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# STRENGTHENING PAKISTANI INSTITUTIONS

**annual performance report**  
October 2010 – September 2011



December 30, 2011 – This report was produced by ASP-RSPN for review by the United States Agency for International Development

**ASSESSMENT AND STRENGTHENING PROGRAM – RURAL SUPPORT PROGRAMMES NETWORK**  
Cooperative Agreement #: 391-A-00-11-01201-00

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# ACRONYMS

ACBP	Awardees Capacity Building Plan
ADB	Asian Development Bank
AJK	Azad Jammu Kashmir
AiD	Associates in Development
ASP	Assessment and Strengthening Program
CA	Chartered Accountancy
CB	Capacity Building
CDCP	Citizens Damage Compensation Program
CDWP	Central Development Working Party
CGA	Controller General of Accounts
CNIC	Computerized National Identity Card
COP	Chief of Party
CPO	Central Program Office
CSOs	Civil Society Organizations
EGD	Electronic Government Directorate
DCOP	Deputy Chief of Party
GB	Gilgit-Baltistan
GOP	Government of Pakistan
GOS	Government of Sindh
HH	Household
HLF4	Fourth High Level Forum on Aid Effectiveness
HR	Human Resource
IBRD	International Bank for Reconstruction and Development
IDB	Islamic Development Bank
IDS	Innovative Development Strategies
IR	Intermediate Result
IT	Information Technology
JDs	Job Descriptions
KP	Khyber Pakhtunkhwa
LUMS	Lahore University of Management Sciences
M&E	Monitoring and Evaluation
MER	Monitoring, Evaluation and Research
MIS	Management Information System
MoIT	Ministry of Information Technology
MSDP	Municipal Services Delivery Program
NADRA	National Database and Registration Authority
NDC	National Development Consultants
NESPAK	National Engineering Services Pakistan
NRSP	National Rural Support Program
NSPP	National School of Public Policy
NTC	National Telecommunication Corporation

PCB	Pakistan Computer Bureau
PD	Provincial Director
P&D	Planning and Development
PDMA	Provincial Disaster Management Authority
PDWP	Provincial Development Working Party
PMP	Performance Management Plan
PPO	Provincial Program Office
PPP	Public Private Partnership
QPR	Quarterly Performance Report
RFA	Revolving Fund Account
RMF	Risk Mitigation Framework
RSPN	Rural Support Programmes Network
SBEP	Sindh Basic Education Program
SDMA	State Disaster Management Authority
SOW	Scope of work
SOPs	Standard Operating Procedures
SWG	Strategic Working Group
TMA	Town Municipal Administration
ToT	Training of Trainers
TPV	Third Party Validation
USAID	United States Agency for International Development

# FOREWORD

Current development discourse and practice are characterised by a strong urge and willingness on the part of the development partners and aid recipient countries to make aid more effective for the attainment of global development objectives. Based on this consensus for achieving effectiveness in aid delivery, the development partners and recipient countries have made efforts in reshaping the edifice of global aid architecture. The watershed of these efforts was the Paris Declaration 2005, followed by the Accra Agenda for Action and the HLF4 where stakeholders agreed on concrete and tangible actions for bringing change in the aid delivery systems and mechanisms. A deep analysis of the outcomes and agreements of all these forums indicate that governance takes a centre stage when it comes to an effective utilization of development funds, whether foreign or local.

In line with the principles laid out in the Paris Declaration and Accra Agenda for Action, USAID Pakistan has decided to implement a major portion of its financial assistance to Pakistan through the local implementing partners i.e. Government of Pakistan and the civil society organizations. This decision has come at a time when USAID has increased its financial assistance more than threefold under the Enhanced Partnership Agreement with the Government of Pakistan. However, literature points out that such booms in aid exposes the capacities of local organizations. This is true in the case of Pakistan, as studies on the subject show that there are serious challenges of capacities of local organizations both government and private sector to implement foreign aid in an effective, transparent and accountable fashion. To address these challenges USAID Pakistan launched the Assessment and Strengthening Program (ASP), being implemented by Rural Support Programmes Network (RSPN), with an objective to strengthen Pakistani institutions – Government of Pakistan, Civil Society and For-Profit organizations, which will go a long way in ensuring transparent and effective utilization of foreign assistance.

Since its launch on October 12, 2010 ASP–RSPN had a quicker start as compared to other projects and programs and very dexterously avoided the start up-delays usually undercutting such initiatives. The first year of ASP-RSPN (2010-11) not only marked a rapid inception and start-up phase of the program, but the organization was also able to produce commendable results, particularly in four core components of intervention i.e., **Pre-award Assessment, Institutional Capacity Building, Research** and **Awardees Capacity Building**. All the Performance Indicators recorded **100% achievements** against their targeted values. Under the Pre-award Assessments, the priority undertaking of the Third Party Validation of Citizen Damage Compensation Program (CDCP) was successfully completed in **39** districts across Pakistan. The long awaited cash grant assistance to the flood affected people of Pakistan was made possible through ASP-RSPN's independent assessments of **24** districts in Khyber Pakhtunkhwa, **8** districts in Punjab and **7** districts of Gilgit-Baltistan. **5** pre-award assessments of potential USAID implementing partners from the private sector were swiftly and satisfactorily completed in a timeframe of 2-3 weeks each. ASP-RSPN provided

technical assistance to **2** USAID implementing partners in Sindh i.e. Municipal Services Delivery Program (MSDP) and Sindh Basic Education Program (SBEP) under the Pre-Obligation Institutional Capacity Building component. This technical support includes preparation of PC-Is. This was again accomplished by ASP-RSPN on a fast track – apart from formulating manuals, frameworks and rendering assistance in HR functions. In the area of building a knowledge base promoting reforms, ASP-RSPN completed the research on the GOP's Assignment Account as a first initiative. Research to Policy approach was adopted. A dissemination workshop was also held with the donors. As part of the Awardees Capacity Building, three need-based plans were developed. Under this component, **two (2)** trainings were organized in year I to kick-start the implementation of these plans.

The first year saw the setting up of the Central Program Office (CPO) at Islamabad and four Provincial Program Offices (PPOs) in the provincial capitals employing an experienced pool of human resource having experience of both government and private sector. A sub-contract with National Rural Support Program (NRSP) has been signed. A number of interagency meetings at various levels were held during the first year of ASP-RSPN, including nine Strategic Working Group meetings, coordination meetings at Federal and Provincial level, and with the donor.

This first Annual Performance Report provides the programmatic progress, financial update and indicator wise performance during the reporting period i.e. October 2010 to September 2011.

# HIGHLIGHTS



*Clockwise from top left: 1. Mr. Jeffrey Bakken USAID's Director AFPAK visited ASP-RSPN office in Islamabad, 2. Enumerator filling the questionnaire of a flood affected household in district Hunza, 3. Presentation given by officials from USAID to ASP implementing partners in Islamabad and 4. Sixth Strategic Working Group's meeting held at Islamabad*

# HIGHLIGHTS



- **A Program** start up workshop was organized on January 22-23 in 2011 in Lahore, soon after the recruitment of staff in the CPO and all the four PPOs. The objective of the workshop was to orientate the staff of the ASP on the entire framework of the Program and to conduct a team building exercise as the staff hailed from diverse professional and academic backgrounds. The program sessions covered the USAID rules and regulations, government structures, systems and procedures, branding and marking plan, and monitoring and evaluation.



- **ASP-RSPN** helped in enabling USAID and other donors to disburse cash compensation grants to the flood affected people by successfully completing the challenging Third Party Validation exercise of the Citizens' Damage Compensation Program (CDCP) in 39 districts of KP, GB and Punjab. ASP-RSPN won plaudits for maintaining the quality of survey and ensuring independent assessment through an extensive and effective monitoring process. A rigorous training regime preceded the exercise.



- **Realizing** the importance of this exercise, officials from USAID regular oversight and physically visited various districts for monitoring purposes.



- **Five (5)** Pre-Award Assessments of For-Profit organizations were completed in its 1<sup>st</sup> year of program implementation, enabling USAID contracting office to sign contracts with them on a fast track basis. As a mandatory requirement of USAID, these assessments aimed at the institutional gaps in the administrative, financial, procurement management systems of these entities.



- **Two PC-Is** were developed by the ASP-RSPN under the Institutional Capacity Building component, for two (2) of the USAID's implementing partners i.e. Municipal Services Delivery Program (MSDP) Sindh and Sindh Basic Education Program (SBEP). This enabled the government of Sindh and USAID to meet pre-obligation requirements for USG funds. As part of the capacity building of these two programs frameworks and manuals in core governance areas were developed to help implement these programs.



