training was necessary before shifting to advanced training in the many technical areas in school construction management and planning.

In coordination with the lead consultant, the team has helped organize training activities. Assistance has been provided to develop norms and guidelines for school construction and design, which are important if MOE is to process external support in this important area. Assistance has been provided to design standard school types for different climate zones and settings. Regular assistance has been provided to evaluate proposals from development partner agencies and nongovernment organizations (NGOs) for school construction projects.

Other Remarks
Asian Development Bank
Task Officer's Assessment

Expansion of the capacity-building activities to the provincial education offices was included in the original TA design. However, the original objective to expand the activities to all provinces is not realistic due to security risks and lack of staff for school construction planning in most provincial offices. The expansion may proceed in one or two provinces only, as a pilot effort with support from the TA and other donors. Such plans cannot be finalized until appointment of the new education minister following the recent elections.

The TA has already had a positive impact on MOE by substantially enhancing capacity to plan school reconstruction and rehabilitation. Widening the capacity-building focus to other MOE departments has strengthened mutual understanding and cooperation between the TA and MOE. The TA has increased cooperation and coordination with other funding agencies in school construction. The United States Agency for International Development (USAID)-funded, extensive school construction project has been recently relocated to the premises of the Department of School Construction, which was established with support of the TA project. The capacity-building activities are being intensified for the remaining TA period.

Table A3.8: Component 2c—Capacity Building for Ministry of Public Health

Counterpart	Ministry of Public Health
Date of Memorandum of Understanding Signing	26 June 2002
Total Grant Financing	\$1,200,000
Approved by	Director General, South Asia Department
Date of Approval	11 October 2002
Project officer	S. Bonu, Social Sectors Division
Consulting Services	The TA requires 34.4 person-months of international and 90.0 person-months of domestic consultants. International consultants include health zoning (6.2 person-months), public administration (6.9), infrastructure (9.0), organizational development (6.4), and regional (5.9) specialists.
Expected Completion Date	20 January 2005
Status of Implementation	<p>The following activities have been or are being completed:</p> <p>Organization and management development. (i) A draft report on current management arrangements in the Ministry of Health (MOH) was prepared and submitted to the deputy ministers, and priorities for action were agreed on by the steering committee. (ii) Priority reform and restructuring was assisted in four provinces, and best-practice mechanisms applied as designed in the early parts of the project. (iii) Structures were prepared for human resources (HR), and finance and procurement/logistics departments agreed on. (iv) Progress was made in implementing the new HR Department structure, with a new director and one of the five most senior section heads appointed. (v) A draft scheme of delegation for financial management was proposed. (vi) An HR data set was finalized, with the HR database expected to be linked with payroll. (vii) A process to discuss new personnel policies and procedures was agreed on with the HR director, and policies and procedures were translated into Dari. (viii) A successful workshop was held in liaison with the Civil Service Commission (CSC), Attorney General, Ministry of Justice, and Ministry of Finance (MOF). Discussions with CSC concluded that MOH policies/procedures were consistent with national guidelines, permitting the implementation plan to be formed.</p> <p>Leadership and manager development. (i) A competence framework/training needs analysis instrument was designed and applied to senior MOH staff members and tested outside MOH. (ii) Agreement in principle was reached with CSC to develop a detailed plan for a department of health care management within the Civil Service Management Institute. (iii) Design specification for management/leadership learning programs was prepared and tested outside MOH. (iv) Learning programs for provincial liaison officers were delivered. (v) Training materials were modified and translated.</p> <p>Construction. (i) A draft DOC institutional analysis was discussed with the deputy minister (administration). (ii) A construction protocol was drafted by the health infrastructure consultant and approved by MOH, and a Dari version of the document was prepared and is in use by the</p>

ministry and its partners. (iii) A summary report of the appraisal was submitted to the steering committee for comment. (iv) New layouts for the basic and comprehensive health centers and an improved layout were suggested to MOH implementation. (v) Best-practice documents for health infrastructure development/construction procurement are being prepared, including practical examples relating to Afghanistan, and incorporating standard ADB bidding documents. (vi) Department engineers were taught the various process components, from health facility needs identification to construction contract award and end of the defects liability period. (vii) The engineers learned the basic principles of procurement, different forms of procurement (e.g., local vs. international competitive bidding), prequalification vs. post-qualification, and standard bid documentation. Sample bidding documents for construction and repair of provincial hospitals were explained to the engineers in several interactive sessions. A manual was prepared and completed.

