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# Economic Growth & Governance Initiative

Q2 Quarterly Report January—March 2013  
March 2013 Monthly Report

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USAID's Economic Growth and Governance Initiative (EGGI) project continued to make strong progress in the second quarter of its fourth project year in budgeting, tax administration, and revenue generation. The project continued to support line ministries in key aspects of budget formulation, budget execution, and performance reporting. Following the approval of the FY 1392 budget by the Parliament on January 20, the project focused on supporting the line ministries to better align their budgets with government priorities. In response to requests from the Ministry of Finance (MoF), the project worked with USAID and MoF to finalize a new workplan in early March that will further strengthen line ministries.

Since the project's provincial budgeting reform implementation support activities were suspended by the MoF, the team continued to conduct coordination activities with provincial counterparts, donor projects, and regional USAID representatives to strengthen communication and coordination throughout the provinces on provincial budgeting activities. In March, the project's provincial budgeting workplan activities were cancelled per USAID guidance.

The project delivered tax enforcement training to 72 tax officials from the Kabul and Jalalabad Large Taxpayer Offices (LTOs), Medium Taxpayer Offices (MTOs), and Small Taxpayer Offices (STOs) and delivered accounting training to 42 tax officials from the Herat, Mazar, Jalalabad, Kandahar LTOs and MTOs and Kabul STO. Through regular consultation with tax office directors, managers, and other employees, the project also contributed to increased revenue collection at provincial tax offices.

During the quarter, the Women in Government team celebrated three years of success for the internship program and officially launched the Women in Development Association. The program hired 120 additional interns in Kabul and the provinces, and 138 interns graduated from the internship program during the quarter. An additional 38 interns found full-time employment, bringing the overall full-time employment rate for program graduates to 62%.

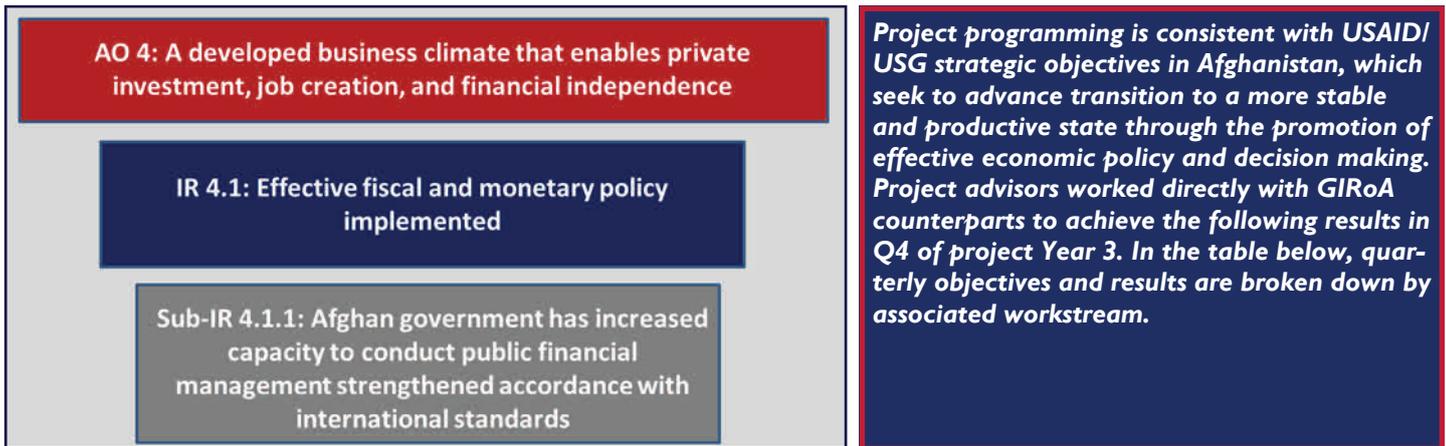
Following the USAID's approval, the Revenue Reconciliation Database (RRD) team supported the Afghanistan Revenue Department (ARD) to successfully remediate RRD application issues and fiscal year reporting issues in five of the six priority provinces—Herat, Kandahar, Kunduz, Mazar, and Nimroz.

