

Status Report on Achieving Commitments 2017-2018

Self-Reliance Through Mutual Accountability Framework



OCTOBER 2017

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INTRODUCTION

The Tokyo Mutual Accountability Framework (TMAF) set the foundation for Afghanistan's partnership for development with the International Community. At the Senior Official Meeting in September 2015, Afghanistan and its international partners updated the Tokyo Mutual Accountability Framework (TMAF) in line with the Realizing Self-Reliance Policy Paper, which was presented at the London Conference 2014. The revised framework – Self-Reliance through Mutual Accountability Framework (SMAF) – included short-term deliverables that measured the progress of the reform and development partnership agenda. At the Brussels Conference on Afghanistan in October of 2016, the Government of Afghanistan and the International Community agreed upon 24 new Self-Reliance through Mutual Accountability Framework (SMAF) indicators called SMART SMAF. This is the second report on the implementation of the SMART SMAF deliverables since the Brussels Conference.

One year since the Brussels Conference, some of the indicators have due dates or actions specified for 2018. Most deliverables are in progress; several are partially achieved or completed.

INDICATOR: Ensure continued emphasis on democratic governance, leading to free, and fair, transparent and participative elections. Concrete steps taken by the Government towards 2017 electoral reform process and electoral preparations.

RESPONSIBLE AGENCY: Independent Election Commission of Afghanistan (IEC)

STATUS: In progress

DETAILED STATUS: The IEC has announced 7 July 2018 as the official date for parliamentary and district council elections.

The Independent Electoral Commission had completed its assessment of polling stations in partnership with local authorities, covering more than 90% of districts. Voter registration is the next step and will pave the way for the establishment of polling station-specific voter lists and the completion of available voter registry.

A study on the use of technology in elections was completed in consultation with political parties and civil society on 26 April 2017.

A joint security directive was signed on 3 July 2017 with security organizations. Public awareness programs were launched throughout the country.

Technological equipment for the assessment of centers purchased, approximately 1,000 employees have been recruited and trained throughout the country.

Activities for trust building

- IEC activities are shared with people through the website of the Commission and social media.
- Coordination and consultation meetings with political parties and civil societies are on-going.

Activities for voter registration

- Agreements with the Afghanistan Civil Registration Authority and the Ministry of Telecommunications on joint use of resources for voter registration, preparation of voter list and issuing of *E-Tazkera*.
- Preparation and procurement of biometric registration devices are on-going.

INDICATOR:	Anti-corruption strategy for the whole of government drafted and endorsed by the High Council on Rule of Law and Anti-corruption in the first half of 2017 and implementation initiated in the second half of 2017. Five revenue-generating ministries publicly report on implementation progress of their anti-corruption action plans in 2017.
RESPONSIBLE AGENCY:	Office of the Second Vice President of Islamic Republic of Afghanistan, Ministry of Finance, Ministry of Commerce and Industries, Ministry of Mining and Petroleum, Ministry of Communication and Information Technology and Ministry of Transport
STATUS	In progress, on-track
DETAILED STATUS:	<p>The Anti-Corruption Strategy was endorsed by the High Council on Rule of Law and Anti-corruption on 28 September 2017. The finalized strategy will be shared with donors on 5 October 2017.</p> <p>The five revenue-generating ministries (MoF, MoCI, MoMP, MoCIT, MoTCA) have shared first quarterly anti-corruption progress reports with the Ministry of Finance. The final report will be published online by end 2017.</p>

INDICATOR: Structural benchmarks of the IMF Extended Credit Facility program for 2016 and 2017, focusing on macroeconomic stability, fiscal and financial reforms met.

