

ASIAN DEVELOPMENT BANK

TAR:AFG 37021

**PROPOSED
TECHNICAL ASSISTANCE
TO THE
ISLAMIC STATE
OF AFGHANISTAN
FOR THE
SUPPORT FOR PUBLIC ADMINISTRATION REFORM PROGRAM**

November 2003

CURRENCY EQUIVALENTS

(as of 30 September 03)

Currency Unit	–	afghani (AF)
AF1.00	=	\$.0203
\$1.00	=	AF49.05

ABBREVIATIONS

ADB	–	Asian Development Bank
DFID	–	Department for International Development
DPP	–	Department for Disaster Preparedness
DRM	–	disaster and risk management
IARCSC	–	Independent Administrative Reforms and Civil Service Commission
MAC	–	Ministerial Advisory Committee
NBD	–	National Development Budget
NDEMC	–	National Disaster and Emergency Management Commission
PAR	–	public administration reform
PRR	–	priority reform and restructuring
RBM	–	results-based management
TA	–	technical assistance
TOR	–	terms of reference

NOTES

- (i) The fiscal year (FY) of the Transitional Islamic Government of Afghanistan ends on 21 March. FY before a calendar year denotes the year in which the fiscal year ends (e.g., FY 2003 ends on 21 March 2003).
- (ii) In this report, "\$" refers to US dollars.

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I. INTRODUCTION

1. The National Development Budget issued in March 2003 provides the overarching planning framework for the development priorities in Islamic State of Afghanistan (Afghanistan). The Public Administration Reform and Economic Management¹ Program in the budget provides the strategic framework for public administration reform (PAR). The Independent Administrative Reforms and Civil Service Commission (IARCSC) presented the PAR conceptual framework to development agencies in April 2003 and the Asian Development Bank (ADB) was requested by the Islamic Transitional Government of Afghanistan (Government) to provide technical assistance (TA) for implementing the PAR program. A TA on public sector management was included in ADB's 2003 country strategy and program update. ADB has provided TA² for capacity building in disaster management and as part of this support the national institutional arrangements for emergency and disaster management were assessed. A priority recommendation arising from the assessment was the requirement to reform and restructure the institutional arrangements for the National Disaster and Emergency Management Commission and associated bodies. The Government wishes to implement the proposal through the PAR program and has requested ADB to assist with PAR program implementation. Two fact-finding missions from ADB visited Kabul for consultations with the vice president and chairman of IARCSC, the minister of finance, other Government agencies, and various national and international stakeholders. An understanding was reached on the purpose, outputs, methodology, key activities, cost estimates and financing, implementation arrangements and terms of reference for the TA.³ The TA framework is in Appendix 1.

II. ISSUES

2. The task of rebuilding the machinery of government to ensure the provision of accessible and efficient public services and enable job creation is one of the many challenges. The rapid restoration and improvement of basic services and the effective and speedy implementation of programs to create jobs will contribute significantly toward achieving peace. The success in developing and implementing policies to meet these objectives depends to a large extent on the competence, efficiency, and effectiveness of the civil service.

3. Afghanistan's civil service has been seriously degraded as a result of many years of political upheaval and armed conflict. Some of the key challenges facing the civil service include pervasive patronage, little information on the estimated 250,000 public sector employees, probable over-hiring, inappropriate pay arrangements with widespread and counter-productive salary top-ups, chronic shortage of professional capacity, and a dearth of management and administrative systems skills. In addition, there are problems with the way the Government is structured and organized to deliver its core functions. For the civil servants to be able to deliver results and to be held accountable to the people of Afghanistan, there is an urgent need to build their self-confidence, capability, and capacity.

¹ The program aims to create an effective central government that reestablishes national unity on the basis of strong institutions.

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

³ The TA first appeared in *ADB Business Opportunities* on 1 April 2003 under the title *Support for Governance Assessment and Public Expenditure Management*. The TA was subsequently combined with the *TA Capacity Building for Aid Coordination and Investment Planning* on Government's request.

4. IARCSC has established the building blocks of the PAR program⁴ with assistance from the World Bank and Department for International Development (DFID). The immediate priorities of the PAR program are informed by the three decrees⁵ prepared by IARCSC and passed recently by the Government. Unless the implementation takes place quickly and effectively, investments being made to improve basic services and enable peace and security and economic growth may not be sustainable. IARCSC is a fledgling institution with the responsibility for directing and coordinating the PAR program. It has to deliver its mandate immediately and has little time to establish itself as a functioning commission.