Systems improvement. (i) An appraisal report on the current system of financial management was prepared. It was accepted by MOH and MOF. Full documentation is now translated and available more widely. (ii) To make the financial system transparent and simple, a modified system was suggested, which would result in closing of two departments (filing and *daftardari* [organization]) and opening of a new one (internal audit). The new proposed system was approved by the executive board, MOF, and CSC, and implemented. The *daftardari* section was closed and a new internal audit section created. (iii) A training workshop was conducted. (iv) The procurement system was appraised and analyzed to bring it in line with international good practice. A draft appraisal report on procurement was submitted to MOH. Procedures of the central workshop, transport, and central store are being analyzed. The appraisal report on central stock is in its final stages. The central stock report has been finalized. The central ministry salary system is being computerized.

Health zoning. (i) An Arcview-based geographical information system (GIS) application was developed and key staff members of the Health Management Information System (HMIS) were trained. (ii) Health facilities' location was assessed and a construction monitoring database developed. (iii) The TA helped prepare the first atlas of health facilities, which was presented to all key stakeholders. The health zoning work is posted on www.afghanhealthzoning.com.

Other Remarks
Asian Development Bank
Task Officer's Assessment

Despite initial problems caused by the lack of counterpart staff and security concerns, the TA gained momentum in all the subcomponents. MOH and CSC appreciated the TA team's work. However, post-conflict capacity building is an ongoing process as its needs are immense and sequential. The TA is the only support for building the capacity of MOH. The work done through the TA must be sustained and build upon achievements.

Table A3.9: Component 2d—Capacity Building of Ministry of Women's Affairs

Counterpart	Ministry of Women's Affairs (MOWA)
Date of Memorandum of Understanding Signing	29 May 2002
Total Grant Financing	\$300,000
Approved by	Director General, South Asia Department
Date of Approval	1 July 2002
Project Officer	M. Rafi Fazil, Afghanistan Resident Mission
Consulting Services	48 person-months (8 international and 40 domestic). The TA will be implemented flexibly to meet a wide range of needs and changes taking place in MOWA.
Expected Completion Date	31 December 2005
Status of Implementation	<p>The TA was revised in September 2003 to include the considerable changes at MOWA, including a change in leadership since the signing of the memorandum of understanding. The TA objectives and scope were reviewed. Minor changes were subsequently made to ensure that the TA complemented other ongoing and planned donor activities.</p> <p>TA activities were expected to have begun in June 2004 and to be implemented over 12 months until 30 June 2004. As identifying suitable consultants, particularly professional women, was difficult, TA activities were postponed.</p> <p>Project administration and implementation were transferred from the South Asia Department, Operations Coordination Division, to the Afghanistan Resident Mission in June 2004. An individual consultant—team leader and policy and planning specialist—was identified and recruited in October 2004. The TA office was established in MOWA. The specialist was mobilized in November 2004. The second international consultant (institutional development specialist) started work in December 2004. Domestic consultants are being recruited. The domestic consultants are expected to start in early January 2005.</p>
Key Activities	<p>The following activities are to be carried out:</p> <p>Capacity building for research, policy making, and planning. The TA will assess and strengthen MOWA's capacity to develop policies, goals, and strategies based on secondary information and profiling of gender programs. A gender-disaggregated socioeconomic database will be developed with the participation of line ministries, Central Statistical Office, other donors, and NGOs. Staff members of the Department of Education will be trained to conduct sectoral analysis using gender-disaggregated data to streamline gender-mainstreaming strategies. They will be trained to monitor and assess how well government policies and programs are addressing gender concerns and gender inequalities. This analysis can then be used to recommend revisions of Government plans for social development, particularly as</p>

these relate to women. The TA will collect information on the programs, projects, or activities for women by the Government, donors, and NGOs, and assess their impact to compile “lessons learned.” This report will be prepared with direct participation of MOWA’s four sectoral departments (education, economic empowerment, legal protection, and health). It will be published and distributed to relevant ministries, NGOs, and donors to help improve the design, planning, and implementation of gender projects.