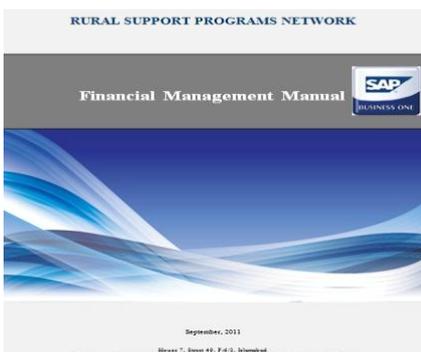
- **To streamline** and improve the fund flow of development projects/programs, ASP-RSPN undertook and completed a research study on Assignment Account, which is an important subject for both the government and development partners. The study generated a comprehensive diagnostic report and led to the preparation of a trainings manual for GoP officials and toolkit for the implementers of Assignment Account.



- **Agreement Officer** in USAID Pakistan, Mr. Jorge Dulanto-Hassenstein visited the ASP-RSPN office Islamabad for an introductory meeting with all the three implementing partners on August 24, 2011.



- **Two (2) trainings** were conducted under Awardees Capacity Building component for NRSP, RSPN ASP-RSPN, ASP-LUMS and ASP-AiD staff. Wide-ranging comprehensive and interactive sessions were held during the two trainings on (i) Disaster Management and (ii) Government Rules and Regulations



- **Two (2) manuals** on financial management i.e. one each for RSPN and NRSP were developed as part of the Awardees Capacity Building component to streamline their financial management system, thus helping the largest network and the largest NGO in Pakistan to have a more improved governance in financial management. The updated manuals will accordingly be implemented in



these institutions in a systematic manner.

- **ASP-RSPN** took the lead in developing and maintaining a common website of all the three implementing partners of ASP. The website hosts information/updates related to the ongoing and completed Program interventions. In addition, it maintains a large resource base of government and NGO sector publications on governance ensuring public accessibility at a single site.

# RESULT 1: IMPLEMENTING PARTNERS' AND HOST-COUNTRY INSTITUTIONS CAPACITY BUILDING NEEDS ADDRESSED THROUGH TRAININGS, TECHNICAL ASSISTANCE AND INTRODUCTION OF IMPROVED POLICIES AND PROCESSES



*Pre-award assessment entrance meeting with A.A. Associates at Karachi*

# INTERMEDIATE RESULT 1: IMPLEMENTING PARTNERS' AND HOST-COUNTRY INSTITUTIONS CAPACITY BUILDING NEEDS ADDRESSED THROUGH TRAININGS, TECHNICAL ASSISTANCE AND INTRODUCTION OF IMPROVED POLICIES AND PROCESSES

ASP's Intermediate Result-1 states, *“Implementing partners’ and host-country institutions capacity building needs addressed through trainings, technical assistance and introduction of improved policies and processes”*. IR-1 encompasses three of the program components i.e. Pre-Award Assessment, Capacity Building and Research. The nature and number of interventions to be executed under each of these components are determined by USAID, as identification of the institutions to be assessed or strengthened and the areas of research are decided by USAID as a matter of policy. However, for each assigned task as per the approved work plan ASP-RSPN responded promptly and completed all the assignments using the most prudent, judicious and professional approach.

## ACHIEVEMENTS AGAINST THE PERFORMANCE INDICATORS

### Exhibit-I

IR/Sub-IR	Indicator	Target	Progress
<b>Implementing partners’ and host-country institutions capacity building needs addressed through trainings, technical assistance and introduction of improved policies and processes</b>			
<b>Capacity building needs identified through assessments of implementing partners</b>	Number of assessments conducted	44	44 assessments completed  39 assessments under the TPV of CDCP. 5 for-profit organizations assessed
<b>Evidence-based institutional capacity building plans developed</b>	Number of USG-supported capacity building plans executed to strengthen the institutional capacity of implementing partners	2	2 CB plans executed  Pre-obligation CB plans for MSDP, Sindh and Sindh Basic Education Program successfully implemented

IR/Sub-IR	Indicator	Target	Progress
	Number of USG-supported capacity building initiatives executed to strengthen the institutional capacity of implementing partners	5	5 initiatives executed  PC-I each for MSDP, Sindh and SBEP developed along with the development of Needs Assessment, M&E Frameworks and JDs for MSDP, Sindh
	Number of USG-supported capacity building plans developed to strengthen the institutional capacity of implementing partners	4	4 CB plans developed  Pre and Post Obligation CB plans developed for MSDP, Sindh and SBEP
<b>Research-based management policies and procedures based on best practices developed</b>	Number of research studies aimed at enhancing institutional capacity/ policies & procedures completed with USG assistance	1	1 research study completed  The research report on GOP's Assignment Account developed and shared with the donors
	Number of success stories, case studies and research papers produced	1	1 research paper produced  The research paper/report on Assignment Account has been developed
	Number of policy and legislative reform advocacy workshops conducted through USG assistance	1	1 Workshop conducted  A workshop held with donors on Assignment Account

Exhibit-I clearly indicates 100% progress by ASP-RSPN against the activities planned for 1<sup>st</sup> year as per the approved annual work plan. Achieving optimal results demanded sound and consistent efforts by ASP-RSPN. ASP-RSPN was committed at all levels of management to achieve the program's strategic objective, which states ***“Management Capacity of USAID implementing partners meets USAID standards for transparent and accountable utilization of USAID resources”***.

## **I. THIRD PARTY VALIDATION OF CITIZENS' DAMAGE COMPENSATION PROGRAM**

The devastating July 2010 floods adversely affected the lives, livelihood, businesses, agriculture and infrastructures in all the four provinces, AJK and GB affecting 20 million men, women and children. To provide an immediate relief to the people from the calamity, the Government of Pakistan (GOP) paid one-time cash assistance of PKR 20,000 to the affected families under Phase-I of Citizens' Damage Compensation Program (CDCP), also called

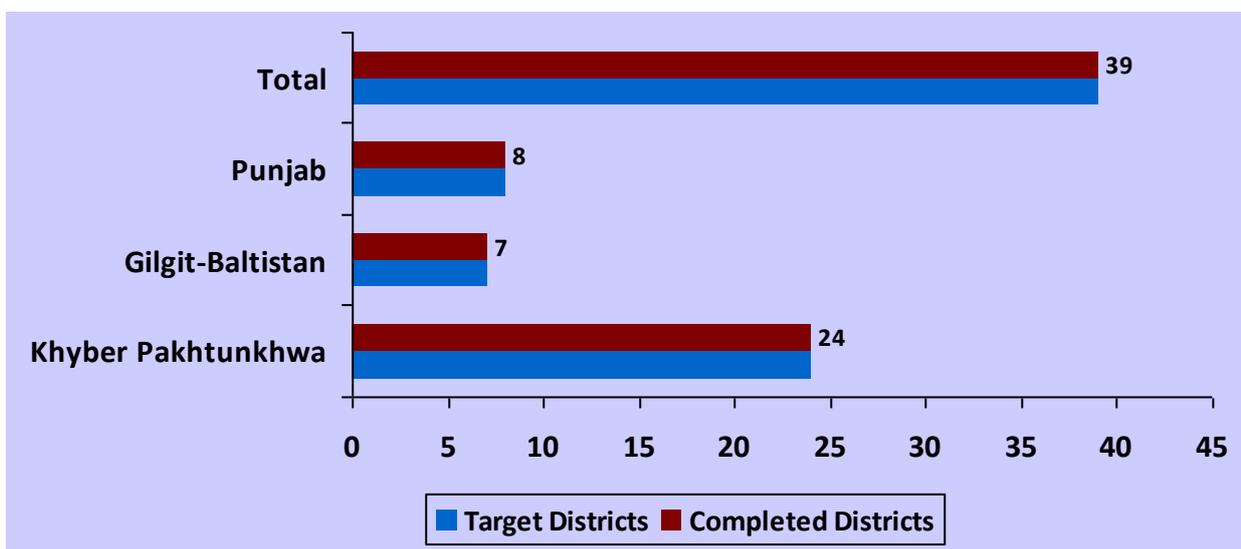
*Watan Card* Scheme. Phase-II of CDCP promised another tranche of PKR 40,000 to the flood affected household heads based on the criteria of **'damage house'**. GOP and donors decided that a Third Party Validation (TPV) of the survey of damaged houses conducted by provincial governments would be carried out to verify the accuracy of the beneficiary data. USAID assigned this task to ASP-RSPN

The TPV was a challenge in terms of its political stake for the federal and provincial governments, the competing interests of the donors and government as well as other stakeholders. TPV demanded transparency, independence and reliability of results, as well as timeliness to manage expectations. The biggest challenge was the time elapsed after the calamity, rendering the verification difficult. However, ASP-RSPN accepted the challenge of conducting this survey in 80 districts all across Pakistan. Evidence was collected scientifically from the field, by interviewing households, collecting pictures of damaged houses and collecting community notables' verifications. ASP-RSPN successfully met all the challenges and produced fast-tracked, accurate results approximately within one month of the receipt of data from NADRA.