RESPONSIBLE AGENCY: Macro Fiscal Policy General Directorate (MFPD)— MoF,

STATUS In progress, on track

DETAILED STATUS: In July 2016, the government of Afghanistan and the IMF agreed on a 3 years Economic Reform Program under the Extended Credit Facility (ECF). Under the agreement, the IMF will provide a 45 million USD financial package for Afghanistan. After the first evaluation, at the end of May 2017, the IMF provided a 6.2 million USD Credit Facility for Afghanistan. The reforms that were evaluated in June 2017 are:

- **Asset declaration of government officials listed in Article 154 of the Constitution** – Dari and English versions are published.
- **Criminalization of administrative corruption based on the United Nation Convention against Corruption** – Presidential Decree on Penal Code along with draft legislation are submitted to the Parliament.
- **Information sharing between the SIGTAS and the ASYCUDA systems to improve revenue collection** – Automated interface for information sharing between SIGTAS and ASYCUDA is operational.
- **Transparency in mining revenues and Implementation of Extractive Industries Transparency Initiative (EITI) standards** – Registration and tax payment process for major mining extractive companies is in progress. ARD has prepared a list of major corporate mining companies.
- **Establishment of risk management unit in customs centers** –In May 2017 as guided by finance minister this unit have been established in customs operation directorate.
- **Parliamentary approval of midyear budget evaluation** – Including transaction of 50 million USD debt of Kabul Bank to the Central Bank. The evaluation was sent to parliament for approved.
- **Transaction of 50 million USD to Central Bank regarding Kabul Bank debts** – After finalizing the mid-year evaluation of the budget by the Parliament, the mentioned amount will be transferred to Central Bank.

In July 2017, the government of Afghanistan and IMF discussed predicted indicators to be evaluated in September 2017 and declared that progress is satisfactory. The indicators of June 2017 are finalized and the September 2017 ones are in progress.

INDICATOR: Demonstrate progress in implementing NAP 1325 as specified in its implementation plan through annual published reporting in 2017 and 2018, Including by increasing the percentage of female civil servants from the current level (2015 baseline) by 2 percentage points in 2017 and an additional 2 percentage points in 2018.

RESPONSIBLE AGENCY: Ministry of Foreign Affairs (MoFA), Independent Administrative Reform and Civil Service Commission of Afghanistan(IARCSC)

STATUS In progress

DETAILED STATUS: The National Action Plan (NAP) on UNSCR 1325 was launched by the President on 30th June 2015. Implementation, monitoring and evaluation plans were finalized on 2 June 2016. A joined working group composed of the Ministry of Foreign Affairs, Ministry of Finance; representatives from the international community and donors; and representatives from civil society has discussed the costing of the activities for the NAP-1325. The Ministry of Finance has completed costing in cooperation with relevant ministries. The working group is finalizing the fiscal mechanism for this commitment.

Independent Administrative Reform and Civil Service Commission recently prepared a policy draft – *A two percent increase in women in the civil service 2017-18*. The main indicators of this policy are hiring, capacity-building, provision for a safe work environment, and making women aware of job opportunities in the civil services. This policy is being finalized and will soon be shared with civil service organizations for implementation.

The Central Statistics Organization(CSO) reports that women account for 22.5% of Civil Service employees, representing a 0.6% increase compared to 2015.

INDICATOR: Special tribunal (Dewan Khas) on violence against women established in 15 provinces by December 2017 and the remaining provinces by December 2018. In addition, dedicated violence against women prosecution units established and functional, including adequate staffing, in all 34 provinces by December 2017. The Government commits to increase incrementally the percentage of women serving as judges and prosecutors in these special courts and prosecution units.

RESPONSIBLE AGENCY: Supreme Court (SC), Attorney General's Office (AGO)

STATUS In progress, on-track

DETAILED STATUS: The Supreme Court has established Special Tribunals (Dewan Khas) for the elimination of violence against women in 15 provinces (Herat, Balkh, Kapisa, Jowzjan, Sarepul, Baghlan, Kunduz, Takhar, Ghazni, Bamyan, Ghor, Daikondi, Nangarhar, Faryab, and Kandahar). Currently, these courts are functional.

Women make up 12% of the Supreme Court workforce.

257 Judges (21% of all judges in Afghanistan) are women.

231 female administrative staff and 36 female service staff are working at the Supreme Court.

Elimination of Violence against Women prosecution units were previously established in the Attorney General's Office in 34 provinces. Forty-four special women prosecutors work in 24 units around the country. Recruitment is underway for a Deputy Attorney General for the Elimination of Violence against Women created by Presidential decree 1550. Action plan for achieving this commitment has been received from the Supreme Court and Attorney General's Office.