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## Q2 Recap: Notable Areas of Progress

- 1) Program Budgeting:** Conducted debriefing sessions on the approved FY 1392 budget for 645 participants from 25 budgetary units.
- 2) Provincial Budgeting:** Conducted provincial budgeting coordination activities with Provincial Councils, provincial Economy Directorates, Governor's Offices, and USAID field program officers.
- 3) Tax Administration:** Delivered tax enforcement training to 72 tax officials from the Kabul and Jalalabad LTOs, MTOs, and STOs. Delivered accounting training to 42 tax officials from the Herat, Mazar, Jalalabad, Kandahar LTOs and MTOs and Kabul STO.
- 4) Women in Government:** Hired 120 additional female interns and graduated 138 interns from the internship program. Supported 38 additional graduates to find full-time employment.
- 5) Revenue and Tax Policy:** Supported the Non-Tax Revenue Reforms Implementation Working Group to facilitate an agreement to provide the internet connection, office space, and IT equipment required to establish the ASYCUDA office in the Ministry of Interior (MoI) Traffic Directorate. Supported the Non-Tax Revenue Directorate to establish a working group at the Ministry of Transport and Civil Aviation (MoTCA) to support revenue reform activities.
- 6) Revenue Reconciliation Database:** Supported the ARD to remediate RRD database issues and fiscal year reporting issues in Herat, Kandahar, Kunduz, Mazar, and Nimroz and trained ARD officials to use the application.

## Q2 Objectives in Line with Results



Workstream	Quarterly Objective	Quarterly Results
<b>Revenue and Tax Policy</b>	Support the Non-Tax Revenue Directorate to identify and facilitate non-tax revenue reform activities.	Facilitated agreement to provide internet connection, office space, and IT equipment required to establish ASYCUDA operations at the Mol Traffic Directorate and developed new ASYCUDA operating procedures. Facilitated agreement to establish a revenue reform working group at the MoTCA.
<b>Program Budgeting</b>	Support budgetary units to improve budget formulation, budget execution, and performance reporting capacity in 38 line ministries. Support line ministries to better align resources with priorities of the government and improve services by line ministries.	Conducted FY 1392 budget briefing workshops in 25 line ministries for 645 participants. The updated program budgeting workplan was approved, which will further strengthen budget formulation.
<b>Provincial Budgeting</b>	Conduct coordination meetings with provincial counterparts and donor projects.	Conducted the coordination activities with Provincial Councils, provincial Economy Directorates, Governor's Offices, and USAID field program officers.
<b>Tax Administration</b>	Deliver trainings to improve the capacity of tax officials to mobilize revenues from a collection and audit perspective and increase tax compliance.	Delivered tax enforcement training to 72 tax officials from the Kabul and Jalalabad LTOs, MTOs, and STOs and accounting training to 42 tax officials from the Herat, Mazar, Jalalabad, Kandahar LTOs and MTOs and Kabul STO.
<b>Revenue Reconciliation Database</b>	Support the ARD to remediate RRD database issues and fiscal year issues in the six priority provinces of Kandahar, Kunduz, Herat, Mazar, Nimroz, and Jalalabad.	Supported the ARD to remediate RRD database issues and fiscal year reporting issues in Herat, Kandahar, Kunduz, Mazar, and Nimroz and trained the ARD officials to use the application.
<b>Women in Government</b>	Expand the Women in Government internship program and hire, graduate, and support interns to find full-time employment to meet the targets for the Year 4 of the project. Develop a comprehensive training curriculum for the internship program.	Hired 120 interns in Kabul, Mazar, Herat, and Jalalabad. Graduated 138 interns from the internship program, achieving a 62% full-time job placement rate to date. Developed an updated training plan that was approved by USAID.

# Progress Towards Meeting Objectives

## Program Budgeting

During the quarter, the team continued to support 38 line ministries in all key aspects of budget formulation, budget execution, and performance reporting. In particular, project support focused on program budget structures and aligning line ministry budgets to government priorities. Following the approval of the FY 1392 budget by Parliament, the program budget team worked with the line ministries to complete necessary program budget activities and organized debriefing sessions to review the budget in detail and help budgetary units understand the approved budget.

In response to requests from MoF, the team finalized a new workplan, which was approved by the MoF in early March. New areas of support in the workplan include implementation of Operations and Maintenance (O&M), gender sensitive budgeting, pro-poor spending, and State Budget Planning System (SBPS) roll-out in selected line ministries.

**Parliament Approves the FY 1392 National Budget:** On January 20, the Parliament approved the FY 1392 national budget following a two month budget review and discussion both at the committee level and in plenary meetings. During this time, Parliament rejected two earlier budget drafts for FY 1392 that were submitted by MoF. The overall budget scrutiny and review process by Parliament has improved significantly for the FY 1392 budget from earlier years. Many of the suggestions from Parliament were incorporated in the final budget.

In the FY 1392 budget, domestic revenue is projected to be \$2,365 million (10.6% of GDP) and cover only about 55.6% of the total operating budget, which is a key indicator in measuring the fiscal sustainability. While this was about 65% in the past, this has deteriorated in recent years. This is primarily due to the need for increased tashkeel in the security and education sectors.