Institutional strengthening. The Independent Administrative Reform and Civil Service Commission approved MOWA’s undergoing the PRR program. The TA will assist the PRR task force in collaboration with the United Nations Development Fund for Women (UNIFEM) institutional development expert. A key component of the TA will be enhancement of the human resources functions. MOWA’s personnel structure will be reviewed, and staff functions and responsibilities, including the required qualifications and skills, made to comply with MOWA’s mandate and PRR guidelines. The TA will prepare and implement a simple computerized HR system and train relevant staff members to use and maintain it. Management capacity will be enhanced, and the administrative requirements of MOWA assessed. The TA will help the Planning and Administration Department staff prepare the national development budget. Relevant staff members, particularly at the budget unit, will be trained in gender budgeting and systematization of the budget planning cycle at MOWA. The specialist will participate in budget meetings with the relevant ministries or other donors and help prepare the English version of budget papers.

**Table A3.10: Component 3a—Capacity Building of Key Infrastructure Agencies,
including Support for Road Reconstruction Projects**

Counterpart	Ministry of Public Works (MPW), Ministry of Transport (MOT), and Ministry of Civil Aviation and Tourism (MCAT)
Date of Memorandum of Understanding Signing	July 2002
Total Grant Financing	\$2,460,000
Approved by	Director General, South Asia Department
Date of Approval	30 July 2002
Project Officer	H. Iwasaki, Transport and Communications Division
Consulting Services	<p>Capacity building for MPW requires 44 person-months of international consulting services, 18 to be provided by a consulting firm with expertise in planning and designing rehabilitation and reconstruction of major highways. The rest will be provided by individual consultants: a project management specialist (12 person-months), a financial management specialist (6), an accountant (2), and a training specialist (6).</p> <p>Capacity building for MOT requires 12 person-months of individual international consultants: a transport economist (6) with a background in policy reforms, and a legal specialist (6) with a background in regulatory frameworks for road transportation.</p> <p>Capacity building for MCAT requires an individual international consultant (1 person-month)—an international civil aviation organization (ICAO) coordinator to help MCAT coordinate the training at a regional ICAO institute or some other reputed facility.</p>
Expected Completion Date	June 2005
Status of Implementation	<p>Under the MPW component, a project management consultant has been in place since 1 September 2002. The project design consultant began work in December 2002. The financial management-accounting specialist began work on 16 August 2003, and the training specialist is still to be recruited.</p> <p>Under the MOT component, the institutional and policy reform adviser and the regulatory and legal framework adviser were selected and fielded in October 2002. The contracts of the consultants, with 6 person-months' intermittent assignments each, expired on 14 October 2003.</p> <p>MCAT identified a training institution in India—the Civil Aviation Training College of the Airports Authority of India. Two training courses have been financed under the MCAT component. Twelve trainees completed an 8-week refresher area control course in August 2004. Fifteen new graduates from the Civil Aviation Training Center in Kabul are being trained under a 50-week air traffic control course to be completed in June 2005.</p> <p>The project management specialist has been working closely with MPW. Aside from advising the minister day to day, the specialist has been</p>

particularly effective in mobilizing MPW human and equipment resources for rehabilitation works on the Kandahar-Spin Boldak road. The consultant is key in helping MPW implement the ADB-financed Kandahar-Spin Boldak Road Project under the Japan Fund for Poverty Reduction, and the Emergency Infrastructure Rehabilitation and Reconstruction Project.

A project design and quality control firm provided capacity-building services by undertaking technical and economic feasibility studies on deteriorated road sections. The output was used to prepare the road infrastructure component of the Emergency Infrastructure Rehabilitation and Reconstruction Project. The consultants prepared the bidding documents for the two design-build civil works contracts under the loan. They helped MPW identify materials-testing and quality control equipment and establish a materials-testing laboratory, which will ensure the quality of civil works construction.

The institutional and policy reform adviser and regulatory and legal framework adviser worked with MOT, coordinating closely with the transport sector review team, and provided input to the team's reports, which have been endorsed by the three ministries in the transport sector. This allowed the Government to fulfill the requirements for the second tranche's \$50-million disbursement of the Post-Conflict Multisector Program Loan, as most of these requirements have been met by adopting and endorsing the key review recommendations.