Currently, 15% of staff at the Attorney General's Office are female, including several women leading departments in 9 directorates.

INDICATOR: Launch of the Women’s Economic Empowerment Plan by first half of 2017. First implementation report of the Women’s Economic Empowerment Plan produced by 2018.

RESPONSIBLE AGENCY: Ministry of Labor, Social Affairs, Martyrs and Disabled (MOLSAMD)

STATUS In progress, on-track

DETAILED STATUS: The Women’s Economic Empowerment Plan was launched on 8 March 2017 by the President. A WEE-NPP Coordination Unit has been created at MoLSAMD to coordinate economic empowerment activities across the country with all relevant government agencies, the private sector, and civil society. The Unit is supported by a \$5 million grant from the World Bank, which will include support for technical assistance to improve specific inter-ministerial technical activities.

The NPP consists of 6 components, which cross over the work of 12 different ministries. Using results-based-budgeting, the NPP aims to improve the impact and efficiency of existing programs and measure tangible outcomes from various activities. The budget for the overall program is finalized and shows a \$250 million gap for the next five-years.

The WEE-NPP steering committee has been meeting on a regular basis. Work is underway at the MoLSAMD secretariat to finalize the coordination implementation manual; procurement plan; and the comprehensive inter-ministerial budget. Relevant ministries and government agencies have included their respective components in their 2018 budget requests.

Key highlights of on-going activities since January 2017 include:

- 67,000 women supported in agriculture activities, including kitchen gardens, nurseries and greenhouses
- 35,000 women supported in the livestock sector, including provision of livestock, technical support, and provision of inputs.
- Recruitment of 3,000 female contract teachers is underway through funding from Ministry of Finance.
- Nearly 900 community midwives and nurses are under training and will return to their communities in 2018 to help improve maternal and child health in some of the country’s most underserved areas.

INDICATOR:	To reduce poverty, launch of Citizens' Charter in at least 2,000 poor villages by December 2017 and an additional 2,000 by December 2018.
RESPONSIBLE AGENCY:	Ministry of Rural Rehabilitation and Development (MRRD), Independent Directorate of Local Governance (IDLG)
STATUS	In progress, on-track
DETAILED STATUS:	<p>The Citizens' Charter NPP was officially launched in September 2016. The Programme is now rolling out in more than 2,200 urban and rural communities across the country.</p> <p>Work at the community-level is underway in 78 districts and four cities in 32 provinces. This includes completion of community profiles; election and registration of CDCs, completion of Well-Being Analyses and Community Development Plans; gap analysis; and finalization of infrastructure project proposals. All implementation arrangements and relevant manuals have been developed, approved, and field tested. Contracts for 17 of 18 facilitating entities has been finalized and signed, with one remaining contract to be finalized in early October.</p> <p>The program has secured \$800 million in funding, including a \$130 million contribution from the Government of Afghanistan. Nearly \$200 million has been secured through ARTF and World Bank/IDA with the specific aim of supporting areas of high returns, with both the regular Citizens' Charter package as well as the Maintenance Construction and Cash Grant.</p> <p>By the end of 2017, the program will reach 2,500 communities, including disbursing around \$40 million in grants to CDCs for implementation of infrastructure projects as well as cash for works projects.</p>

INDICATOR: Out of the positions planned under CBR, 1200 recruitments completed by December 2017 and the remaining positions by 2018

RESPONSIBLE AGENCY: Independent Administrative Reform and Civil Service Commission of Afghanistan(IARCSC)

STATUS In progress

DETAILED STATUS: The recruitment process of 1213 positions has been completed in 39 governmental organizations, 680 of which have active contracts. The remaining contracts are in progress.

The CBR unit has taken needed steps to help the effective implementation of the program and the acceleration of the recruitment process. These include adjustment of the recruitment procedure, sanction strategy and drafting and finalizing the national training policy which are important steps towards realizing the aforementioned big agenda.