The total budget approved by the Parliament was \$6,809.2 million including an operating budget of \$3,775.5 million and a development budget of \$3,033.7 million. About 70% of the operating budget is budgeted for three line ministries: Ministry of Defense (MoD)—29.1%, MoI—21.7%, and Ministry of Education (MoE)—15.1% due to the significant increase in security taskhkeel and teachers in recent years. The share of tashkeel for these two sectors constitutes close to 80% of the total taskhkeel of GfRoA for FY 1392.

Similarly, more than 50% of the development budget is budgeted for the Ministry of Public Works (MoPW)—14.6%, MoD—13.6%, Ministry of Rural Rehabilitation and Development (MRRD)—12%, and MoI—10.7%. The Gov-

ernment continues to prioritize its discretionary spending in the areas of major infrastructure projects, agriculture, education, and health. Around 76% of the total \$555.5 million new discretionary budget is allocated to construction and repair of roads, construction of water and power dams, construction of universities and higher education institutes, schools, dormitories, clinics and hospitals, and investments in agriculture and telecommunication.

The reasons for a higher operating budget include the following policy priorities:

- Recruitment of 12,000 army and police personnel.
- Recruitment of 11,000 teachers by the MoE.
- Recruitment of 1,300 personnel in the Ministry of Higher Education (MoHE), out of which 700 are university professors and lecturers.
- Increases in the O&M spending of hospitals and schools.
- Pension backlog for military retirees.

The main reason for the increased budget for the development budget was that the Combined Transitional Security Command Afghanistan (CSTC-A), for the first time, has provided its funding of \$729.518 million as part of the non-discretionary resources for equipment and construction of buildings for army and police.

The FY 1392 budget also has a special program to fund development activities in 11 underdeveloped provinces, Kuchies, and the Pameer district in Badakhshan province. A total of \$37 million is budgeted for 11 provinces (\$3 million for each province), \$3 million for Kuchies, and \$1 million for Pameers. These funds are meant to provide basic services such as primary education, health, and rural roads.

The project played important role in providing assistance in the budget formulation for FY 1392 and the preparation of budget proposals by budgetary units with program budget structure. This helped to align the budget with the Afghanistan National Development Strategy (ANDS) and National Priority Programs (NPPs).

**The Program Budgeting Team Facilitates Debriefing Workshops on the FY 1392 Budget:** In February and March, the program budget team facilitated debriefing workshops on the FY 1392 budget for 645 participants from 25 budgetary units. For the



Budgetary unit officials attend a debriefing session on the approved FY 1392 budget.

remaining budgetary units, the team conducted on-the-job briefings for the Budget Implementation Team (BIT) members. The debriefing sessions for the Ministry of Communication, Information and Technology (MoCIT); the Ministry of Borders and Tribal Affairs (MoBTA); and the Directorate of Kuchis included provincial directorates. During the debriefings, the team delivered presentations on the details of the concerned budgetary unit's budget and projects in addition to presentations on NPPs, budget alignment, budget execution, and procurement issues. In some cases, counterparts prepared presentations with support from the team. For provincial directorates, the presentations included budget formulation steps, costing, and prioritization.

These presentations will help the sub-national budgetary units to develop sufficient skills about the budget related forms, prepare allotments requests on time, and improve implementation of their Procurement and Financial Planning (PFPs). This process will help budgetary units and provinces to execute projects better. The presentations are also expected to produce higher development execution rates, build capacity among BIT members and other ministry officials who are working on budget implementation, and help ministries to understand and monitor output and outcome indicators.

**The Program Budget Team Supports Budgetary Units to Finalize their Procurement and Financial Planning and Chart of Accounts for FY 1392:** Following the approval of the FY 1392 budget, the program budget team supported the line ministries and budgetary units to accommodate the final 1392 budget figures in their PFPs. The team coordinated their activities with the Procurement and Policy Unit (PPU) staff assigned by the MoF for each ministry/budgetary unit. All budgetary units finalized and submitted their plans and signed copies to the MoF.

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# Progress Towards Meeting Objectives

## Program Budgeting

*Continued from page 4...*

The team also worked with the counterparts to accommodate the final budget figures and revise the following forms:

- Budget Circular 2 (BC-2) Forms – revised the forms to reflect the approved budget figures.
- B3 forms – revised the forms to reflect changes in funding requirements and project locations.