5. The PAR Ministerial Advisory Committee (MAC), chaired by the vice-president and chairman of IARCSC and supported by the Administrative Reforms Secretariat (the secretariat) has been established to review, prioritize, and recommend for implementation the proposals submitted by ministries to reform and restructure their departments and for the introduction of an interim pay scale for civil servants. In addition, personnel management, financial management, procurement, and administrative systems need to be established throughout government and there is a need to put in place a merit-based appointment system and a legal framework for the civil service. In preparation for the new Government after the elections in mid-2004, IARCSC will need to prepare options for the institutional framework and structure of Government in line with the new constitution and for consideration by the Government after the elections.

6. IARCSC and in ministries have limited capacities to prepare and implement priority reform and restructuring (PRR) proposals. Furthermore, significant resources will be required for implementation. The World Bank, DFID and European Commission⁶ are the major contributors, but additional assistance is required to fill critical gaps. The key challenges for IARCSC and MAC include (i) guiding the implementation in a way that is integrated, coordinated and carefully prioritized to enable the scarce resources and government capacity to be used in a manner that brings visible and rapid improvements to the lives of the people of Afghanistan; and (ii) minimizing the high transaction costs in managing different externally funded procedures. Therefore, all international assistance must be harmonized to the extent feasible. The Government has established a consultative group process for coordinating external assistance to meet Government priorities, and a consultative group for PAR is managed by IARCSC. The challenge for IARCSC is to perform this important function efficiently and effectively.

7. The TA for disaster preparedness (footnote 2) has contributed to the development of a policy framework to reform and restructure the Department for Disaster Preparedness (DPP) and to strengthen the National Disaster and Emergency Management Commission (NDEMC) and its associated bodies. NDEMC plays a pivotal role in mobilizing, controlling, and coordinating the resources necessary for responding to emergencies and ensuring that international humanitarian assistance is delivered in a coordinated manner, and reported efficiently and transparently to funding agencies. Effective prevention, mitigation, and preparedness for emergencies and disasters require a functioning DPP and an effective NDEMC. The reforms and restructuring policy will be processed through the PRR approval system. The Government considers the implementation of the policy as a priority and additional implementation support will be provided in the framework of the PAR program.

⁴ Supplementary Appendix A contains the draft implementation strategy for the PAR program.

⁵ The first decree is concerned with the functions of IARCSC, the second is about priority reform and restructuring within ministries and the introduction of an interim pay scale; and the third sets out the framework for externally funded allowances and secondments.

⁶ Information on external support is contained in Supplementary Appendix B.

III. THE PROPOSED TECHNICAL ASSISTANCE

A. Purpose and Output

8. The TA will support the Government in its implementation of the PAR program in a manner that will enable the civil service to achieve its long-term goals. The TA is expected to achieve the following results: (i) IARCSC will perform its functions in accordance with its mandate; (ii) selected priority departments, particularly those with responsibility for essential services, will be restructured/streamlined and will improve their service delivery; (iii) personnel and administrative systems will be updated in some priority areas of government; (iv) a proposed strategy for institutional and functional changes to the structure of government will be submitted to the elected government; (v) a PAR implementation program will be supported by a rolling 5-year financing plan in the budget;⁷ and (vi) IARCSC and MAC will provide regular reports to and consultations with citizens, government, and civil society groups on the PAR program.

9. The TA will result in a mechanism for harmonizing and coordinating externally funded projects supporting the PAR program, reflecting genuine country-led partnership and results orientation, while concretely linking development strategies and budget processes within the Public Administration Reform and Economic Management Program. This will be accomplished through institutional capacity-building activities within IARCSC and its constituent bodies, targeting the strengthening of management systems and procedures, and leadership and management skills and competencies.

B. Methodology and Key Activities

10. The activities are determined by the outputs reflected in the TA framework. Output 1 activities will support IARCSC across a range of activities to enable delivery of its mandate, by (i) establishing a simple results-based management (RBM) reporting system; (ii) strengthening management and decision support systems; (iii) providing organizational development support to the secretariat; (iv) establishing a communications and reporting system in IARCSC; (v) establishing institutional arrangements for advisory services and information sharing between IARCSC, ministries, and departments; (vi) establishing professional links with public administration institutions in the region; and (vii) establishing coordination among funding agencies.

11. Outputs 2–4 focus on the PRR decree initiatives, their coordination and reporting. This will include activities for advisory support through the secretariat to the PAR MAC, support for reforming personnel and administrative systems, advice to ministries for preparing and implementing PRR initiatives, and the review of government institutions and functions. Another PRR output is to assist with the first phase of implementing the disaster and risk management reform and restructuring policy. Activities will include (i) implementing institutional and functional structures proposed under the new policy, (ii) developing and implementing management and administrative systems, (iii) establishing a simple RBM reporting system within DPP; (iv) developing and implementing effective operational coordination procedures between member ministries and departments of NDEMC, and (v) developing and implementing coordination and reporting procedures for externally financed activities.