Table A3.11: Component 3b—Capacity Building for Project Planning in Transport Sector

Counterpart	Ministry of Public Works (MPW)
Date of Memorandum of Understanding Signing	July 2002
Total Grant Financing	\$840,000
Approved by	Director General, South Asia Department
Date of Approval	30 July 2002
Project Officer	H. Iwasaki, Transport and Communications Division
Consulting Services	The TA required 20 person-months of international consulting services with expertise in planning and undertaking environmental and social assessment of road rehabilitation and construction projects, and a maintenance management adviser.
Completion Date	July 2004
Status of Implementation	<p>The maintenance management adviser completed his assignment to develop a database on road inventory of primary highways and to develop MPW staff's capability to undertake periodic condition surveys. The adviser's services were extended for 6 months as he helped prepare a comprehensive project profile of the transport corridor connecting Central Asian countries to the Gulf and Arabian Sea, and documents for the Ministerial Conference on Transport and Trade in Central and South Asia held at ADB, Manila, 31 July–1 August 2003.</p> <p>The consulting firm helped prepare the road component under the Emergency Infrastructure Rehabilitation and Reconstruction Project.</p>

**Table A3.12: Component 3c—Development of Framework and Legislation
for Cross-Border Trade**

Counterpart	Ministry of Public Works (MPW)
Date of Memorandum of Understanding Signing	July 2002
Total Grant Financing	\$500,000
Approved by	Director General, South Asia Department
Date of Approval	30 July 2002
Project Officer	H. Iwasaki, Transport and Communications Division
Consulting Services	The TA required 16 person-months of international consulting services: one consulting firm with expertise in cross-border transport issues and international transport regulations (6 person-months), and two transport engineers with experience in highway planning and design (5 person-months each). The consultants visited the Economic and Social Commission for Asia and the Pacific (ESCAP) in Bangkok during the study phase for a total of about 2 weeks and conducted two national workshops.
Completion Date	July 2004
Status of Implementation	<p>A consultant—domestic transport engineer and highway planning specialist—was selected and fielded in October 2002. The consultant has been effective in stocktaking the condition of infrastructure along the transport corridors identified by the consulting firm for the cross-border transport study.</p> <p>The transport engineer (international consultant) was engaged for 6 months to assist the MPW in road network planning.</p> <p>The consulting firm for the study on cross-border transport and international transport regulations was selected and fielded in November 2002. The consulting firm completed its assignment and submitted a final report. The consultants' output was used to prepare materials presented at the Ministerial Conference on Transport and Trade in Central and South Asia, Manila, 31 July–1 August 2003, with delegates from Afghanistan, Pakistan, Tajikistan, and Uzbekistan. Representatives from the World Bank Manila office and the Government of Iran attended as observers.</p>
Other Remarks	The consultants' input and findings have been valuable in developing the policy matrix for transport sector reforms for the Post-Conflict Multisector Program approved by ADB in December 2002.
Asian Development Bank Task Officer's Assessment	The consultants are undertaking pioneering work in compiling and analyzing transport sector legislation. The consultants have been supporting and contributing to all policy and transport sector institution-related work financed by other sources.

The Ministerial Conference on Transport and Trade in Central and South Asia was successfully completed, and the next meeting of the Central and South Asia Transport and Trade Forum is scheduled for March 2005, Manila.

Table A3.13: Component 3d—Capacity Building and Training for the Ministry of Water and Power