Similarly, the team supported the finalization of the Chart of Accounts. The MoF made some changes to the coding system of the operating budget and added two sub-codes under the “Non-Transferable Codes 222 and 224.” These codes need to be reflected in the annual budget forms as well as the PFPs.

As part of this process, the team provided on-the-job trainings and coaching sessions to their counterparts in line ministries and budgetary units to enhance their capacity to complete the revised FY 1392 operating budget forms and reflect them in the Chart of Accounts. Support was provided to accommodate those changes in the B27-Allotments, B10-Operating Budget Distribution by Provinces and Central Units, and B20- Provincial Allocations.

As a result of the support, the quality of PFPs submitted by line ministries has improved from previous years. The team will continue to support budgetary units on PFP on a quarterly basis to improve cash management and budget implementation processes.

**The Team Supports Line Ministries to Finalize Program Budget Structure and Performance Indicators for the FY 1392 Budget:** The program budget team supported the line ministries to finalize and submit program structure and performance indicators for

the approved FY 1392 budget. This helps line ministries align budgetary resources with the strategic priorities of the budget and monitor its programs using performance indicators.

Additionally, the team supported line ministries and budgetary units to finalize and submit Performance Monitoring and Reporting (PMR). Out of nine line ministries that the team supports, seven line ministries successfully submitted their PMRs on time. The remaining two line ministries are expected to submit by mid-April. The quality of PMR submissions continues to improve from previous quarters.

### **The Program Budget Team Assisted Line Ministries to Complete FY 1393 BC-I Forms:**

The program budget team supported line ministries to complete the BC-I form to draft their indicative budgets for FY 1393. This is the first step in budget formulation for the FY 1393 budget. The MoF issued the BC-I to line ministries on March 24 and requested the proposals by April 13. With the team’s support, the ministries are preparing their BC-I for the operating and development budgets using the MoF guidelines and templates. The MoF conducted workshops for line ministries during March 25-27. The team has been assisting the line ministries to complete the BC-I submissions on time. In addition to preparing realistic budgets, the team is supporting line ministries to align their budget proposals with the ANDS and NPPs for each of the sectors.

### **The Minister of Finance Approves the New Program Budget Workplan:**

The Minister of Finance approved the new program budgeting workplan in early March following extensive consultations with the MoF. USAID and the project team held several meetings with the Director General of Budget to align the workplan with the priorities of the

MoF. The approved workplan included following new priorities:

- Helping selected line ministries develop O&M policy and guidelines in coordination with MoF;
- Supporting selected line ministries in identifying and prioritizing pro-poor spending for the FY 1393 budget;
- Supporting line ministries in analyzing and preparing gender responsive budgeting for the FY 1393 budget;
- Assisting all major line ministries in sub-national allocation of resources using criteria developed in close partnership with MoF;
- Supporting at least three line ministries in implementing program-based appropriations in coordination with MoF;
- Assisting three to four line ministries in rolling out the SBPS in coordination with MoF;
- Assisting MoF to conduct an assessment of Project Implementation Units (PIUs) and Project Management Units (PMUs) in selected line ministries and making recommendations to integrate these units with line ministry structures; and
- Supporting MoF sectors through the project’s embedded staff.

The program budget team plans to provide this support in line ministries and in the MoF through August 2013. This assistance will help further improve the efficiency and effectiveness of budgetary resources.

# Progress Towards Meeting Objectives

## Provincial Budgeting

Since the project's provincial budgeting support activities were suspended by MoF until further notice, the provincial budgeting team continued to conduct coordination meetings with donor representatives, USAID implementing partners, and provincial officials in Governor's Offices, Provincial Councils, and Economy Directorates. Additionally, in March 2013, the project provincial budgeting activities were cancelled per USAID guidance.

**The Provincial Budgeting Team Continues Regional Coordination Activities with Provincial Councils, Provincial Economy Directorates, and Governor's Offices:** During the quarter, the project's provincial budgeting team conducted coordination meetings with Kunar, Logar, Jowzjan, and Baghlan Provincial Council representatives. The purpose of the meetings was to discuss Provincial Council coordination with residents, line directorates, Governor's Offices, and international NGOs, as well as Provincial Council inputs to the national budget. In the meetings, most of the Provincial Council Directors stated that the Provincial Council members travel to the districts on a quarterly basis in order to better understand the residents' needs and that the Provincial Councils coordinate closely with line directorates, Governor's Offices, and international NGOs. The Directors noted that in FY 1391 the Provincial Councils recommended a number of development projects to the related directorates that were approved by the Provincial Development Committee (PDC) and submitted to the line ministries for inclusion in the national budget.

Some of the line ministries have received positive feedback that their suggestions were integrated into the FY 1392 budget.