⁷ A programmatic approach to the PAR-financing plan will ensure the currency of the plan is maintained.

12. The coordination and reporting of results of the PRR elements of the PAR program will include (i) establishing a PRR RBM reporting system in the secretariat and in departments implementing PRR initiatives; (ii) establishing a system for prioritizing and allocating TA support to PRR institutions from external agencies; (iii) coordinating the progress of PRR initiatives; (iv) maintaining a rolling PRR work/resource plan; and (v) establishing systems and processes for preparing and circulating RBM reports to stakeholders. The activities for the 5th output are primarily concerned with the management of the TA and its effective implementation.

13. The key risks are concerned with the security situation, the political uncertainty in the period leading up to the elections, and the availability of suitable technical experts who are willing to work in Afghanistan. Very little can be done to mitigate the first two risks within the TA support. Nevertheless, by maintaining a flexible approach in how the TA is provided, the support can be responsive to the unpredictable situation in Afghanistan. The procurement arrangements have been designed to mitigate the risks associated with securing suitable experts. A risk that the PRR program could fail to improve basic services after the investment in increased salaries will need to be mitigated by the Government. The proposed support for a results-based approach for services should create the environment for the civil service to begin thinking about and focusing on results and improved services to the people.

C. Cost and Financing

14. The total cost of the TA is estimated at \$3,780,000 equivalent with a foreign exchange component of \$2,574,040 and a local currency component of \$1,205,960 equivalent. ADB will finance \$3,400,000 consisting of the full foreign currency component and local currency cost of \$825,960 equivalent, on a grant basis from ADB's TA funding program. The Government will finance in kind the balance of local currency cost amounting to \$380,000. Detailed cost estimates are presented in Appendix 2.

D. Implementation Arrangements

15. The TA is expected to commence in January 2004 and will be completed in December 2005. IARCSC will be the Executing Agency and the head of IARCSC's secretariat will be operationally responsible for, and the primary contact point for, the TA. The secretariat will report progress, results, and performance of PRR initiatives to the IARCSC quarterly management meetings, chaired by the IARCSC Chairman. The meetings will also consider the rolling work plan and consolidated TA requirements from all funding agencies. ADB and other funding agencies will be invited to attend. There will be quarterly reports by IARCSC and operations meetings between ADB and the head of the secretariat to discuss the detailed inputs, administration, budget, and performance of TA inputs. In addition, MAC will review progress, results, and performance of the PRR and the TA contributions to the PRR on a six monthly basis, and the outcome of the review will be communicated to funding agencies at the consultative group meetings.

16. The TA will provide a team of three international advisers for the duration of the TA, comprising one adviser each to (i) the PRR coordinator in the secretariat, (ii) IARCSC and the PRR ministries on managing for results, and (iii) improving the delivery of basic services through PRR initiatives. A full-time domestic assistant adviser will be attached to each international adviser and a full-time domestic adviser will coordinate the disaster and risk management activities. Outline terms of reference for the advisers are provided in Appendix 3. Provision has also been made for up to 22 person-months of international and 70 person-months of domestic consultants to achieve the outputs associated with the PRR initiatives in the TA framework.

17. To secure flexibility, value for money, and access to a wide pool of experienced overseas Afghan and international experts, a TA management coordinator (coordinator) will facilitate all procurement. The Government has requested that the coordinator be located in the procurement unit in the Ministry of Reconstruction. The services of the unit will be provided at no cost to ADB or IARCSC. Outline terms of reference for the coordinator are in Appendix 3. Direct selection is proposed for the coordinator, from the international consulting firm that is already providing the unit's services through a project funded jointly by the World Bank and the Afghanistan Reconstruction Trust Fund. The consulting firm managing the unit on behalf of the Government is best placed to deliver the services to be provided by the Government. The World Bank, through international procurement procedures, selected a firm to manage the procurement unit.

18. The coordinator⁸ will be responsible for facilitating recruitment in close liaison with ADB, managing the consultants, and reporting progress on TA effectiveness to ADB. The advisers will be responsible for assisting IARCSC to identify and manage the short-term TA assignments. Short-term experts will be required for specific capacity-building initiatives, design and implementation of a communications and information management strategy, institutional and functional reviews, improvement of services in front-line service delivery organizations, planning, coordination, and establishment of personnel and administrative systems on a pilot basis in the Government. In addition, TA resources will be used to conduct perception surveys, institutional assessments, PRR monitoring, and quality reviews and to review the effectiveness of the TA.