**Post-Disaster Response** – an example of Public-Private-Partnership

The TPV as part of CDCP has emerged as a successful and effective model of GOP working together with a non-government organization and the donors. GOP's partnership with civil society and donors is not limited to the engagement at the federal level. Provincial as well as extensive district level involvement has been the hallmark of this initiative. This multilateral partnership was built on a common objective, with well-defined roles and responsibilities of partners (Cabinet Division, PDMA's, NADRA, DCOs and donors – USAID, World Bank, DFID and Government of Italy) having the professional inputs from ASP-RSPN. Through this TPV, the first of its kind in post disaster situation, the GoP allowed the development partners to carry out due diligence and authenticate the lists of beneficiaries prepared by the government. The successful TPV approach has emerged as a model to adopt in disaster situations.

**Exhibit-II**



*Province/Region wise completion status of districts under TPV of CDCP as of Sep 30, 2011*

The approach and implementation strategy was outlined in the **Inception report**, which was approved by USAID. The inception report also outlines the design and the process to carry out the survey. ASP-RSPN took measures even beyond the inception report to ensure transparency and independence of the survey, and to meet the challenges of timeliness, quality of data and reliability of results. The tough terrain of the survey area in KP, AJK and GB, security conditions of the districts in tribal proximity, cultural norms and the communication constraints in remote areas added to the challenges.

Coordination with government entities remained excellent. A key factor was the presence of top management at ASP-RSPN. In addition, the presence of Rural Support Programmes (RSPs) in the form of their field offices and organized communities in all the six regions (105 districts) of Pakistan helped in complementing the efforts of ASP-RSPN for survey activities in the field.

### The TPV – A model for replication

A good program design is half the job done. The spot check model has been documented as a guide for conducting validation surveys in future emergencies. The implementation guide i.e. the 'Inception Report' which takes into account all design and implementation parameters and strategies including selection of teams, trainings, resource deployment, data sampling, data collection, data quality protocols, data security and results analysis. In order to ensure that the survey is statistically representative, ASP-RSPN incorporated the international sampling standards based on a scientific approach. Use of tools and equipment to ensure authentication and transparency has been the salient feature of the survey; GPS coordinates and images of the damaged houses were made an essential part of the verification process. This exercise stands as a prototype for conducting household level validation surveys.

Keeping in view the population size of more than a million households, ASP-RSPN used **sampling methodology** based on established statistical principles. The methodology adopted to select sample is summarized in the following table:

### Exhibit-III

Stage	Detail	Sampling Frame
Districts	Flood- affected districts with potential beneficiaries greater than 25 are covered. All flood-affected UCs within these districts are considered	79 districts categorized as flood-affected (with more than 25 HHs affected)
UCs	A sample of flood-affected UCs is selected randomly from flood-affected districts with proportionate proportion of rural/urban and thick/remote divide	List of flood-affected households by UCs in each district is provided by NADRA. Each district has 196 households as sample size, except those where total proposed beneficiaries are less than 196. In such districts all identified households are covered. Districts with less than 25 affected households are not being surveyed

Stage	Detail	Sampling Frame
Households	25 households will be selected randomly within each of the selected UCs	A total of 15,062 households based on approx.25 households per selected site

### *a. Khyber Pakhtunkhwa (KP)*

NADRA provided the data of 282,268 households for KP on June 08, 2011. After the initial data standardization and sampling for the province, cluster-wise trainings were organized for the field teams at four locations i.e. Nowshera, Haripur, Swat and Kohat to prepare field teams for 24 districts in KP. All the district supervisors, field supervisors, editors and two (2) enumerators from each district participated in the trainings.



*Prime Minister Yousaf Raza Gilani distributing cash grant among the flood affectees in district Charsadda*

By July 15, 2011 enumeration in all the districts had commenced except Battagram and Kohistan where field activities began on July 20, 2011. The data entry was carried out simultaneously at the head office in Islamabad and the results of all 24 districts were shared with NADRA on August 01, 2011.

### *b. Punjab*



*Monitoring visit of Ms. Karen Levine from USAID to district Sargodha – September 19, 2011*

ASP-RSPN received the data for eight (8) districts of Punjab from NADRA - DG Khan, Mianwali, Bhakkar, Rajanpur, Layyah, Jhang, Khushab, Sargodha, comprising of 170,591 households on August 25, 2011. Data for remaining three districts i.e. Multan, Rahim Yar Khan and Muzaffargarh, was received on September 7, 2011 consisting of 134,352 households.

Enumeration in DG Khan, Mianwali and Bhakkar was taken up on priority basis, which commenced on September 06, 2011. ASP-RSPN completed the task in eight (8) days and shared the results with NADRA on September 14, 2011. Enumeration in five (5) districts i.e. Rajanpur, Layyah, Jhang, Khushab and Sarghoda started on September 14, 2011 and the results of all the five (5) districts were shared with NADRA on September 30, 2011.

Enumeration in remaining three (3) districts was initiated on September 21, 2011 and is in process.

### *c. Gilgit Baltistan*

The data for all the seven (7) districts having 13,182 households was provided to ASP-RSPN on August 09, 2011. The training of field teams was organized in district Gilgit from



*Training of field staff in district Gilgit, GB*



*Monitoring visit of USAID's Elizabeth Palmer in district Baltistan; DCOP ASP-RSPN accompanies*

August 17 – 19, 2011. Data collection in this extremely remote and rough region started on August 21, 2011. Extensive monitoring, with a strong focus on course-correction, of all the activities/processes involved was ensured even in the most far-flung valleys of Gilgit-Baltistan.

The complete results of all the seven districts of GB were submitted to NADRA by September 22, 2011.

### *d. Azad Jammu Kashmir*



*Enumerator taking picture of a HH head whose house is under the Mangla Dam – District Mirpur, AJK*

AJK data containing 6,091 flood-affected households in ten (10) districts was received from NADRA on September 10, 2011. Sampling has been done and training for the field staff has also been conducted. Enumeration has commenced in all the ten districts of AJK from September 28, 2011 and is in process.

### *e. Sindh*

The data for the province is still awaited from NADRA despite the lapse of one year. According to NADRA, lists of 234,000 households affected by last year's flood, from twelve (12) districts of Sindh was shared by PDMA Sindh. However, due to discrepancies in the data the lists have been resent to provincial authorities for

correction. The final lists are expected to be available to ASP-RSPN by the start of November 2011.

**f. Balochistan**

PDMA, Balochistan finalized the beneficiaries' lists on the basis of revised lists received from districts and shared with NADRA. These comprised of 57,089 households. PPO Balochistan has been continuously engaged with the PDMA for expediting the lists' compilation. However, the formal submission of data to ASP-RSPN from NADRA is still awaited.