Counterpart	Ministry of Water and Power (MWP)
Date of Memorandum of Understanding Signing	May 2002
Total Grant Financing	\$700,000
Approved by	Director General, South Asia Department
Date of Approval	18 June 2002
Project Officer	L. Boenawan Sondjaja, Energy Division
Consulting Services	Three individual international consultants for a total of 17 person-months: a technical adviser (8 person-months), a financial and commercial adviser (5), and an institutional and human resources development adviser (4).
Expected Completion Date	30 June 2005
Status of Implementation	<p>The technical adviser (team leader) and financial expert were selected in July and fielded in August 2002. The institutional and human resources development adviser was selected in December 2002 and fielded in January 2003. However, MWP and Da Afghanistan Breshna Moassese (DABM) were not satisfied with the services of the consultants, who were seldom seen at the MWP or DABM offices during their visits to Kabul. They did not conduct any on-the-job training as required in their terms of reference. Their reports lacked specific advice and recommendations. Therefore, they were not remobilized and their contracts expired in July 2003.</p> <p>Another international technical adviser was recruited in November 2003. He visited Afghanistan in March, April, and June 2004, each for 3 weeks. He (i) provided technical advice to MWP and DABM; (ii) helped MWP prepare to establish a program implementation support unit; (iii) together with advisers from other agencies, prepared the priority reform and restructuring for MWP; (iv) helped MWP implement the power component of the Emergency Infrastructure Rehabilitation and Reconstruction Project; and (v) facilitated the implementation training programs, including loan disbursement and computer application for MWP staff. The adviser completed his assignment and produced an accomplishment report detailing his activities, and a plan for technical training in project management.</p> <p>Several training programs have been implemented, including</p> <ul style="list-style-type: none"> (i) basic accounting for 30 DABM staff members, conducted by Kabul University in June-July 2003, (ii) computer training for MWP staff (ongoing), and (iii) on-the-job training in loan disbursement (ongoing). <p>Computers, including printers and networking and Internet connection, and other office equipment were purchased and installed at MWP and DABM in April and July 2003, respectively.</p> <p>The review mission was conducted from 14 to 21 June 2004. It focused on identifying further training needs for MWP and DABM. The training program was expected to be available in November 2004 and will be</p>

submitted to ADB for review. However, due to the presidential election the training program has not been prepared. Further capacity-building needs in MWP will be discussed in late 2004 or early 2005.

Table A3.14: Component 3e—Study for Power Interconnection for Regional Trade

Counterpart	Ministry of Water and Power (MWP)
Date of Memorandum of Understanding Signing	May 2002
Total Grant Financing	\$500,000
Approved by	Director General, South Asia Department
Date of Approval	18 June 2002
Project Officer	L. Boenawan Sondjaja, Energy Division
Consulting Services	A total of 10 person-months of international consulting services was required: (i) 7 for a consulting firm with expertise in transmission interconnection and network management, power economics, and regional payments systems and trade issues; and (ii) 3 for an individual power economist or transmission engineer.
Expected Completion Date	30 June 2005
Status of Implementation	<p>An individual consultant to assess electricity demand and supply commenced services in November 2002. The consultant completed a survey of demand in Afghanistan and visited Uzbekistan and Turkmenistan in February 2003 to assess the two countries' capacities to supply power to Afghanistan. The deputy minister of MWP and planning director of the power utility company, accompanied by the consultant, visited Manila from 28 February to 4 March 2003 to conduct a comparative study on Manila Electric Company and National Power Corporation in the Philippines.</p> <p>The individual consultant submitted his final report in March 2003. The report presented a demand forecast until 2020 and concluded that Afghanistan still needed to import electricity from its neighbors. The report recommended a number of priority projects to meet short-term demand, specifically in Kabul.</p> <p>A consulting firm was engaged in December 2002 to undertake a power interconnection study, and its services commenced in March 2003. The consulting firm's contract was first extended to November 2003 to allow synergy between the Power Interconnection for Regional Trade Study and the World Bank-financed Power Sector Master Plan Update Study. Since finalizing of the update study was delayed, the firm's contract was extended to 31 July 2004.</p> <p>The firm submitted a draft final report in February 2004, which recommended a number of investment projects in the power transmission network until 2011. However, the report could not be finalized before the update study was finalized.</p> <p>The consulting firm's terms of reference were expanded to include preparation of bidding documents to rehabilitate the northern transmission system to expedite power imports from Uzbekistan to Afghanistan, financed under the power component of the Emergency</p>

Infrastructure Rehabilitation and Reconstruction Project. The bidding documents were issued in March 2004.

The final version of the update study was issued in October 2004, and were presented in a workshop on 4 December 2004. The final report will take into account the recommendations of the master plan.