19. All international and domestic consultants will be engaged by ADB in accordance with its *Guidelines on the Use of Consultants* and other arrangements satisfactory to ADB for the engagement of domestic consultants. The consultants required for carrying out the short-term PRR activities will be determined in the quarterly work plan and TA plan as agreed by ADB. All short-term consultants will be selected as individuals or firms. Firms will be selected using quality- and cost-based selection procedure, and simplified technical proposals. Equipment for the TA will be purchased in accordance with ADB's *Guidelines for Procurement*, and the ownership of the equipment will be transferred to IARCSC on completion of the TA. The Government will contribute to the TA funding by providing office accommodation and office facilities for all consultants contracted through the TA, interpreters (as appropriate), photocopying facilities, training facilities, and local transport for domestic consultants.

20. The TA will establish instruments in IARCSC and in the ministries and departments to report PRR results and performance to citizens, government, civil society organizations, and funding agencies. An institutional assessment of IARCSC and a review of the PAR program and PRR initiatives are also planned for completion by the end of the TA.

IV. THE PRESIDENT'S RECOMMENDATION

21. The President recommends that the Board approve the provision of technical assistance not exceeding the equivalent of \$3,400,000 on a grant basis to the Islamic Transitional Government of Afghanistan for the Support for Public Administration Reform Program.

⁸ The coordinator mechanism is an adaptation of a model used by DFID in several countries and by the Government of Netherlands in the provision of TA to ADB's cluster loan to India for the Modernizing Government and Fiscal Reform in Kerala Program. The coordinator's role has been adapted to follow ADB procedures, allow for the Afghanistan context, and provide the flexibility required in the provision of TA.

TECHNICAL ASSISTANCE FRAMEWORK

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<p>Goal Civil servants function efficiently and effectively and held to account for their performance</p>	<ol style="list-style-type: none"> 1. Sound and uniform civil service legal framework 2. Sound personnel management policies and procedures 3. Sound policy management 4. Institutions and functions of machinery of government reflect government's overall objectives 5. Sound financial management and accountability 6. Streamlined systems for delivery of government business and service delivery 7. Government buildings and equipment upgraded to appropriate standards 	<p>Independent review of civil service Citizen assessment of civil servants</p>	<p>Assured personal safety and security for all Political, institutional and social stability Economic growth and sustained opportunities Sound legal, administrative and physical environment</p>
<p>Purpose To contribute to the implementation of the public administration reform (PAR) program and associated decrees</p>	<ol style="list-style-type: none"> 1. Independent Administrative Reforms and Civil Service Commission (IARCSC) performing functions in accordance with mandate contained in decree (December 2005) 2. PAR implementation strategy reviewed and updated 3. Priority service delivery departments demonstrate improvement in delivery of services (December 2005) 4. Proposed strategy for institutional and functional structure of government submitted to Cabinet (June 2005) 5. 3-5-year PAR implementation program and financing plan in national development budget using a sector-wide approach (December 2005) 6. Regular reports to and consultations with citizens, government, and civil society groups on PAR program results 	<p>Independent IARCSC institutional assessment report</p> <p>PAR review report and updated PAR implementation strategy Priority departments results-based management (RBM) reports to Ministerial Advisory Committee (MAC)</p> <p>Strategy document for government Submission to head of Government PAR implementation program in the budget</p> <p>Quarterly reports on results of the PAR program to stakeholder groups</p>	<p>New Constitution and elections in 2004 do not destabilize or dilute the PAR program and priority reform and restructuring (PRR) approved initiatives</p> <p>MAC continues to provide sound advice on PRR applications and effectively monitors PRR implementation</p> <p>Permanent civil service pay and grading systems designed</p> <p>Provincial systems of government strengthened</p> <p>External agencies provide coordinated support to PAR over-long term time frame</p> <p>Sector investment and service delivery improvement programs sustained</p> <p>Financial management systems effective throughout machinery of government</p>
<p>Output 1 IARCSC strengthened</p>	<ol style="list-style-type: none"> 1. Simple RBM reporting system operations (October 2004) 2. Administrative Reforms Secretariat functioning (June 2004) 	<p>RBM system reports</p> <p>RBM reports from the secretariat Information disseminated to stakeholders</p>	<p>Political will to create the environment enabling IARCSC to carry out functions in accordance with mandate</p>