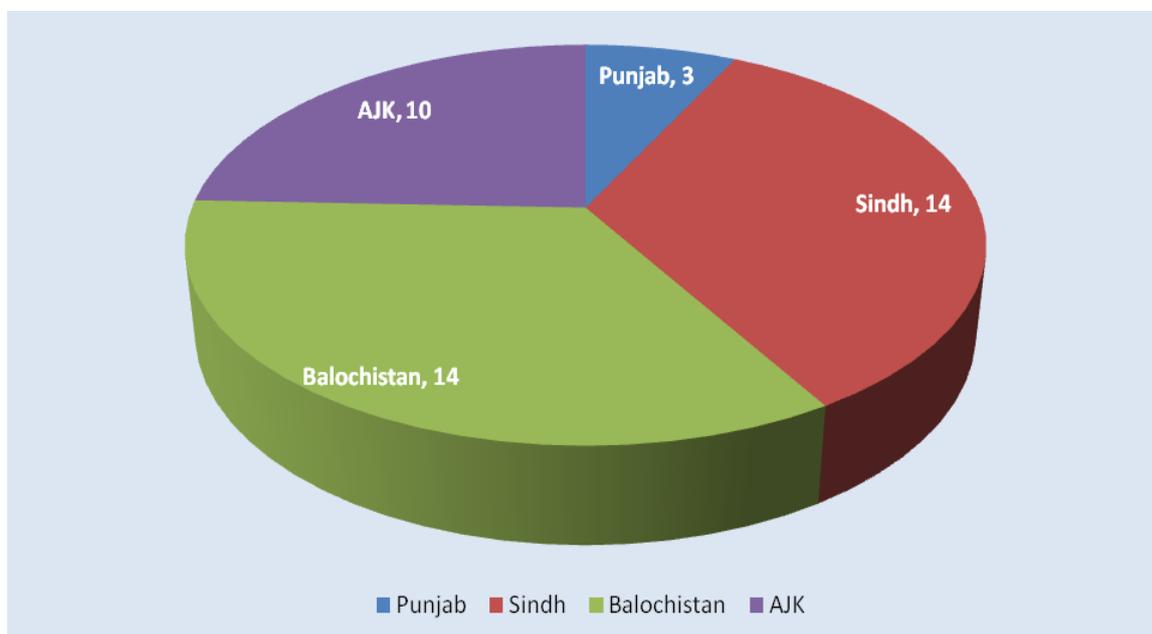
**Participatory Approach – The role of Local Notables**

Local notables were mobilised to provide a participatory means of verification of flood-affected households. To generate public confidence, local notables were associated in the process as a means of verification. The strategy proved to be very useful in identification of the household heads and to deal with various local situations (refusals, grassroots' sentiments, dealing with security related issues in sensitive districts). A complete section has been dedicated in the 'Survey Questionnaire' for certifying the observations made by survey team through notables. This not only brought in the transparency in the process but also created ownership of the survey at the community level.

**DISTRICTS TO BE COVERED DURING YEAR 2**

ASP-RSPN plans to conduct the assessments for 41 districts under the TPV survey of CDCP in Punjab, AJK, Sindh and Balochistan, during the second year of program implementation. The Provincial Program offices are in continuous liaison with provincial authorities for expediting the flood affected households data finalization process.

**Exhibit-IV**



## Stories from the Field

### KP -- Reaching out to flood victims despite looming security threats!

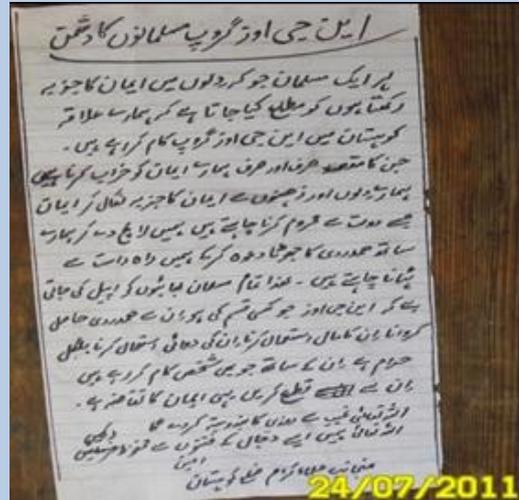
Conflict and then the devastating floods of 2010 hit the people of Khyber Pakhtunkhwa. The terrain and locale worsened their plight by making service delivery difficult. When in a post-conflict or post-disaster situation development workers strive to support the calamity-stricken people these predicaments hinder them from doing so. Assessment and Strengthening Program has set an example of outreach in areas of palpable security threats, rough terrain and unfriendly weather conditions like in Swat, Hangu, Tank, Lower Dir, Upper Dir and Kohistan. The process of validation, especially after a year's lapse since 2010, was a challenge in itself. Conducting the survey in high alert security areas turns out to be a story worthy to be narrated.

When the sample for the survey was drawn, it included households from rural, urban, populous and remote Union Councils of the 80 districts across the country. The sample was so scattered that the enumeration teams had to move through valleys, mountains and bridges; sometimes covering distances of upto 3 km by foot to reach a single respondent. At times, the enumerators moved through areas where security threat was



ASP-RSPN enumerators in the field – District Ghizer, UC Sumal, Village Hakas

Overall, the exercise was a vivid success in terms of numbers reached and the representation of rural, urban, remote and concentrated populations of the districts duly enumerated. The security risk was effectively handled producing timely results.



A wall-poster written in Urdu announcing to the general public that the believers are strictly forbidden from accepting whatever is offered by the NGOs as by doing this they are weakening their belief structure. The poster says that this is verdict by the religious scholars – District Kohistan

obvious – some locals flagged NGOs as a threat to their religious faiths. It was difficult to approach and interview the local people in such cases. However, ASP-RSPN utilized all its networks at the community and village level to address such issues. They successfully met all the deadlines to achieve timeliness of the results.

In district Kohistan, it was openly declared that any Non-Government Organization (NGO) shall not be tolerated (e.g., the Urdu language poster). ASP-RSPN sensitized the enumerators and all the field staff for such situations and successfully avoided any untoward incidents.

## Lower Dir -- When a huge flood tide washed away everything!

Iqbal Hussain Bacha is a resident of Kamala – a small village in district Lower Dir of Khyber Pakhtunkhwa. Situated on the bank of River Swat, Kamala has a population of 600-650 households. Like most men of the village, Iqbal also went to Iran to earn a living for himself and his family. A single visit would take 6 months of deep-sea-fishing.

In the fall of year 2009, Iqbal decided to start a business locally, as his deteriorating health did not allow him to travel abroad. However, he left for Iran on his last visit. He returned in early 2010, and invested a good sum of money in apiculture (honey production). To meet the initial investment expenditures, he sold some of his cattle in addition to all his savings from the fishing job abroad. His wife sold her jewellery extending her husband a hand of financial support. In the summer of 2010, Iqbal, with his bee boxes, had to move to Pabbi – a town in district Nowshera situated on the bank of River Kabul. He kept all his bee boxes at a fruit farm in close vicinity of the river.



*CNIC: 1530208829225*

*NADRA serial number: 170687*

*Name: IQBAL HUSSAIN*

*Parentage: GUL HASSAN KHAN*

On July 16 2010, a roaring river Kabul washed away all the dreams of Iqbal. The flood tide took away his bee boxes and with it, all his assets worth Rs 700,000. Iqbal barely survived the ruthless water tides. In panic and pain, he rushed to his home-town Kamala where another disaster awaited him. His father had passed away in the disaster and his house turned into wreckage. His wife, who was suffering from kidney pain, barely survived the calamity.

Today when the flood has taken away everything from Iqbal's life, he hardly manages to meet both ends. Every day he goes to the mountain and breaks heavy stones to sell them to a nearby stone crushing factory despite his deteriorating state of health.

ASP-RSPN, with USAID assistance, has intervened to confirm that Iqbal is a genuine and deserving beneficiary, which gives him a glimmer of hope. With the completion of Third party Validation activity in district Nowshera, Iqbal will receive PKR 40,000 as seed money to start rebuilding his life. There will be many stories like Iqbal's yet to be explored across the Indus River bank. In all the 24 flood affected districts of KP, 282,268 victims like Iqbal will receive the compensation of PKR 40,000. TPV of CDCP was inspired by the vision of separating the chaff from the grain to enable the authorities to help the genuinely needy.

## II. PRE-AWARD ASSESSMENT OF ABACUS CONSULTING PVT. LTD.

ABACUS Consulting Private Limited is a for-profit organization specialized in provision of Information Technology (IT) and Business Development services. Its head office is located in Lahore with presence in Islamabad, Karachi, Dubai and Riyadh.



*Entrance meeting held on for pre-award assessment of ABACUS Consulting*

This was the first assignment under pre-award assessment of a for-profit Pakistani institution. Upon intimation from USAID, it formally initiated the activity with an entrance meeting between Abacus, ASP-RSPN and KPMGTH on July 25, 2011 held at Lahore. ASP-RSPN utilized the services of KPMGTH Pakistan for conducting the organization's assessment and its gap analysis based on the approved framework. ASP-RSPN regularly followed up the planned interventions of KPMGTH during the assessment process and the mid-review meeting was held on August 10, 2011. KPMGTH submitted the draft assessment report on August 17, 2011. The report was reviewed at ASP-RSPN by the relevant senior management and was sent back to KPMGTH the same day, along with the comments. The final assessment report after incorporating comments of the assessed institution was submitted to USAID on August 23, 2011.