INDICATOR: Performance management reform introduced to five institutions (Ministry of Agriculture Irrigation and Livestock, Ministry of Interior, Independent Directorate of Local Governance, Central Statistics Organization, Supreme Audit Office) including at the sub-national level, where funding is available, in 2017

RESPONSIBLE AGENCY: MFPD – MoF

STATUS Delayed

DETAILED STATUS: Team-Based Performance Management (TBPM) under the Fiscal Performance Improvement Plan (FPIP) has not yet been introduced within the five target institutions. Funding support for updating and strengthening existing plans was either delayed or did not occur, resulting in a 6-month delay on development, approval and publication of the revised 5-Year plans for 2017. This meant that the planned mid-year performance review in 2017 did not occur.

Introductory meetings on the FPIP and TBPM method were held in 2016 and 2017 with the five new target agencies, though 5-year plans have not yet been developed, approved or published. Fiduciary Risk Assessments (FRA) have not been undertaken in any of these agencies in preparation for the 5-year planning process. The number of teams covered under the existing participating agencies increased significantly in 2017, from 63 in 2016 to 96 in 2017. To establish plans, assess baselines and professionally review these teams, along with the five target institutions, is outside the possibility of present funding.

In-kind assistance for independent validation has been delayed. Although funding approval has been secured, the procurement is slower than predicted due to a full tender process. Mobilization of consultants under the new contract is expected in late 2017 or more likely in 2018. Discussions with the World Bank are progressing on funding and in-kind support on validation and systems development. Additional funds have been earmarked from ARTF to expand funding for the Technical Assistance Facility. Funding to financing reform initiatives in participating teams is being progressed with the World Bank which may become effective sometime in 2018.

Work has not yet commenced at the sub-national level.

INDICATOR: Implementation mechanism for the Public-Private Partnership law put in place and at least three project concepts approved by High Economic Council in 2017 out for tender by 2018.

RESPONSIBLE AGENCY: Ministry of Finance – Public Private Partnership Central Unit

STATUS In progress, on track

DETAILED STATUS: The Public-Private Partnership law is completed and ratified. The PPP institutional Framework is developed based on the PPP Law, PPP Policy is developed and approved by the Cabinet. The PPP Regulation, which is the implementation mechanism and explanation of the Law, is developed. Guidelines and operating manuals are being developed. PPP Units are established in some line Ministries.

The High Economic Council (HEC) has approved the feasibility study for implementation of three Public Private Partnership (PPP) projects including 151 MW Kajaki Electric Dam, 52 MW Sheberghan Gas – Electric, and 30 MW Kandahar Solar Electric. The contracts of these projects have been sent to the National Procurement Authority (NAP). NAP requested a legal review of these contracts. Contracts are currently under legal review and will be resent to NAP for approval after finalization.

INDICATOR:	Land Management Law and Land Acquisition Law approved by the Cabinet in the first half 2017. Bankruptcy Law and Municipality Law in the second half 2017.
RESPONSIBLE AGENCY:	Afghanistan Independent Land Authority (ARAZI), Ministry of Justice (MoJ), Ministry of Commerce and Industries (MoCI), Independent Directorate of Local Governance (IDLG) and Kabul Municipality
STATUS	In Progress
DETAILED STATUS:	<p>The Cabinet approved the Land Management Law (249) and the Land Acquisition Law (250) in February 2017, both have been signed by the President.</p> <p>The Bankruptcy Law has been drafted by the Ministry of Commerce and Industries (MoCI) and has been sent to the Ministry of Justice (MoJ) for further processing. As the approval laws need time, MoJ is working on it to finalize and approve it.</p> <p>The Cabinet discussed the Municipality Law. However, due to existence contradictions with other laws and poor quality, it was they rejected. The Second Vice-President was assigned to coordinate with related ministries and other stakeholders and bring the necessary changes before sending it back to the Cabinet for approval.</p>

INDICATOR: To operationalize the government's commitment to the Extractive Industries Transparency Initiative (EITI), amendments to the Mining Law submitted to the parliament include measures such as publication of mining contracts, identification of the mining contracts beneficial ownership, assignment of mineral rights for funding of mining projects, suspension for Force Majeure, rights of private land owners' enforcement of mining contracts being linked to their publication, by first half 2018. The mineral fiscal regime developed by 2018.