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
	3. Communications and reporting system in place (October 2004) 4. Institutional arrangements for advisory services and information sharing established with ministries and departments 5. Professional links with public administration institutions in the region (June 2005) 6. Coordination among funding agencies for support to IARCSC operations (October 2004)	IARCSC institutional assessment report Agreements with public administration institutions Coordination of assistance reports for funding agencies	Priority setting is effective IARCSC has adequate resources to deliver its mandate Continuous and productive development of human resource capacity in IARCSC Sustained strong leadership and direction
Output 2 PRR decree implemented	1. PAR MAC reviews and recommends applications for PRR effectively 2. MAC-recommended proposal for reforming personnel and document management function ^a implemented on a pilot basis in government 3. Advice given to ministries and departments for preparing and implementing PRR initiatives for priority basic services 4. Institutional and functional review of central Government completed (January 2005)	Quarterly minutes of meetings between funding agencies and secretariat PRR reports to MAC by PRR ministries and the secretariat Pilot progress report Terms of reference for IARCSC and ministry PRR joint task teams Guidance documents on PRR implementation and reporting Review report	MAC commits quality time to PRR process Adequate and timely technical assistance (TA) resources available for advising, designing, and implementing PRR initiatives Ministries implement PAR program and resources available for implementation
Output 3 Phase 1 of disaster and risk management (DRM) reform and restructuring policy implemented	1. MAC recommends and head of IARCSC approves PRR proposal for DRM (October 2004) 2. Organization system for DRM in place in accordance with policy (August 2005) 3. RBM in place (January 2005) 4. Funding coordination system in place (August 2004) 5. Capacity building program operational	Minutes of MAC meeting and head of IARCSC approval notification IARCSC organization review report RBM reports for DRM Funding coordination meetings minutes and reports Quarterly progress reports on capacity building Training and learning products	DRM policy finalized through effective consultation process Political will to implement and monitor policy Commitment of funding agencies and adequate resources to implement policy in provinces and districts
Output 4 PAR program and resources coordinated and performance communicated	1. PAR RBM reporting system established in the secretariat and in approved PRR institutions 2. System for prioritizing and allocating TA support to PRR institutions from funding agencies (August 2004) 3. Coordinated PAR progress, future work/resources, and TA	Quarterly PAR RBM reports from PRR institutions and the secretariat Secretariat's monthly reports PAR program quarterly work plan and TA requirements reports	Funding agencies participate in development of coordinated reporting system PAR program reflected effectively in the budget Cabinet takes appropriate action based on PAR performance reports

^a This may include procurement, personnel, and administrative systems.

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
	plan (January 2005) 4. PRR results and performance reports to MAC, Government, and funding agencies (December 2004)	Six-monthly PRR RBM reports	
Output 5 ADB TA managed effectively	System for reporting performance of ADB TA operational (June 2004) Quarterly ADB TA procurement plans from IARCSC (March 2004) PAR fund management Effective interfaces and reporting arrangements between IARCSC, ADB, and the procurement unit (June 2004) Annual reviews Capacity building in managing TAs in IARCSC End of TA review (December 2005) Participate in IARCSC funding agency coordination meetings	Annual review reports Quarterly procurement performance reports Quarterly progress reports Funding agency meeting reports PAR fund report Framework of reporting arrangements	ADB TA integrated effectively with TA provided by other agencies Consultants from different agencies work in a harmonized, coordinated, and integrated manner Experts available who are willing to work in Afghanistan
Activities Output 1 Scoping study for RBM Familiarization seminars, training and workshops for introducing RBM concepts Plans for introducing RBM using participatory tools and processes Capacity building in RBM, in PAR coordination, funding coordination, communications, and managing interfaces with ministries and departments Producing training guides and learning products Output 2 Exchange visits with regional public administration institutions Capacity building for reviews in front-line service delivery organizations Design and implement	Start and end dates for all major activities will be completed during the inception phase		

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
<p>PRR RBM reporting systems</p> <p>Studies for personnel and document management systems</p> <p>Design personnel and document management systems</p> <p>Train staff and produce training products</p> <p>Implement personnel and document management systems on a pilot basis</p> <p>Output 3 Develop and implement plans for the organizational restructuring policy Implement RBM</p> <p>Conduct sensitization and change management interventions</p> <p>Develop and implement funding coordination system</p> <p>Develop and implement a training program for trainers and a training institute for core DRM training products</p> <p>Output 4 Establish a PAR and PRR coordination system</p> <p>Establish a TA prioritization system Identify stakeholders and develop a reporting system to suit needs of various stakeholder groups</p> <p>Output 5 Produce detailed activity plans supported by performance indicators, monitoring mechanisms and assumptions for outputs 1—4 during</p>			