## III. PRE-AWARD ASSESSMENT OF A.A. ASSOCIATES

A.A. Associates is a for-profit institution specializing in provision of consultancy in engineering, architecture and planning. As a leading private sector consultancy based in Karachi, the firm has a total staff of over 200 personnel.



*Entrance meeting held on for pre-award assessment of A.A. Associates*

ASP-RSPN followed the standard process of conducting the pre-award assessment based upon a comprehensive given assessment framework. The services of KPMGTH were used for the said purpose. Upon intimation from USAID for pre-award assessment received on 12<sup>th</sup> of August 2011, ASP-

RSPN immediately initiated the planning process for the exercise. The entrance meeting was held at the A.A. Associates head office in Karachi on August 22, 2011 having representatives from PPO Sindh, the Central Program Office, KPMGTH, USAID and the firm. ASP-RSPN conducted the mid-review meeting on August 30, 2011, which was followed up with exit meeting held on September 19<sup>th</sup>, 2011. The assessment report was finalized after incorporating inputs from ASP-RSPN and the firm, and was shared with USAID on September 27, 2011.

#### **IV. PRE-AWARD ASSESSMENT OF NATIONAL DEVELOPMENT CONSULTANTS (NDC) PRIVATE LIMITED**

NDC Pakistan, a for-profit entity has been serving as "Consulting Engineers and Technical Advisors" since 1977. The firm has completed more than 250 engineering projects.

ASP-RSPN received the intimation from USAID for initiating the assessment work of NDC on August 12, 2011. Planning for the activity and interaction with NDC commenced immediately, and an entrance meeting was held on August 20, 2011 in Islamabad. ASP-RSPN's CPO staff were fully involved in all the steps of this assessment which was conducted through KPMGTH. The mid review and exit meetings were held on August 29 and September 21, 2011 respectively. Comments/inputs of ASP-RSPN on the draft report prepared by KPMGTH were included before submission of the final assessment report to USAID on September 28, 2011.

#### **V. PRE-AWARD ASSESSMENT OF HALCROW PVT. LTD.**

Halcrow has been providing services for the property, transportation, water, energy, environment and development sectors since 1980. Halcrow's core skills in planning, management and design range from small specialist assignments to large multi-disciplinary projects.

USAID sent the intimation for initiation of the assessment of Halcrow Pvt. Ltd. to ASP-RSPN on August 18, 2011. The planning phase including prominent interaction with the firm along with formulation of the work plan was completed by August 25, 2011. The execution started on August 26, 2011 through an entrance meeting with the organization at their head office in Islamabad. The assignment's quality was ensured through a continuous interaction of ASP-RSPN staff with the firm and KPMGTH. A mid-review meeting was held on September 07, 2011 and the exit meeting was organized on September 20, 2011. The assessment report, after being finalized at ASP-RSPN and duly incorporating Halcrow's comments was submitted to USAID on September 27, 2011.

#### **VI. PRE-AWARD ASSESSMENT OF NATIONAL ENGINEERING SERVICES PAKISTAN (PVT.) LIMITED**

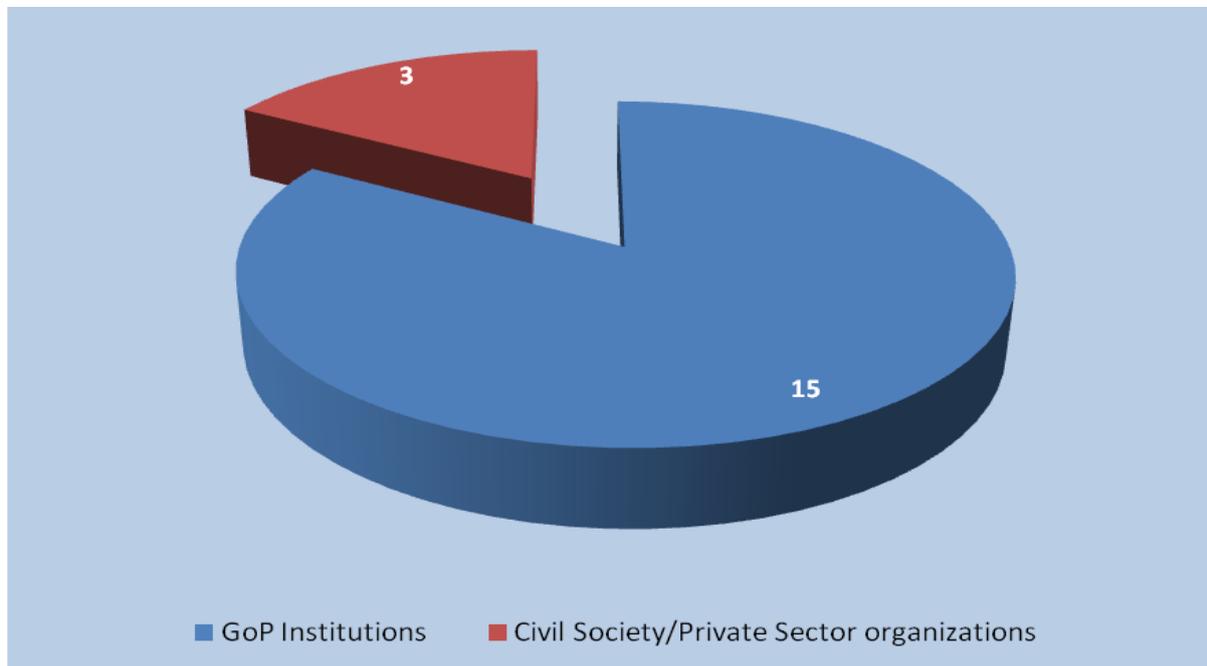
National Engineering Services Pakistan (Pvt.) Limited (NESPAK) is Pakistan's premier consultancy organization, established in 1973 as a private limited company by the Government of Pakistan with its head office in Lahore. NESPAK is also registered with a number of international funding agencies such as IBRD, ADB, and IDB.

ASP-RSPN received the intimation from USAID to initiate the pre-award assessment of NESPAK on August 18, 2011. Following completion of the initial preparatory activities, the formal execution of the assessment commenced from August 26, 2011 with the entrance

meeting taking place at NESPAK’s office in Islamabad. The introductory meeting was followed by the actual execution of the assessment work by KPMGTH as per the standard assessment framework. The final assessment report of NESPAK was submitted to USAID by the end of September 2011.

## PRE-AWARD ASSESSMENTS PLANNED FOR 2ND YEAR (OCT 2011 – SEP 2012)

### Exhibit-V



## VII. CAPACITY BUILDING OF MSDP SINDH

The ASP’s Capacity Building component focuses on *“providing assistance to local Pakistani institutions through development/upgradation of the policies and procedures of the recipient organizations to achieve specific institutional development objectives in terms of attaining tangible outcomes for enhancing the capacities of local organizations to utilize USAID and other donors funds accountably, transparently and effectively”*.

Municipal Service Delivery Program (MSDP) Sindh was initiated as the first assignment.



ASP PPO-Sindh team discussing MSDP’s PC-I with USAID/Pakistan’s MSDP Activity Manager

MSDP envisages sustained improvement in municipal services delivery to address the basic needs of citizens in selected TMAs of Sindh province. A USAID funded USD 76.65 million Program, it revolves around four broad objectives; improvement in basic service delivery through infrastructure upgrades and citizen engagement; establishment of a collaborative partnership between USAID and government for improved policy design and implementation; development of a local MIS; and enhancing the capacities of local government administration.

ASP-RSPN took up the task of capacity building of the Planning and Development Department (P&DD) by preparing a holistic and comprehensive organization specific capacity building plan based on the gaps analyses in the pre-award assessment conducted by the USAID and the risk mitigation framework prepared jointly by the ASP-RSPN and USAID. The three-phased Plan, approved by the USAID, focuses on the Program Implementation Unit of MSDP, which will be housed in the P&DD. The phase-wise plan goes as follows:

Phase-I focuses on providing technical assistance to the department for the development of the program PC-I and institutionalising the capacity building initiatives. In phase-II the systems document like the manual and procedures are developed for the PMU. While in phase-III, the PMU staff is trained through a handholding and on-job training program in the new manuals.