Table A3.15: Component 3f—Assessing Gas Sector Rehabilitation Requirements

Counterpart	Ministry of Mines and Industries (MMI)
Date of Memorandum of Understanding Signing	14 May 2002
Total Grant Financing	\$334,500
Approved by	Director General, South Asia Department
Date of Approval	18 June 2002
Project officer	N. Jung, Energy Division
Consulting Services	The TA involved five individual international consultants (a total of 10.5 person-months): an oil and gas sector specialist, a gas reservoir engineer, a gas field development and process engineer, a corrosion engineer, and a gas distribution engineer.
Expected Completion Date	30 June 2005
Status of Implementation	The consultants' assessment report (see below) was submitted to MMI in May 2003. Support for MMI capacity building is ongoing.
Other Remarks Asian Development Bank Task Officer's Assessment	The TA assessed (i) the gas production facilities to estimate the rehabilitation work needed to optimize production; (ii) the gas-processing facility to make the processing plant operational; (iii) the gas transmission and distribution system to estimate the needed rehabilitation and modernization; (iv) damage to gathering mains, and transmission and distribution lines to estimate needed rehabilitation work; (v) codes, standards, and practices to prepare procedures that adhere to the codes; and (vi) training needs of counterpart staff. The study provided the basis for the \$24-million gas sector component of the \$150-million ADB loan for the Emergency Infrastructure Rehabilitation and Reconstruction Project approved in June 2003.

Table A3.16: Component 3g—Establishing Cost-Effective Methods of Petroleum Storage Rehabilitation

Counterpart	Ministry of Commerce (MOC)
Date of Memorandum of Understanding Signing	15 May 2002
Total Grant Financing	\$165,500
Approved by	Director General, South Asia Department
Date of Approval	18 June 2002
Project officer	N. Jung, Energy Division
Consulting Services	Two individual international consultants were recruited (total of 5 person-months): one with experience in design and construction of petroleum storage tanks and ancillary facilities; and the other with expertise in petroleum procurement, distribution, and preparation of bid documents.
Expected Completion Date	30 June 2005
Status of Implementation	The consultant's final report was submitted to MOC in May 2003. The contract of the research and administrative assistant for the TA cluster of the South Asia Transport and Communication Division and Energy Division, South Asia Department, has been extended until 30 June 2005.
Other Remarks Asian Development Bank Task Officer's Assessment	The TA assessed the damage to the petroleum storage tanks and related facilities, and the cost to repair and rehabilitate the oil storage facilities. It also determined the logistical support required for importing essential petroleum products.

Table A3.17: Component 4a—Development of a National Payments System

Counterpart	Da Afghanistan Bank (DAB)
Date of Memorandum of Understanding Signing	17 July 2002
Total Grant Financing	\$650,000
Approved by	Director General, South Asia Department
Date of Approval	26 September 2002
Project Officer	R. Limjoco, Governance, Finance, and Trade Division
Consulting Services	The TA required international consultants (10 person-months) with expertise in payments systems; systems information technology; telecommunications network; and legal, regulatory, and accounting areas. The consultants worked closely with counterpart staff to ensure and facilitate knowledge transfer and smooth implementation.
Actual Completion Date	15 December 2003
Status of Implementation	The final report was submitted in September 2003.
Other Remarks Asian Development Bank Task Officer's Assessment	<p>The project envisioned implementing a payments system under DAB, and helped set up the required infrastructure to restructure DAB, which was virtually nonfunctioning a year ago. A telecommunications network between the head office and 35 DAB branches will allow countrywide payments and build capacity to implement the payments system. The project mapped out in stages the possible routes to modernize the payments system in line with economic progress and banking system development.</p> <p>The project proposed the development of the full payments system, appointment of a long-term payments adviser, and associated support and training facilities to manage the payments strategy. The major recommendation for system development is implementation of two core payments systems—real-time gross settlement and direct giro credit.</p> <p>Over 3 years, other instruments such as securities, payments cards, and direct debits will be introduced.</p> <p>Before submission of the final report, two workshops were held in 2003, the first in Dubai on 20–23 July 2003. The report discussed the roles of the central bank, commercial banks, and the Government in the payments system; role of agencies in supporting development; short- and long-term strategy for 2007–2008; technology as the driver; and a road map.</p> <p>The second workshop was held in Kabul on 21 August 2003 to process the draft final report.</p>