The provincial budgeting team met with the Herat, Kandahar, Laghman, and Baghlan Economy Directors to discuss the Economy Directorates' role in provincial development activities, coordination with line directorates and donors, and the process for approving of development projects at PDC meetings. The Directors remarked that the Economy Directorates play a key role in provincial development activities, coordinating carefully with provincial directorates, the Provincial Council, and donors. The directors also mentioned that the provincial sectoral directorates first share their development project proposals with the Economy Directorate for review and analysis, and the Economy Directorate then includes the priority project proposals in the PDC meeting agenda for discussion and approval. The line directorates send status reports on their development projects to the Economy Directorate at the end of every month. It was also mentioned that the PDC considers the following when approving development projects:

- Alignment with NPPs;
- Inclusion in the Provincial Development Plan (PDP);
- Long-term impact; and
- Requests for the project by the public.

Key observations from the coordination meetings with provincial councils and Economy Directorates:

- Most of the Provincial Councils have sent their national budget inputs through provincial directorates and have received positive feedback that their inputs have been included in the national budget by some ministries, such as the MRRD, MoE, MoPW, and Ministry of Public Health (MoPH).
- The role of Provincial Councils in monitoring provincial development activities is weak, which causes low quality and weak implementation of the development projects. Provincial Councils have an advisory role on provincial development activities.
- Communication and consultation between provincial entities and central ministries is weak.
- Most of the provincial FY 1392 annual development plans, which are prepared based on the provincial development strategic plan, have been prepared and approved by the PDCs.
- Provincial officials have low capacity. The provincial directorates need trainings in public financial management and on-the-job training.

### **Provincial Budgeting Team Conducts Coordination Meetings and Briefings with USAID Technical Representatives:**

During this quarter the provincial budgeting team conducted briefing meetings with technical representatives from the USAID Office of Economic Growth and Infrastructure, Office of Democracy and Governance, Office of Financial Management, DFID, USAID field program officer, the Asia Foundation, UNDP and implementing partners. The team briefed the representatives on the status of the provincial budgeting reform activities, provided an overview of the project's support to the MoF provincial budgeting reform implementation activities since July 2010, feedback and suggestions on sub-national issues, and information on the GIRoA budgeting process at the central and provincial. The team also outlined key challenges and recommendations for the provincial budgeting process. Challenges include:

- Lack of political will for the provincial budgeting process at the central level;
- Low capacity of the provincial directorates; and
- Unwillingness of central line ministries to delegate authority and responsibility to their provincial directorates.



The Central region provincial budgeting officer meets with Logar Provincial Council Director and representatives on January 20, 2013.

# Progress Towards Meeting Objectives

## Tax Administration

During the quarter, the tax administration team continued to support the taxpayer offices in Mazar, Herat, Kandahar, and Jalalabad, contributing to revenue increases at provincial tax offices through regular consultation with directors, managers, and other employees. The general outlook for provincial tax offices is positive, although challenges remain in receiving data from and advising the Mazar MTO and receiving adequate data from the Kandahar MTO. The team is also providing limited assistance to the Kabul LTO and STO, primarily through trainings, and the team does not report revenue collection activities at these locations. The team also conducted tax enforcement training for tax officials from the Kabul and Jalalabad LTOs, MTOs, and STOs and conducted accounting training for tax officials from the Herat, Mazar, Jalalabad, Kandahar LTOs and MTOs and the Kabul STO.



72 tax officials from the Kabul and Jalalabad LTOs, MTOs, and STOs attended tax enforcement trainings on January 20-23 and February 10-13, 2013.

**Tax Enforcement Training:** During the quarter, the team conducted two sessions of tax enforcement training for 72 tax officials from the Kabul and Jalalabad LTOs, MTOs, and STOs. During January 20 - 23, 30 enforcement and audit managers and tax officers from the Kabul LTO, MTO, and STO attended the training. During February 10-13, 42 tax officials from the Kabul and Jalalabad LTOs, MTOs, and STOs attended the training. The participants were required to sit for a pre- and post-test to assess their skills and needed to achieve 70% to receive credit for the course. In the first session, the participants averaged 48% on the pre-test and 76% on the post-test. In the second session, the participants averaged 55% on the pre-test and 97% on the post-test.