RESPONSIBLE AGENCY: Ministry of Mines and Petroleum (MoMP)

STATUS In Progress

DETAILED STATUS: In order to fulfill the government's commitment to the extractive industries transparency initiatives, the amendments of the Mining Law was finalized and presented by the Ministry of Mines and Petroleum to the Office of the President.

The President issued instructions for the Afghanistan Extractive Industries Development Road Map to be developed. The Mines Law must be amended in accordance with this document. Work on this document is in progress. After completion, it will be re-sent to the Office of the President.

The Ministry of Mines and Petroleum has developed primary documents for the mineral fiscal regime, but based on instructions from the President, it was merged with the Mineral Policy. As the developing of the Afghanistan Extractive Industries Development Road Map is prioritized by the President, the Mineral Policy will be drafted by December 2017 and will be shared with all relevant ministries/agencies.

INDICATOR: Simplification of 15-25 common public services and integration into Asan Khedmat (one-stop-shop) by 2017. Expansion of the Asan Khedmat services to three additional locations in Kabul by 2018

RESPONSIBLE AGENCY: Ministry of Finance – Asan Khedmat

STATUS In Progress

DETAILED STATUS: Asan Khedmat has identified, studied, mapped and cataloged 48 public services in 7 ministries (MoI, MoFA, MoLSAMD, CoCI, MoF, MoJ, and the Supreme Court).

The Labor Market Information System (Asan LMIS) for the Ministry of Labor is has been simplified and is active including:

- Work Permit for Afghans since July 2017
- Work Permit for Foreign Nationals since August 2017

The following process are also have been simplified:

- Issuance of Normal Passport since July 2017
- Issuance Student Passport since August 2017
- Issuance of Business Passport since August 2017 and
- Visa Extension for Foreign Nationals since September 2017

An MoU has been signed between the Ministry of Finance and the Supreme Court. Eighteen Business Sectorial Licenses have been issued by MoF, of which five will be simplified by the end of 2017.

Initially, Asan Khedmat Services will operate in three locations in Kabul City – Chaman Huzori, Dasht Barchi, and Khair Khana. The Chaman Huzori Service Center will be operational by the second quarter of 2018. Centers in Dasht-e-Barchi and Khair Khana will be built by the last quarter of 2018.

INDICATOR: The government develops a time-bound investment climate reform plan in partnership with the private sector. The scope of the plan will be discussed and approved in an open session of the High Economic Council by the middle of 2017

RESPONSIBLE AGENCY: Ministry of Commerce and Industries (MoCI)

STATUS In Progress

DETAILED STATUS: MoCI has developed the reform plan for improving the Doing Business Indicators (DBI) that also covers the investment climate reform plan. This plan has been presented and approved by the High Economic Council. This plan has been developed in close coordination with the private sector and in consultation with Reformatics, an internationally recognized company with similar experience in Georgia.

In addition, as per the decision of the High Economic Council dated 25 December 2016, the Executive Committee on Private Sector Development (PriSEC) was established comprising four working groups; Banking and Finance, Agriculture, Trade and SMEs, Infrastructure, Land and Energy and Legal.

Under PriSEC, the working groups will work for the smooth implementation of the 11 private sector reform priorities and the DBIs plan.

PriSEC meetings are co-chaired by Minister of Commerce and Industries, Office of the Chief Executive, and the World Bank. The meetings are regularly held in order to implement the private sector reform priorities more effectively and improve the ease of doing business in Afghanistan.

The PriSEC four working group action plans have been finalized and presented to the High Economic Council on 25 September 2017. These plans were approved in principle.

INDICATOR: National Procurement Commission compliance with contract publication (high- value/above threshold contracts) should exceed 75 per cent by end of 2017.

RESPONSIBLE AGENCY: National Procurement Authority (NPA)

STATUS Completed

DETAILED STATUS: National Procurement Authority compliance with the publication of high-value/above-threshold contract stands at 77.5%. The NPA contract publication system is in line with the Open Contracting Data Standards (OCDS). NPA is working to ensure delivery beyond the committed indicator to 100% publication for high-value contracts by the end of 2017.