### Creating a Robust PMU

The ASP – RSPN's model of 3-phased capacity building plan helps in creating a robust PMU structure coupled with sound policies and procedures (manuals) and provision of adequate, trained and qualified human resource.

**Phase-I:** In this phase, ASP provides technical assistance to the recipient organization(s) (in this case P&DD and Sindh Education Department) in development of a program PC-I. This intervention impacts the P&DD and PMU in three ways. Firstly, the ASP experts develop a model PC-I in terms of institutional arrangements for the implementation of the program. Secondly, the officers involved in the process with the ASP-RSPN, learn how to prepare PC-Is. Thirdly and most importantly, the entire capacity building initiative is institutionalized by incorporating the components of this capacity building in the PC-I i.e. the provision of human resource, manuals on policies and procedures and systems development. By doing this the interventions of the capacity building by the ASP-RSPN becomes binding on the PMU to be followed and sustained.

**Phase-II:** In this phase ASP – RSPN prepares policy and procedures' manual for the PMU to streamline the work of the PMU personnel by giving clear-cut roles, responsibilities and outlining segregation of duties along with the job descriptions of the employees.

**Phase-III:** Once these policies and procedures' manuals are prepared and the staff is taken on board, a group of consultants in their specialized areas impart specialized training to the different departments of the PMU. Alongside, these experts help the PMU in terms of carrying out the initial start up tasks like preparation of work plan, in-placing M&E systems, HR and recruitment of staff, preparation of procurement plan, and initiating of the financial activities like opening of the accounts and ensuring the reporting systems. In this way the PMU staff skills are improved in the already prepared manuals.

This phase is strategic as it addresses the long looming issue of start-up delays in the development projects in Pakistan where the PMU establishment take some times a year to come up.

ASP-RSPN assisted P&D Department, Sindh and prepared the PC-I in the light of the design and technical parameters identified through a series of meetings with P&D. The PC-I was prepared by ASP-RSPN in record time of three (3) weeks. In contrast, government PC-Is take months, and sometimes years to come to function. The PC-I was shared with USAID in June 2011, which after their review was sent to P&D Department Sindh for further input. ASP-RSPN after incorporating inputs of USAID and P&D department submitted the final draft of PC-I to USAID on July 15, 2011. The PC-I had been cleared by both the Technical Committee of P&D Department, Sindh and PDWP, after which it was submitted to Planning Division, Islamabad for its approval by CDWP/ ECNEC.

ASP-RSPN also prepared the Needs Assessment and Monitoring & Evaluation frameworks for the Municipal Services Delivery Program, Sindh during the reporting year. The Financial Management Framework is also being finalized which after necessary feedback from both the USAID and the GoS will be finalized by the end of October 2011. This assistance will be followed by 2<sup>nd</sup> and 3<sup>rd</sup> phase of Capacity Building plan during the 2<sup>nd</sup> year of program implementation.

#### **Frameworks – Ensuring financial, administrative discipline**

PC-Is mostly detail the programmatic design, implementation and evaluation strategies and lack the operational mechanisms mandatory for running a program. ASP-RSPN has developed frameworks and manuals for various functional areas of the Municipal Service Delivery Program (MSDP) and the Sindh Basic Education Program (SBEP), including financial management, procurement, monitoring and evaluation, human resource management, administration, internal audit and needs assessment. These frameworks ensure that clear yet flexible policies and guidelines are integrated into these programs. Simultaneously, the manuals incorporate detailed and specific rules and procedures that are implemented from the onset of these programs. Collectively these frameworks and manuals build a well-grounded foundation for a swift program start-up and an effective implementation. Trainings of staff can be envisaged at any time during program execution, due to the ready availability of these frameworks. Such frameworks can be adopted as best practices by government to ensure financial and administrative discipline during implementation.

### **VIII. CAPACITY BUILDING OF SINDH BASIC EDUCATION PROGRAM**

GOS and USAID Pakistan signed an agreement for SBEP on September 22, 2011, envisaging a grant of USD 155 million by USAID. The goal of the Sindh Basic Education Program is to increase and sustain student enrolment in primary, middle and secondary schools. The program's objectives include:

- a. Construction/reconstruction of schools affected by the 2010 floods
- b. Support to GOS in policy reforms for schools upgradation
- c. Community mobilization with a focus on improving enrolment rates, particularly girls
- d. Provide technical assistance to the Department of Education, Sindh
- e. Introduce M&E mechanisms to ensure rapid and efficient implementation of activities

- f. Provision of engineering design and construction supervision services in the establishment of Office of Infrastructure and Engineering (OIE)

During the reporting year, ASP-RSPN developed a three phased Capacity Building (CB)

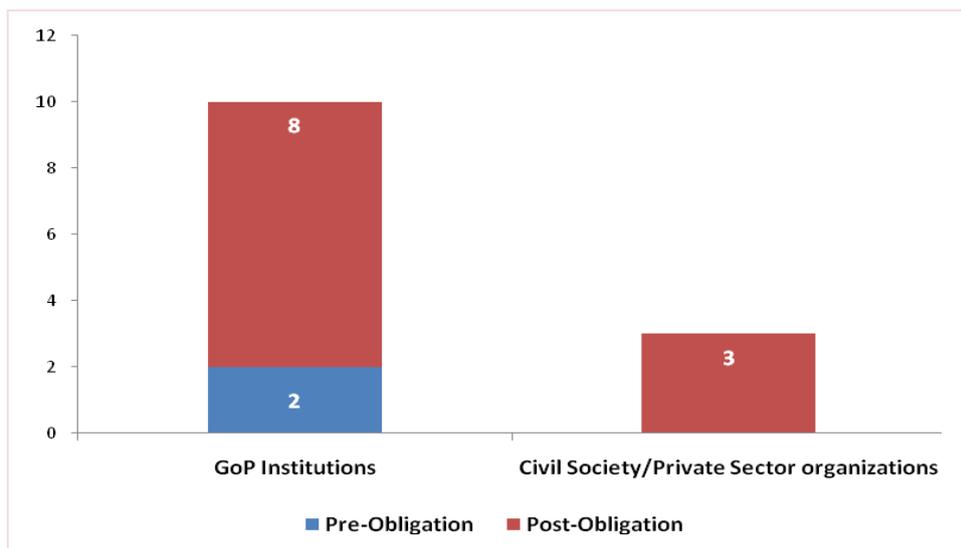
**Project Steering Committees with a Difference**

Project Steering Committee is referred to as the 'Apex body' of a program giving strategic guidance and reviewing its operational performance. However, more often these Committees do not inspire confidence and are generally dormant. ASP-RSPN took the challenge of preparing PC-I documents for two GOP/USAID funded initiatives in Sindh i.e. the Municipal Services Delivery Program and Sindh Basic Education Program. The ASP-RSPN approach has been to devolve responsibility of achieving program objectives on the Steering Committee by effective prescribed tools i.e., regulatory frameworks for Needs Assessment, Financial Management, M&E, Procurement and HR. A good project design along with these regulatory frameworks, simplify the tasks to be carried out by the committee and provides more objective tools for program review. This enhanced role of 'Steering Committee' can become a replicable model for development projects.

Plan (pre-obligation and post-obligation) based on the Risk Mitigation Framework (RMF) of SBEP. ASP-RSPN supported SBEP in meeting the USAID's pre-obligation requirements and developed from scratch the project's PC-I in minimum possible time. PC-I has since been cleared by USAID and Education department Sindh after detailed discussions and a series of meetings with the relevant institutions. A number of meetings were held during completion of the pre-obligation capacity building interventions of SBEP. Some of the important ones include meeting with Reform Support Unit (RSU) of Education department on August 10, 2011; meeting with Secretary Education, GOS on August 26, 2011; and a series of meetings with the USAID Pakistan's Education Section team with in Karachi. The PC-I is now in approval phase from the concerned provincial and federal government authorities.

**CAPACITY BUILDING ASSIGNMENTS PLANNED FOR 2ND YEAR**

**Exhibit-VI**



## IX. RESEARCH ON ASSIGNMENT ACCOUNT

The research component focuses on **“improving and standardizing the rules, policies and procedures of government and civil society sector in order to ensure transparency, accountability and effectiveness”**. ASP-RSPN aims to identify areas of significance and relevance for both the public and private sectors, in consultation with USAID with a specific focus on streamlining and harmonizing operating procedures, policies and practices.