Table A3.18: Component 4b—Capacity Building for Ministry of Finance

Counterpart	Ministry of Finance (MOF)
Date of Memorandum of Understanding Signing	23 July 2002
Total Grant Financing	<p>\$1,865,857, broken down as follows:</p> <ul style="list-style-type: none"> (i) \$400,000 from ADB, approved by the director general, South Asia Department, on 7 August 2002; (ii) \$136,000 joint financing from the Australian Agency for International Development (AusAID), approved by the President on 22 October 2002; (iii) \$200,000 reallocated from subcluster 4c on 11 February 2003; (iv) \$600,000 reallocated from subcluster 4c on 7 October 2003; (v) \$160,000 reallocated from subcluster 4c on 14 November 2003; (vi) \$98,857 reallocated from subclusters 1a, 1b2, 3g, and 4c on 17 May 2004; and (vii) \$271,000 additional funding from AusAID.
Consulting Services	<p>The TA originally provided for 51 person-months of international and 27 person-months of domestic consultants. As MOF has wide-ranging needs and demands maximum flexibility day to day, consultants' terms of reference are flexible. This is key to consultants' ability to assist the finance minister and complement the activities of other MOF advisers funded by the United States Treasury, USAID, World Bank, International Monetary Fund (IMF), and DFID. The minister of finance has requested several extensions of the contracts.</p>
Expected Completion Date	June 2005
Project Officer	M. Prokop, Operations Coordination Division
Status of Implementation	<ol style="list-style-type: none"> 1. An international consultant started on 14 September 2002, initially for 6 months. His contract was extended on 16 March 2003 for 6.0 months, and again on 16 September 2003 for 9.5 months. It was extended by 120 days, from July 2004 to June 2005. 2. A second international consultant was engaged on 10 January 2003 for 2 months. His contract was extended on 16 March 2003 by 6 months. His assignment was completed in September 2003. 3. A third international consultant was retained on 1 April 2003 for 6 months. Her contract was extended on 1 October 2003 by 9 months. She received an extension of 12 person-months from July 2004 to June 2005. 4. Another international consultant was engaged on 7 November 2003 for 9 months, until 31 August 2004, to provide support to the deputy minister and director general of budget.
Other Remarks	The advisers have done the following:
Asian Development Bank Task Officer's Assessment	<ul style="list-style-type: none"> (i) They comprised the core of a team that prepared a report,

Securing Afghanistan's Future: Accomplishments and the Strategic Path Forward, with support from ADB, IMF, United Nations Development Programme (UNDP), and World Bank, and in consultation with NGOs, bilateral donors, and others. The report formed the basis for discussions at the Berlin Conference on Afghanistan in April 2004. The report and related technical annexes set economic growth targets for Afghanistan that are aligned with the Millennium Development Goals and cover all sectors of intervention, including security.

- (ii) The advisers helped the minister manage MOF's relationships with international financial institutions, including ADB, IMF, United Nations agencies, World Bank, and major bilateral funding agencies. In particular, the advisers were prominent in negotiations concluded in March 2004 between the Government and IMF on a staff-monitored program (SMP) to maintain macroeconomic stability, strengthen Afghanistan's capacity to implement policies, improve the statistical database, and implement a reform agenda.
 - (iii) The advisers have devoted considerable time to budget preparation and coordination of funding agencies for the finance minister, major tasks considering the urgency of the country's reconstruction process and MOF's capacity-building requirements. In particular, the advisers assumed key roles in developing and producing the FY2003–2005 integrated operational and development budgets and midyear budget reviews, and were involved in budget execution issues with a focus on using the budget to coordinate aid. The advisers helped establish processes to develop the strategies and programs delineated in the national budget into realistic projects.
 - (iv) Two deputy finance ministers have assumed their positions and interface effectively with funding agencies on policy dialogue and program and project implementation. Recently, an Afghan national was appointed as the finance minister's chief of staff, who plays a key role in the ministry's strategic planning and policy activities. The advisers have provided capacity-building support for these individuals on policy making and management of the ministry, and have provided essential support for aid coordination in general.
 - (v) The advisers led the establishment of local consultative groups covering key sectors to facilitate coordination of Afghanistan's recovery and reconstruction. They worked to ensure the success of major international aid agency meetings on Afghanistan.
 - (vi) The advisers are developing a reform strategy and plan for the budget and operation of the Treasury.
 - (vii) The advisers are backstopping the ADB-funded Post-Conflict Multisector Program Loan, Emergency Infrastructure Rehabilitation and Reconstruction, Agriculture Sector Program Loan, and any other loan and TA operations ADB and the Government may enter into. They facilitate aspects of the IMF SMP and ongoing coordination of budget-related aspects of the
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SMP.