**Accounting Training:** The team delivered two sessions of accounting training to 42 directors and tax auditors from Herat, Mazar, Jalalabad, Kandahar LTOs and MTOs and Kabul STO. During February 24-26, 27 participants from the Herat and Mazar LTOs and MTOs attended the training. During March 3-

5, 15 participants from the Jalalabad LTO and MTO, Kandahar MTO, and Kabul STO attended the training. Participants were required to sit for a pre and post-test to assess their understanding and needed to achieve 70% to receive credit for the course. In the first session, the participants averaged 54% Pre-assessment and 90% Post-assessment during the first session of the training. Participants averaged 37% Pre-assessment and 80% Post-assessment during the second session of the training program.

**Herat MTO Continues to Improve:** During the quarter, Herat MTO collected 137,188,163 AFN compared to 97,840,675 AFN collected in the previous quarter, representing a 40% increase for the reporting period. It is important to note that Herat MTO decreased penalty assessments by 36%, which is a positive development for the tax office's compliance posture. In March 2013, Herat MTO collected 68,617,754 AFN compared to 41,927,538 AFN in February 2013, representing a 64% improvement in revenue collection.

compared to 721 tax returns filed in February 2013, representing a 29% improvement from the previous month. To date, 9,626 tax returns were filed in 2013 compared to 4,279 in 2012, representing a 125% increase.

**Mazar MTO Revenue Collection:** During the quarter, Mazar MTO collected 106,207,037 AFN compared to 90,369,208 AFN collected during the same quarter in 2012, representing an 18% increase. In March 2013, Mazar MTO collected 36,981,515 AFN. However, a month-to-month comparison is not available, as the team did not receive collection data for February 2013. A year-on-year comparison shows that in 2011-12 the Mazar MTO collected 278,560,965 AFN compared to 407,679,162 AFN collected in 2012-13, representing a 46% year-on-year improvement in revenue collection.

Mazar MTO has not consistently reported tax return filings and did not report tax return filings for March, making it difficult to make reliable comparisons. This lack of available data still remains a challenge, although the collection data indicates that taxpayers are filing tax returns.

**Jalalabad MTO Revenue Collection:** Jalalabad MTO collected 41,282,244 AFN in March 2013 compared to 19,032,736 AFN collected in February 2013, representing a 46% increase. For the quarter, Jalalabad MTO collected 67,010,914 AFN compared to 92,612,104 AFN collected in the previous quarter, which represents a decrease of 28%. This decrease is a result of the 56% decrease in collections for tax on government contracts, as there were fewer contracts during the quar-



42 tax officials from Herat, Mazar, Jalalabad, Kandahar, and Kabul attended accounting training on February 24-26 and March 3-5, 2013.

An annual collection comparison indicates a 103% improvement in quarterly collection with 231,054,954 AFN collected in the second quarter of 2012 compared to 468,113,197 AFN collected during the second quarter of 2013.