ASSIGNMENT ACCOUNT, which envisages a government bank account with the National



*27 Sep, 2011 – A meeting with donors on Assignment Account at Islamabad*

Bank of Pakistan, to provide independent drawing facility for nominated projects is considered as an effective way to disburse donor funds to finance GOP managed projects. This study was taken up on priority as the first research assignment during the reporting year. A strategy paper on assignment account was approved by USAID in the last quarter of reporting period. The research activity was formally initiated

on July 01, 2011. Relevant literature on Assignment Account, including the

guidelines and notifications issued by the government was reviewed, with a view to identifying the bottlenecks in the opening and running of Assignment Account.

Keeping in view the operation of Assignment Account at all levels – federal, provincial as well as district, meetings and group discussions with the relevant stakeholders were conducted. This proved to be extremely useful in finalizing the research deliverables. The research findings were submitted to USAID on September 01, 2011. After a couple of meetings with USAID and incorporating their inputs on the revised procedure/report proposed by ASP-RSPN, the final version of the research paper with appropriate policy recommendations was re-submitted to USAID on September 12, 2011, which was duly approved. A trainings manual and toolkit for the assignment account system have also been drafted and shared with

### Research to implementation

The underlying objective was to reform the process of establishment and operationalization of Assignment Account in order to facilitate proper utilization of development funds in Pakistan. Contrary to the traditional practices, ASP-RSPN has produced a report containing key recommendations and devised tools and guidelines to implement the recommended practices. A ‘Training Manual’ has been developed which covers all aspects of the proposed revised procedure. In addition, a user-friendly “Toolkit” has been produced that contains step-by-step guide for opening and operating the Assignment Account. The research to implementation is meant to facilitate advocacy for improvement and reform.

USAID during the reporting year. Some additional areas for analysis concerning the subject area have been indicated by USAID, which will be taken up during the second year of the program.

On September 27, 2011, a presentation on the research findings was made in a meeting where representatives from World Bank, USAID and GOP participated. The participants appreciated the efforts made by ASP-RSPN for taking up an area of immense significance to both the donors and the government. They expressed support for implementation of the proposed recommendations.



*Presentation given by ASP-RSPN to PFM meeting participants on Assignment Account*

Phase-II of the research program i.e. taking the research to policy level is to be taken up in the 1<sup>st</sup> quarter of Year II. Advocacy workshops will be held for engaging policy makers and higher management levels of government in disseminating the results of the research undertaken by ASP-RSPN.

Two new research topics have been identified for taking up in year II. These are:

- 1. Project Management Unit (PMU), and**
- 2. GOP Project design, approval and implementation process**

The first subject aims at critically studying the government's approach towards the establishment, staffing, monitoring and evaluation of PMUs undertaking project implementation. The second will determine improvements required in the important areas of project design, approval and Implementation. Special emphasis will be given to the time involved in the development/design and approval of a project. Concept notes on the two assignments have already been sent to USAID for approval.



*Meeting on Assignment Account with Finance department, Government of Punjab, Lahore*

# INTERMEDIATE RESULT 2: COMPLIANCE VALIDATIONS PERFORMED TO ENSURE SMOOTH IMPLEMENTATION OF THE NEW POLICIES AND PROCEDURES

The second Intermediate Result stating *“Compliance validations performed to ensure smooth implementation of the new policies and procedures”* encompasses the interventions to be implemented under ASP’s VALIDATION component. The validation/re-assessment to be done for any GOP or private sector organization through a CA firm will be focused on periodic evaluation of an institution, measuring the level of compliance in comparison to the findings of assessment and implementation of the capacity building plan.

## THE PERFORMANCE INDICATORS

### Exhibit-I

IR/Sub-IR	Indicator	Target	Progress
Annual compliance validations performed to ensure smooth implementation of the new policies and procedures	Number of assessed potential USAID partners with improved implementation of USAID standards	--	--
	Number of annual validations completed to re-assess level of institutional capacity for effective utilization of USG resources as a result of USG investments	--	--

The program’s design requires USAID to identify organizations from both private and public sector in Pakistan for any kind of interventions under the four (4) inter-related components of Pre-Award Assessment, Capacity Building, Validation and Research. The above table reflects non-intimation from USAID for any validation exercise to be conducted through ASP-RSPN during the current year. However, the program’s central and four (4) provincial offices are completely geared up to proceed with any validation exercise.

ASP-RSPN plans to conduct validations of six (6) government and three (3) civil society organizations during the 2nd year (Oct 2011 – Sep 2012) of program implementation.

# INTERMEDIATE RESULT 3: AWARDEES CAPACITY TO CONDUCT PRE-AWARD ASSESSMENTS, VALIDATIONS, RESEARCH, AND MANAGEMENT TRAININGS ENHANCED



*Training organized by ASP-RSPN on “Government Rules and Regulations”  
Islamabad*

# RESULT 3: AWARDEES CAPACITY TO CONDUCT PRE-AWARD ASSESSMENTS, VALIDATIONS, RESEARCH, AND MANAGEMENT TRAININGS ENHANCED

The approved Performance Management Plan (PMP) of ASP-RSPN in the field of institutional enhancement of the awardees under its Awardees Capacity Building component emanates from the following statement: **“Awardees capacity to conduct pre-award assessments, validations, research, and management trainings enhanced”**. After a critical needs assessment of the three (3) awardees i.e. RSPN, NRSP and ASP-RSPN coupled through a number of internal meetings/discussions organized on the subject, an Awardees Capacity Building Plan has been developed. The plan focuses on targeting the broad areas:

- **Policies and Procedures**, through the development and updation of FM, Procurement, HR, Internal Audit and IT manuals
- **General and Specialized Trainings**, in the areas of USAID and GOP Rules and Regulations, M&E, Project Management and Gender sensitization
- **Infrastructure Development**, via development of Management Information Systems, software and hardware updation

The entire awardees capacity building plan is demand driven as a number of consultations and deliberations were held with the management of NRSP and RSPN and ASP-RSPN to prepare the plan and its components.

## ACHIEVEMENT AGAINST THE PERFORMANCE INDICATORS

### Exhibit-I

IR/Sub-IR	Indicator	Target	Progress
<b>Awardees capacity to conduct pre-award assessments, validations, research, and management trainings enhanced</b>	Awardees Capacity Building Plans developed	3	3 plans developed  A plan each for the three awardees; RSPN, NRSP and ASP-RSPN
	Number of capacity development initiatives undertaken by awardees including training for effective management of their respective programs	4	4 initiatives executed  2 general trainings and updation of FM manuals for both RSPN and NRSP

ASP-RSPN set high standards and reacted positively to the commitments of the 2010-11 annual work plan. It achieved the planned interventions falling under the 3<sup>rd</sup> Intermediate Result of the program's PMP.

## I. TRAINING ON DISASTER MANAGEMENT

The implementation of the Awardees Capacity Building plan commenced with a two-day



*COP sharing his views with the participants of Disaster Management training – Sep 20, 2011*



*Participants of the Disaster Management Training on the 2nd day after completion of training*

training on **Disaster Risk Management (DRM)**. Keeping in view the massive involvement of NRSP and RSPN at the community level in the disaster situation, the training was designed to equip different cadres of officers in relief, early recovery and post disaster reconstruction and rehabilitation. The training was held at Central Program Office Islamabad of ASP-RSPN on September 19<sup>th</sup> and 20<sup>th</sup>, 2011 in which 13 participants (11 male and 2 female) from NRSP, RSPN and ASP-RSPN participated.

The thrust of the training program was on the following categories of the staff of both NRSP and RSPN:

- a. officers in the field who work closely with the communities during relief/disaster response, early recovery and post disaster reconstruction and rehabilitation
- b. officer preparing program proposals for development partners especially for all the three stages in disaster recovery
- c. officers who monitor and evaluate program and projects for relief/disaster response, early recovery and post disaster reconstruction and rehabilitation

The training covered the basic concepts in DRM; Mainstreaming DRM in development process; disaster management system in Pakistan; participatory disaster risk management planning; relief, early recovery and reconstruction and rehabilitation. The training also included simulation exercises on earthquake, floods and other disasters in Pakistan.