Design Summary	Performance Indicators/Targets	Monitoring Mechanisms	Assumptions and Risks
inception phase and on a quarterly basis Establish TA reporting system			
Inputs International consultants Domestic consultants Training events Workshops Learning products Equipment Communication products	20 person-months: TA Management Coordinator 24 person-months: services of procurement unit in Ministry of Reconstruction 3 international advisers (20 person-months each) 3 domestic assistant advisers (24 person-months each) 24 person-months of a DRM domestic coordinator 22 person-months of international short-term technical assistant 70 person-months of domestic short-term technical assistant		

COST ESTIMATES AND FINANCING PLAN
(\$)

Item	Foreign Exchange	Local Currency	Total Cost
A. Asian Development Bank Financing^a			
1. Consultants			
a. Remuneration and Per Diem			
i. International Consultants	1,064,040	0	1,064,040
ii. International Consultants: Short-Term TA PRR Fund ^b	600,000	60,000	660,000
iii. Domestic Consultants	0	288,000	288,000
iv. Domestic Consultants: Short-Term TA PRR Fund	0	210,000	210,000
b. International and Local Travel	45,000	86,160	131,160
c. Reports and Communications	0	4,800	4,800
d. Monitoring and Quality Reviews ^c	250,000	0	250,000
e. TA Management Coordinator	400,000	0	400,000
2. Equipment ^d	0	28,000	28,000
3. Training, Seminars, and Conferences	50,000	50,000	100,000
4. Miscellaneous Administration and Support Costs	0	14,000	14,000
5. Contingencies	165,000	85,000	250,000
Subtotal (A)	2,574,040	825,960	3,400,000
B. Government Financing			
1. Office Accommodation for Consultants	0	135,000	135,000
2. Transport for Domestic Consultants		25,000	25,000
3. Remuneration and Per Diem of Interpreters and Counterpart Staff	0	120,000	120,000
4. Photocopying Facilities and Stationery	0	100,000	100,000
Subtotal (B)	0	380,000	380,000
Total	2,574,040	1,205,960	3,780,000

PRR=priority reform and restructuring, TA=technical assistance.

^a Financed on a grant basis from ADB's TA funding program.

^b Includes allowance for international and local travel.

^c Short-term consultancies and capacity building for monitoring and quality reviews of PRR initiatives funded by the TA.

^d Equipment includes computers, cellular phones, printers, and photocopiers.

Source: Asian Development Bank estimates.

OUTLINE TERMS OF REFERENCE FOR CONSULTANTS

1. A core team comprising three international and four domestic consultants will be responsible for ensuring the outputs identified in the TA framework are achieved and will be managed by the TA management coordinator. The three international consultants will work in country for 10 months each year with four breaks of 0.5 months. The coordinator will also manage consultants undertaking short-term assignments. Reporting arrangements are specified in the detailed terms of reference.

A. Adviser and Assistant Adviser: Institutional and Functional Review of Front-Line Service Delivery Departments (1 international [20 person-months] and 1 domestic [24 person-months] consultant)

2. The purpose is to assist priority departments responsible for basic services to improve the performance of services delivered by streamlining functions; eliminating unnecessary activities, overlaps, and duplications; focusing resources on core services; considering how electronic governance can assist; developing sustainable capacity within the service delivery departments; and providing a basis for replication and scaling up of the service delivery improvement initiative.

3. The TA outputs are as follows:

- (i) criteria and rationale developed for streamlining service delivery functions to improve performance;
- (ii) existing data, surveys, and proposals on ministries' service delivery functions reviewed and reviewed and evaluated against criteria;
- (iii) proposals for combining/rationalizing existing ministries developed and endorsed by Ministerial Advisory Committee (MAC);
- (iv) methodology and process developed for functional streamlining within ministries;
- (v) capacity developed within the Independent Administrative Reforms and Civil Service Commission (IARCSC) and ministries to apply the functional streamlining;
- (vi) two basic services demonstrate credible performance improvements; and
- (vii) guidance and plans for scaling up and widening the streamlining to other services.

4. Key competencies of the international consultant will include the following:

- (i) at least 10 years' experience in designing and managing public administration reform associated with improving service delivery in post-conflict countries and countries in transition;
- (ii) experience developing people-centered service delivery policies and practices;
- (iii) experience conducting service delivery audits;
- (iv) sound change management and capacity building skills; and
- (v) a Master's degree in public policy and management.

B. Adviser and Assistant Adviser: Coordinating, Prioritizing, and Resourcing Priority Reform and Restructuring Initiatives (1 international [20 person-months] and 1 domestic [24 person-months] consultant)

5. The purpose is to support the Administration Reform Secretariat of IARCSC to process PRR submissions effectively, efficiently, and in a timely manner and to help coordinate,

supervise and manage priority reform and restructuring (PRR) TA resources from funding agencies, using effective criteria and a prioritizing system.