Additionally, Herat MTO taxpayers filed 927 tax returns in March 2013

# Progress Towards Meeting Objectives

## Tax Administration

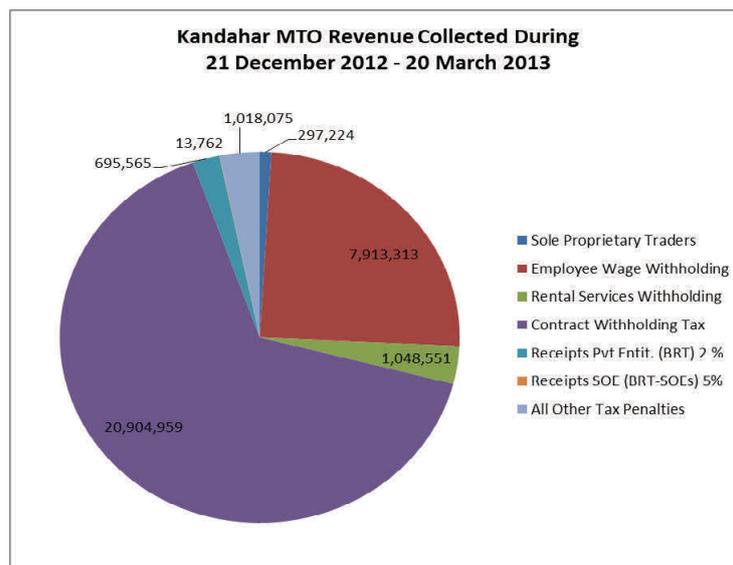
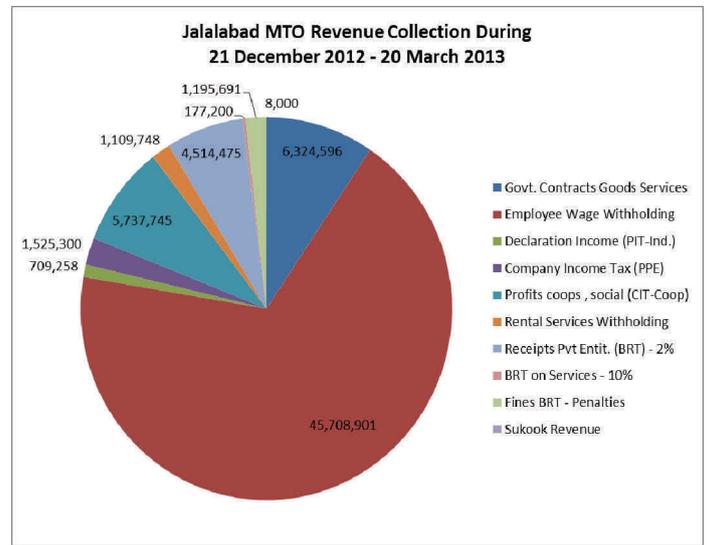
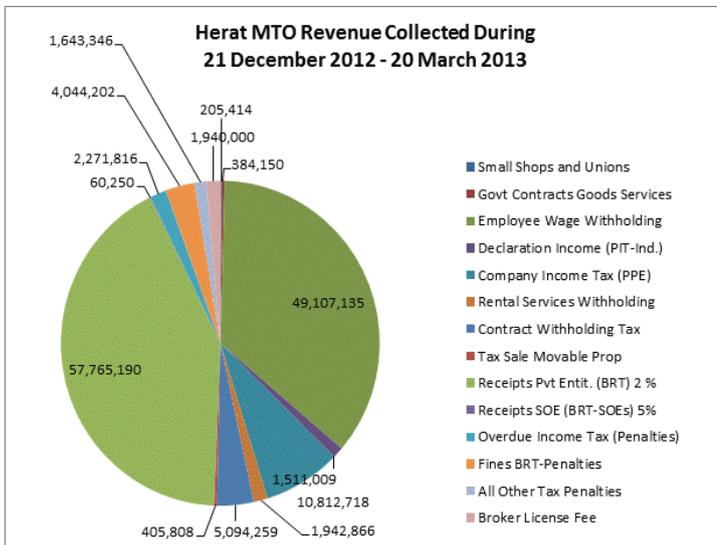
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ter. Additionally this decrease is a result of the 93% decrease in collection of personal income tax during the quarter, which does not represent the MTO's core function of collecting business taxes. While the individual tax decreases are not alarming, the overall quarterly decreases in other tax categories, including employee wage withholding, rent withholding, and business receipt tax, are cause for concern. The team will monitor overall collection and discuss potential opportunities for improvement with the MTO Director.

**Kandahar MTO Revenue Collection:** Kandahar MTO is in its baseline year and is still learning how and what to report. The team has stationed a local staff to assist the Director, but, as expected, the process is slow. During the quarter, Kandahar MTO collected 26,958,130 AFN compared to 31,891,449 AFN collected during the previous quarter, representing a 15% decline. The decline resulted from a 77% decline in the collection of contract withholding tax. The team will work with the MTO Director to monitor this. In March 2013, the MTO collected 12,617,158 AFN compared to 9,809,187 collected in February 2013, representing a 29% improvement

No annual comparison is available, as the Kandahar MTO is in its baseline year. The team does not have quarterly filing data for comparisons, as regular reporting started during the current quarter. The team anticipates that reporting will continue and future quarterly comparisons will be possible.

Additionally, Kandahar MTO taxpayers filed 545 tax returns in March compared to 385 filed in February 2013, representing a 33% month-on-month improvement. The MTO also reported an alarming 1,232% increase in inactive businesses, which the team will work with the MTO Director to examine further.



# Progress Towards Meeting Objectives

## Non-Tax Revenue

During the quarter, the non-tax revenue advisor continued to support the ARD Non-Tax Revenue Directorate to identify and facilitate non-tax revenue reforms.

**The Project Advisor Leads a Review of the Kabul Traffic Department Driver Licensing Revenue Reporting:** In January, the project advisor supported the Traffic Revenue Reforms Implementation Working Group to review the Kabul Traffic Department driver licensing revenue reporting process. Currently, the Kabul Traffic Department provides its financial reports on weekly basis to the Traffic Directorate. These include revenue generated from both national and international driver licensing, re-licensing, practical driving test, and related valuable documents including forms and licensing booklet. The Traffic Directorate then compiles all provincial financial reports and submits this to the MoI, which is responsible for reporting revenue streams to the MoF.