INDICATOR:	Results of the Afghanistan Reconstruction Trust Fund (ARTF) external review are submitted to Steering Committee by October 2017 for approval. Approved recommendations implemented by ARTF in 2018 and implementation progress report in ARTF annual review.
RESPONSIBLE AGENCY:	Ministry of Finance (MoF)
STATUS	In Progress
DETAILED STATUS:	The Terms of Reference for the ARTF external review was finalized after extensive consultations with the World Bank and relevant donors. The World Bank undertook the procurement process, and the 3rd party review of the ARTF is underway at present. The review firm (ScanTeam) is leading the process. Discussions have taken place with ARTF donors and the World Bank. An interim report of the review has also been produced. The final report will be completed after the in-country mission and shared with all relevant stakeholders.

INDICATOR: To improve aid effectiveness and build Afghan capacities, development partners will review options to channel a higher share of their development assistance through on-budget modalities in 2017 and 2018. Decisions will be based, amongst others, on implementation of the agreed reforms, in particular progress on the Public Financial Management (PFM) roadmap.

RESPONSIBLE AGENCY: Ministry of Finance (MoF)

STATUS In Progress

DETAILED STATUS: In 2016, the share of total development aid channeled through on-budget increased to 65%; a significant increase compared to the same period during 2015.

Donors are increasingly using reform-based incentive modalities to channel funding through the national budget. This approach is a departure from traditional project-based financing to flexible on-budget support which is conditional on government progress on agreed reforms. Current incentive modalities include the ARTF Incentive Program, the US-supported New Development Partnership (NDP), the EU-supported State Building Contract (SBC) and the SMAF Incentive Program.

INDICATOR: Development Partners and Government finalize and implement financing agreements for all off-budget government projects by first half of 2017 and for all new government projects thereafter.

RESPONSIBLE AGENCY: Ministry of Finance (MoF)

STATUS In progress

DETAILED STATUS: Financing agreements and other similar provisions are in place for all projects financed through on-budget modalities. Progress is on off-budget projects is varied. Twenty-three donors provide part of their development assistance through off-budget modalities; of these, financing agreements are available for 44% of contributions.

This represents modest progress if compared to FY 2015. We look forward to working with development partners to put in place specific arrangements to meet this commitment.

INDICATOR: Development Partners to align 80% of their development assistance to support Government policies, including the revised National Priorities Programs by January 2018.

RESPONSIBLE AGENCY: Ministry of Finance (MoF)

STATUS In Progress

DETAILED STATUS: At present, not all NPPs are fully developed. In this light, the current level of development aid alignment to national priorities cannot be determined. However, all financing channeled through the national budget can be assumed to be fully aligned to the relevant NPP. The expectation is that the government and development partners work together to finalize the remaining NPPs and take serious steps towards aligning their off-budget projects to these priority programs.

INDICATOR: Development partners and Government review and approve Joint Working Group Report on Taxation by December 31, 2016 and start implementing the approved recommendations in 2017.

RESPONSIBLE AGENCY: Ministry of Finance (MoF)

STATUS In Progress

DETAILED STATUS: The Working Group was established in 2015 and identified 13 recommendations. MOF/ARD suggested four additional measures that donors could take into consideration which would facilitate the collection of taxes owed by donor-funded partners. MoF/ARD has concluded bilateral consultations with various embassies and other donor agencies in line with the above recommendation in order to seek and obtain support on issues that were included in the 13 recommendations, summarized as follows:

1. They agreed in principle to improving information quality and accessibility
 - MoFA and line ministries should consult MOF ARD/ACD on language related to taxation.
 - MoF should provide easily accessible information.
 - Donors should consider options for supporting MOF-led public tax-awareness campaigns.
2. They agreed in principle to improving processes:
 - MoF should consider establishing an ASYCUDA e-exemption certification.
 - MoF and international partners should regularly discuss taxation issues in multilateral meetings.
3. They agreed in principle to improving compliance:
 - Current MOF capacity to conduct audits is insufficient.
 - International partners should explore additional measures to build capacity in the MOF Audit Department in line with the PFM roadmap.
4. Other proposals were rejected by most donor agencies:
 - International partners should provide information on staff members and salary level to support MOF tax collection.
 - International partners should consider providing concrete support to help MOF recover unpaid taxes from former contractors that have left Afghanistan.