## II. TRAINING ON GOVERNMENT RULES AND REGULATIONS

Keeping in view the planned share of government institutions in the design of ASP i.e., 75% of the total organizations, a second training under the component was held from 26<sup>th</sup> – 28<sup>th</sup> September 2011 on Government Rules and Regulations. 26 participants (24 male and 2 female) attended the three-day training. The participants included staff members from

NRSP, ASP-RSPN, ASP-LUMS, ASP-AiD and RSPN. The training covered rules and regulations applied by the government ministries/ departments in implementation of development projects, and formulation of PC-I , PC-II to PC-V, as well as financial



*Second day of training on Government Rules and Regulations – September 26, 2011*



*Certificate distribution ceremony at end of Government Rules and Regulations training*

management from budgeting, spending and reporting in the public sector. In addition, the inter-departmental relationships amongst the government’s federal and provincial entities, and the public sector approval hierarchies and their powers with mechanisms were discussed in detail.

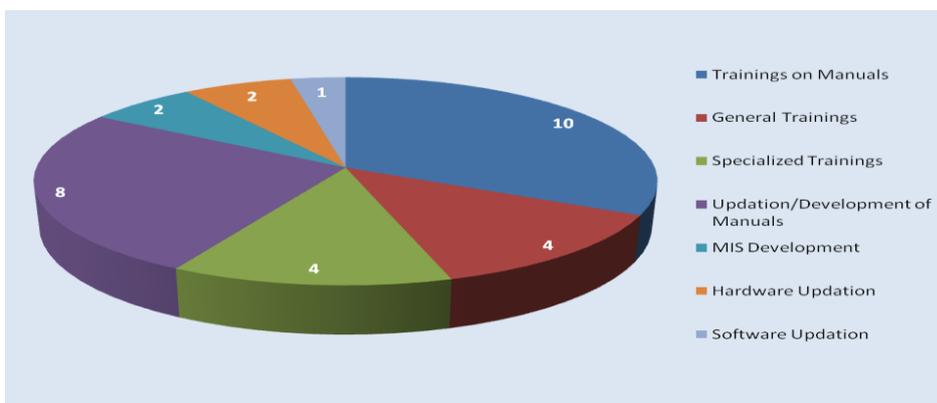
### III. DEVELOPMENT OF FINANCIAL MANAGEMENT MANUALS

ASP-RSPN extended its support to the awardee organizations for enhancing their institutional structures to be in line with the international standards and compatible with the donors’ requirements. While reviewing the policies and procedures of RSPN and NRSP, it was found that the institutions’ manuals require updation and in some cases development from the scratch (IT manual).

During the current year, ASP-RSPN successfully completed the updation of financial management manuals of both RSPN and NRSP. The revised FM manuals were also shared with the management of RSPN and NRSP, which after incorporating their inputs, will be accordingly implemented. The trainings on the developed/updated manuals are also planned during the second year of program.

### INITIATIVES PLANNED FOR 2ND YEAR

#### Exhibit-II



# PROGRAM SUPPORT ACTIVITIES



*ASP's Strategic Working Group's 8th meeting organized by ASP-RSPN*

# PROGRAM SUPPORT ACTIVITIES

## I. SWG Meetings

A total of nine (9) Strategic Working Group (SWG) meetings were held during Year-I of ASP. The group focusing on coordination, collaboration, harmonization and knowledge sharing amongst the implementing partners was formed at the program start-up having



*Participants from ASP-RSPN, ASP-LUMS, ASP-AiD and USAID during SWG meeting held at Islamabad*

representation of the three implementing partners along with USAID. During the first year of the program, SWG has proved to be a very useful platform for sharing each partner's strategies in implementation of program interventions. Moreover, this forum has helped learn from each partner's expertise and has also helped USAID in the precise distribution of assignments to the respective partner. Meeting on monthly basis has contributed a great deal in avoiding duplication of efforts by the three implementing partners. Development of a common website and knowledge portal are clear examples of utilizing the competitive advantages of each partner, thereby ensuring uniformity in delivery of services for the public and private sector of Pakistan.

## II. PARTNERSHIP WITH NSPP

ASP-RSPN is following the approach of building partnerships with relevant and reputed Pakistani institutions. It is currently engaged in discussion with the National School of public Policy (NSPP) regarding training and other capacity building initiatives. NSPP is a government owned entity having presence at federal level as well as in all the four provinces and specializes in providing training for the strategic and mid level management, both in public and private sector. As follow-up to the meetings of COP with Rector NSPP, the management of ASP-RSPN held meetings to identify potential areas of collaboration. On September 19, 2011, an introductory meeting was held in this regard at NSPP Lahore. DCOP ASP-RSPN and AOTR USAID participated in the meeting. Representatives from NSPP briefed the ASP team about the upcoming events, programs, courses and trainings offered by the School.



*Sep 19, 2011 – The Dean NSPP Mr. Iftikhar Ahmed giving briefing to DCOP and AOTR*

## III. VISITS OF USAID OFFICIALS

A number of senior USAID officials visited ASP-RSPN office in Islamabad during Year I. Director AF-PAK Mr Jeffrey Bakken visited the office on June 27, 2011. He was briefed



*Director AF-PAK, Mr Jeffrey Bakken visited ASP-RSPN office, Islamabad*



*USAID officials presenting on Audit at ASP-RSPN office, Islamabad*

about the program and the programmatic progress was shared with him. He expressed his hope for a positive change in Pakistani institutions as ASP interventions multiply.

Various briefings were held for the ASP-RSPN staff by USAID throughout the year. USAID organized a special briefing on Accounting, Audit, and another on Performance Audit.

# THE WAY FORWARD

During the year I of ASP-RSPN, the stage has been set and necessary momentum gained to take these interventions to scale during the subsequent years of program implementation.

As the program enters its 2<sup>nd</sup> year of life, ASP-RSPN plans to achieve significantly higher numbers in terms of the outputs agreed with USAID. This includes the research on Pakistan's Public Financial Management (PFM), which will focus on efficiency, accountability and governance reform in the vital area of managing public resources in the country. Similarly, capacity enhancement of USAID implementing partners, GoP institutions and private sector in significant areas such as Financial Management, Procurement Management, Monitoring and Evaluation and Internal Controls etc will be focused upon and expanded to cover to a broader level of audience/ beneficiary organizations during the coming four years. The periodic validation of implementing partners from government and civil society sector will also be carried out in line with the priority indicated by USAID.

ASP-RSPN aims in the coming years to gather useful experience in best practices and replicable instruments and tools based on its agenda to work embracing assessment, capacity building, validation and research.

# FINANCIAL PROGRESS AS OF SEP 30, 2011

For the first year of ASP project, the total available budget was USD 3.965 million (Operational Activities: USD 0.988 million; Program Activities: USD 2.616 million and Indirect Cost: 0.360 million) for the period from October 12, 2010 to September 30, 2011. Total actual expenditure during the year stood at USD 1.606 million (Operational Activities: USD 0.579 million; Program Activities: USD 0.882 million and Indirect Cost: USD 0.146 million) resulting in a variance of USD 2.358 million (Operational Activities: USD 0.409 million; Program Activities: USD 1.735 million and Indirect Cost: USD 0.215 million). A brief variance analysis is given as under:

## *Exhibit-I*

	Amount in USD		
	First Year Budget	First Year Actual	Remaining Budget
<b>Operational Activities</b>	<b>987,807</b>	<b>578,704</b>	<b>409,103</b>
Salaries and wages	460,000	269,707	190,293
Fringe Benefits	154,676	78,302	76,374
Travel and Transportation	84,714	7,415	77,299
Equipment	63,357	69,228	(5,871)
Supplies	65,250	59,142	6,108
Recurring Operational Costs	159,810	94,910	64,900
<b>Program Activities</b>	<b>2,616,332</b>	<b>881,665</b>	<b>1,734,667</b>
Pre-award Assessments	283,000	193,040	89,960
Institutional Capacity Building	750,000	3,690	746,310
Annual Validation	58,000	-	58,000
Research	166,667	19,518	147,149
Awardees Capacity Building	280,000	19,394	260,606
Sub-awards	1,078,665	646,023	432,642
<b>Total Direct Cost</b>	<b>3,604,139</b>	<b>1,460,369</b>	<b>2,143,770</b>
Indirect Costs @ 10%	360,414	145,899	214,515
<b>Total</b>	<b>3,964,553</b>	<b>1,606,268</b>	<b>2,358,285</b>

The first year actual spending remained at 41% of the actual first year budget of USD 3.965 million. The main reasons for low burn out rate in the first year which is a set-up phase are delays in hiring of suitable candidates for key positions, lesser travels, no capacity building initiatives, fewer pre-award assessments: CDCP-TPV activity and pre-award assessments of organizations being the most significant. In fact the major portion of spending has been made in the second half of the year wherein ASP initiated according to the USAID identified interventions.