- (viii) ADB's investment in and engagement with MOF have yielded valuable lessons. First, MOF has played a central role in establishing the legitimacy of the interim Government by acting as a custodian of public finance. Second, as the lead Government conduit for billions of dollars of aid, MOF had to quickly establish its credibility through sound planning and budgeting operations. As the country had barely any infrastructure or equipment, the priority was to attract the right Afghan staff for vital positions. Individuals, including Afghan women, were selected on the basis of their integrity and potential for leadership and management to lead in key technical areas such as budget and treasury. The minister's ability to provide a safe working environment that resists political interference has often been cited as a strong reason why the ministry can attract and retain key staff.
 - (ix) The TA has added to ADB's knowledge on the evolving nature of advisory services in the aftermath of a major conflict. First, minister's advisers may end up doing little technical work initially, and may spend considerable time helping the minister achieve political consensus, arranging logistics, coordinating and ensuring the quality of TA provided by other partners, and undertaking public relations work on behalf of the ministry. Gradually, as political issues begin to settle and the ministry acquires adequate staff and equipment, the advisers can focus on building technical and managerial capacity.
 - (x) The minister of finance has repeatedly expressed much appreciation to ADB's Management for ADB's supporting MOF and, in particular, for continuing the advisers' assignments.
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Table A4.1: TA 3875—AFG: Disaster Preparedness and Management Capacity Building

Counterpart	Office of Disaster Preparedness under the Office of the President
Date of Memorandum of Understanding Signing	—
Total Grant Financing	\$500,000
Approved by	President
Date of Approval	30 May 2002
Project Officer	V. N. Gnanathurai, Afghanistan Resident Mission
Consulting Services	The TA requires 5 person-months of international and 16 person-months of domestic consultants.
Expected Completion Date	31 March 2005
Status of Implementation	<p>A joint ADB-United Nations Assistance Mission to Afghanistan (UNAMA) institutional strategy for the sector was presented to the Independent Administrative Reform and Civil Service Commission and the Public Administration Reform Program (PARP). The ministerial advisory committee formally approved this on 10 April 2004, thus clearing the way for Department of Disaster Preparedness (DDP) to apply for restructuring under the PRR process.</p> <p>DDP's application for the second stage of PRR has been completed according to the guidelines and has been technically cleared for submission to the next Ministerial Advisory Committee meeting. The international consultant/team leader assisted DDP with its application, continuing the capacity-building component by training DDP staff to develop their job purposes, work plans, descriptions.</p> <p>In view of the continuing need for TA in this sector, a follow-on TA to support the PARP (\$3.4 million) has been designed which includes allocation of \$320,000 to support the implementation of the national strategy. The TA includes provision for a domestic disaster risk management adviser to help reform and restructure the National Disaster and Emergency Management Commission and associated bodies.</p> <p>The second PRR application includes an implementation plan for 12 months under the PARP, some components of which will be supported by the UNAMA/UNDP Comprehensive Disaster Management Program. The continuing capacity-building needs of DDP and member ministries of the National Commission for Emergency and Disaster Management are expected to be comprehensively met by these funding sources, thus securing the sustainability of the initial investment by ADB in this sector.</p>
Other Remarks Asian Development Bank Task Officer's Assessment	In a tripartite meeting among ADB, DDP, and the Independent Administrative Reform and Civil Service Commission, hosted by the vice president, the Government lauded ADB's contributions, particularly the TA, for having laid the institutional foundation on which all initiatives

in the sector would build. ADB was the first significant donor to DDP, and its assistance has attracted significant additional resources from the Government of Germany and from UNAMA.