INDICATOR: To ensure institutional sustainability, all programme management units (PMUs), programme implementation units (PIUs) and other relevant parallel mechanisms begin to be integrated within the structure of the relevant ministries in 2017.

RESPONSIBLE AGENCY: Ministry of Finance (MoF)

STATUS Delayed

DETAILED STATUS: The donors have been encouraged in a number of forums to integrate their PMUs with a specific line ministry. The Asian Development Bank (ADB) has been planning to integrate its three PMUs into one PMO in the Ministry of Agriculture, Irrigation and Livestock. Where integration with relevant line ministries is concerned, donors are still hesitant to rely on government structures and systems considering low capacities and issues related to the retention of qualified PMO staff with low remuneration.

Line ministries need to develop specific transition plans for their PMUs. This is an ongoing process and until the above issues are resolved by line ministries, donors will continue operate their own PMUs.

INDICATOR: Beginning in 2017 donors will confirm that their contractors are required to implement the National Technical Assistance (NTA) scale in their programs, and verify compliance semi-annually on its full implementation to the Ministry of Finance.

RESPONSIBLE AGENCY: Ministry of Finance (MoF)

STATUS Completed

DETAILED STATUS: The National Technical Assistance NTA Remuneration Policy in 2013 that was approved by the Cabinet in 2013 and amended by Presidential Decree No. 852 in 2015.

The Ministry of Finance Budget Department has met with donors (USAID, DfID, WB, ADB). It has been agreed that their contractors will follow NTA guidelines. Donors have communicated this to their contractors.

The NTA Remuneration Policy has been implemented in all on-budget projects, both discretionary and non-discretionary, since 2016.

This policy has been implemented in off-budget projects, including USAID funded projects, since the beginning of 2017.

The Budget Department has met with NGO and has notified every NGO via an official circular [*Motahedolmaal*] was sent to advising them of the requirement to implement the NTA Remuneration Policy within 30 days or face suspension of activities.

INDICATOR: All new technical assistance to government to be approved by Ministry of Finance. Modalities and business process standards to be completed between Government and Development Partners by December 31, 2016.

RESPONSIBLE AGENCY: Ministry of Finance (MoF)

STATUS Completed

DETAILED STATUS: Considering the five-year strategy for Afghan government, all government institutions who are responsible for the implementation of the ANPDF are to be supported through the provision of National Technical Assistance. Term of References (ToRs) for all new government Technical Advisors (TA) are reviewed for effective implementation ANPDF. MoF approves ToRs after ensuring their alignment with the NPPs and ANPDF requirements. A guideline for this purpose will be developed by end 2017.

INDICATOR: Joint working group between Government and NGOs established by December 2016 to resolve NGO tax and reporting issues and final report by June 2017. Implementation of updated regime to start on January 2018, with compliance reporting submitted annually.

RESPONSIBLE AGENCY: Ministry of Economy (MoEc)

STATUS In Progress, on-track

DETAILED STATUS: A joint Government and NGO working group has been established and is working to solve tax issues in accordance with the Income Tax Law and the Non-Governmental Organizations Law. MoEc is working on an implementation mechanism for the new system.

All NGO tax and reporting issues were collected, reviewed and discussed in relevant Technical Committees. Seven basic problems were identified in a joint meeting with the Deputy Ministers of Finance and Economy and NGO Coordination Organization (ACBAR, AWN, ANCB and SWABAC).

The issue of NGO reporting was discussed in detail by the Committee. NGO coordination bodies discussed the issues related to six-month reports, annual reports and annual audit reports. In cooperation with NGO coordination bodies and a representative from the Ministry of Finance, the NGO reporting procedures were finalized on 11 July 2017.

Implementation of the updated regime will start in January 2018.



Ministry of Finance
Islamic Republic of
Afghanistan