6. The TA outputs are
 - (i) a functioning secretariat; and a functioning interface between it and the rest of IARCSC and ministries;
 - (ii) an institutional model for PRR design, implementation, and reporting in the ministries;
 - (iii) a rolling work-plan for the PRR program;
 - (iv) a system for coordination of external funding and Individual work plans and a management system for PRR provided by external agencies;
 - (v) an improved consultative group process, through increased dialogue between IARCSC and funding agencies at both strategic and operational levels;
 - (vi) clear and transparent procedures for processing requests for assistance from PRR ministries and regular and clear reports on PRR submissions;
 - (vii) regular and clear reports on external financing and TA requirements;
 - (viii) an annual review of the implementation effectiveness of the PRR decree;
 - (ix) development of the public administration reform (PAR) fund concept; and
 - (x) increased capacity to manage the PRR component of the PAR program.

7. Competencies of the international consultant will include the following:
 - (i) 5-10 years experience providing similar services to governments in developing or emerging economies;
 - (ii) a thorough understanding of the practical difficulties associated with design and implementation of public administration reform programs;
 - (iii) working experience managing programs comprising many projects from many organizations, with an ability to put in place sound systems and processes for appraising, prioritizing, and coordinating the projects and the program;
 - (iv) working knowledge of the preparation of concept notes, terms of reference, and project documents for a variety of agencies' requirements; and
 - (v) wide working knowledge of interactions, donor practices, procedures and TA protocols pertaining to the Government and funding agencies.

C. Adviser and Assistant Adviser: Results-Based Management and Performance Management System (1 international [20 person-months] and 1 domestic [24 person-months] consultant)

8. The purpose is to assist IARCSC and the ministries to design and implement a simple but effective and efficient results-based management system for approved PRR initiatives.

9. The TA outputs are as follows:
 - (i) a system for identifying results to be tracked and reported on for PRR initiatives;
 - (ii) a training program for results-based management (RBM) and trained trainers for RBM in the secretariat and in each approved PRR ministry;
 - (iii) within the secretariat, a consolidated RBM reporting system on results and performance of all PRR initiatives to MAC, Government, and funding agencies;
 - (iv) PRR ministries using the RBM reporting system to report results and performance of the PRR initiative for MAC, Government, and funding agencies;
 - (v) PRR RBM system for various stakeholder groups (citizens, civil society groups, and private sector);

- (vi) increased awareness in the public service of the importance of working for results;
 - (vii) increased capacity within the functional units of IARCSC (the secretariat in particular) to manage the PAR program; and
 - (viii) a PRR communication system.
10. Competencies of the international consultant will include the following:
- (i) 5-10 years experience in the successful design and implementation of RBM in developed, developing, and post-conflict countries and in the public service;
 - (ii) thorough understanding of the practical difficulties associated with design and implementation of public administration reform programs;
 - (iii) working knowledge of the development and preparation of criteria for identifying and reporting results and tracking improvements in organizational performance;
 - (iv) experience with institutional reform and change management processes; and
 - (v) wide working knowledge of interactions, donor practices, procedures and TA protocols pertaining to the Government and funding agencies.

D. Domestic Consultants for Core Team

11. The domestic consultants will have the following competencies:
- (i) ability to work using own initiative;
 - (ii) clarity of thought, and a logical thought process;
 - (iii) 5-10 years experience managing diverse and complex projects;
 - (iv) excellent communication skills;
 - (v) fluent in Pashto or Farsi and excellent English;
 - (vi) computer literate;
 - (vii) good knowledge of the Afghan public service; and
 - (viii) experience with external funding agencies is desirable.

E. Disaster Risk Management Adviser (1 domestic consultant for 24 person-months)

12. The TA will help form the Reform and Restructuring of the National Disaster and Emergency Management Commission and associated bodies, based on the PRR decree.
13. The pertinent TA outputs are as follows:
- (i) new institutional and functional structures implemented as proposed under the new policy;
 - (ii) management and administrative systems and processes supported by an RBM reporting system within the National Bureau for Disaster and Emergency Management;
 - (iii) effective operational coordination procedures between member ministries and departments of the National Commission for Disaster and Emergency Management; and
 - (iv) funding agencies coordination and reporting procedures.
14. The consultant's competencies will include
- (i) 5-7 years of institutional and partnerships development experience;
 - (ii) a Master's degree in public administration or business administration;
 - (iii) excellent English language and written communication skills;
 - (iv) sound track record in management of change and managing people;
 - (v) self-directed and competent at making appropriate decisions;

- (vi) disaster and risk management experience preferred; and
- (vii) leadership and team skills.

F. Coordinator and Procurement Unit

15. The procurement unit will provide the following services to IARCSC:
- (i) manage the managing contractor, submit regular reports to the Asian Development Bank (ADB); and provide back-up support during periods of absence of the coordinator from duty station;
 - (ii) facilitate the initial request from IARCSC and assist with preparation of terms of reference (TORs), approval of the TORs by ADB, and liaison between ADB and IARCSC over any issues arising;
 - (iii) draft specific procurement notices and local press notices for publication by ADB, and issue copies of the notices to eligible firms that have registered with the Afghan Assistance Coordination Authority as being interested in this project or type of consultancy;
 - (iv) receive and review the expressions of interest and prepare short list for IARCSC, and facilitate the formal approval of the short list by both IARCSC and ADB;
 - (v) prepare request for proposal documents, facilitate their approval by IARCSC and assist ADB in the processing of these documents, and receive proposals from ADB;
 - (vi) facilitate the technical evaluation of proposals and reports by IARCSC (including advising on contractual issues and potential problem areas in the proposals);
 - (vii) facilitate the arrival of the consultants by assisting with visa applications and providing information on guest houses, local transport, and conditions, etc; and
 - (viii) facilitate the acceptance of consultant's reports by IARCSC and subsequent payment by ADB.
16. The coordinator will work full-time at IARCSC and be managed by the procurement program manager of the procurement unit. The coordinator will report to ADB and the tasks will include the following:
- (i) During inception (4 weeks), (a) establish with ADB and IARCSC the procedures, templates, quality control measures, and reporting on TA procurement, (b) specify the interface requirements between the coordinator, ADB, and IARCSC; (c) submit a proposal for consultants' data base; and (d) produce the inception report.
 - (ii) Help develop quarterly TA requirements plans: Actively identify and propose a good choice of consultants using transparent procedures. Review TORs to ensure compliance with ADB's Procurement Guidelines. Support IARCSC with the evaluation of proposals and preparation of evaluation reports. Produce quarterly, annual, and end-of-TA reports covering achievements against the TA framework.
 - (iii) Assist IARCSC to monitor performance of the advisers, assistant advisers and short-term consultants, and ensure performance reports are produced, agreed upon and issued to IARCSC management and ADB.

- (iv) Assist IARCSC to establish a database of potential, eligible, consultants and firms.
- (v) Ensure all procurement complies with ADB's procurement guidelines.
- (vi) Monitor commitments and disbursements against the project budget and ensure that all contracts and project running costs are in accordance with the budget and prepare regular reports for IARCSC and ADB.
- (vii) Provide additional services as required, including placing advertisements; arranging interviews in regional centers if required; and facilitating study tours by arranging flights, visas, accommodation, etc., as well as mobilization and demobilization of all consultants.

G. Profile of International Consultants and Preferred Working Style

17. The consultants should have their own laptop computers with up-to-date Microsoft Office Software and effective mechanisms for addressing computer viruses. Consultants will be responsible for their own transport arrangements and accommodation.

18. Each consultant should have the following core competencies:
- (i) A facilitative rather than prescriptive manner, adopting a participatory approach, working effectively with and motivating local counterparts and stakeholders and able to transfer knowledge and skills, and work as a member or a leader of a team;
 - (ii) excellent communication skills, socially and culturally sensitive, able to recognize and address conflicting views, good negotiation skills, able to communicate effectively with persons who have a limited understanding of English, and able to write succinctly and make presentations in a simple nontechnical manner;
 - (iii) able to work effectively in an environment where systems don't exist or function, ensure consistency of approaches and methodology with work undertaken by other consultants, develop learning materials suitable for people with limited understanding of the English Language, and ensure basic systems and processes are established;
 - (iv) Able to carry out rapid institutional and stakeholder analysis, good project management skills, and demonstrable technical knowledge of public administration reform is essential; and
 - (v) a high standard of written and spoken English (essential), knowledge of Pashto or Farsi is a distinct advantage, and experience in Afghanistan and/or in post-conflict countries is preferred.

19. The consultants will be able to
- (i) identify owners for each TA output, including the functional unit that will be responsible for ensuring sustainability of the output;
 - (ii) conduct rapid stakeholder and institutional analyses during the inception phase, and draw on the analyses to design the conduct of the TA;
 - (iii) identify risks and factors in risk-mitigating measures in the TA workplan;
 - (iv) have a work plan and interim outputs identified and agreed during inception;
 - (v) use participatory and consultative methods where appropriate; and
 - (vi) consider gender issues in the development, implementation, and review of all new policies, procedures, and systems generated through the TA.