The Working Group visited the MoI Finance Department to observe and collect information on the current driver licensing revenue reporting process. According to the collected data, the driver licensing revenue is only reported to the driver licensing code identified for initial driver licensing. The revenue reporting codes identified by MoF for practical tests and re-licensing are not used by the Traffic Directorate and MoI Finance Departments. According to the data collected from the MoF Afghanistan Financial Management Information System (AFMIS), the MoI Finance Department and Traffic Directorate do not have a clear financial reporting system, as there is no mechanism to differentiate identified codes for the relevant revenue streams that are reported to the driver licensing revenue code.

Following a comprehensive analysis of the current driver licensing revenue reporting process, the project advisor assisted the Non-Tax Revenue Directorate to officially communicate codes for each traffic revenue stream. In addition, the Working Group conducted multiple awareness sessions with Traffic Directorate and MoI revenue reporting officials about the identification and use of standard reporting codes. This initiative will

help MoF and MoI understand the amount of revenue generated by each revenue stream and support future revenue related policy decision making.

**Project Advisor Continues to Support the Move of the ASYCUDA Vehicle Documents Verification Function to the Traffic Directorate:** The MoI Deputy Minister of Administration, Major General Mr. Mirza Mohammad Yarmand, agreed to provide the internet bandwidth required to establish ASYCUDA operations at the Traffic Directorate. On January 8, the Deputy Minister of Administration sent an official order to the MoI Confidential Network and Wireless Communication Departments requesting the increased bandwidth for the ASYCUDA operations. The project advisor assisted the Deputy Minister's office to draft the order and identify the internet specifications and other technical requirements. Upon the approval, follow up meetings were scheduled with MoI and MoF senior officials to help facilitate the actual implementation of the ASYCUDA move. However, due to the recent security incident and damages at the Traffic Directorate, the move of ASYCUDA has been postponed until fixing the damages. The MoI and Traffic Directorate high ranking officials are in contact with US army seeking their financial support to fund the damages and reconnect Traffic Directorate internet to MoI confidential network.

In February, the project advisor assisted the Working Group to draft new operating procedures for the ASYCUDA vehicle documents verification office at the Traffic Directorate. The newly developed operating procedures were approved by ARD, Customs, and Traffic Directorate senior official. These new procedures identify the responsibilities of both Kabul Customs and Traffic Directorate staff, supporting better decision making better accountability in both organizations. In addition, implementation of these updated processes will remove several steps from the current process, reduce the potential for extraction of unofficial money, speed up the vehicle registration process, and enhance revenue collection.

The MoF, MoI, and Traffic Directorate have

provided the required administrative and procedural approvals for the move of the ASYCUDA function to the Traffic Directorate. But, the recent attack on the MoI Traffic Directorate resulted in damages to the computer network and electrical systems that have delayed the actual implementation of this move. Recent changes in ARD and Customs management will likely delay the move and possibly now it will likely take place in end of April.

**The Project Advisor Assists Non-Tax Revenue Directorate to Prepare for Non-Tax Revenue Reforms at the Ministry of Transport and Civil Aviation:** Following a visit to the MoTCA with ARD officials, the project advisor assisted the Non-Tax Revenue Directorate to draft and communicate official documentation for the establishment of a MoTCA Non-Tax Revenue Reforms Implementation Working Group. The Working Group includes representatives from the Non-Tax Revenue Directorate and MoTCA as well as project advisors. MoF and MoTCA recently outlined a high-level agreement on MoTCA Non-Tax Revenue Reforms and agreed to secure and equip an office to the project team. Initial tasks for the MoTCA Non-Tax Revenue Reforms Implementation Working Group include establishing a timeline for the review and identification of MoTCA revenue streams, studying the current revenue collection and reporting processes, and identifying opportunities to streamline each process.

On March 26, the project advisor met with Mr. Haleem Sadrey, the new ARD Non-Tax Revenue Director, to discuss the status of the traffic revenue reforms implementation and the support required from the NTR Directorate. The advisor also provided an overview of the project's support to the NTR Directorate in designing and establishing new taxes, rationalizing current taxes and also submitted a memo outlining the project's support to the NTR Directorate. Mr. Sadrey expressed appreciation for the project's support and requested further support to initiate revenue reform projects at high revenue generating entities such as the Ministry of Mines (MoM), MoTCA, and MoD.

# Progress Towards Meeting Objectives

## Women in Government

During the quarter, the Women in Government internship program celebrated three years of success, and 120 women began internships in Kabul, Herat, Mazar, and Jalalabad. Additionally, 138 interns graduated from the internship program during the quarter, and 38 of these interns obtained full-time employment. As of March 2013, the team has provided internship opportunities for 440 interns while maintaining a 62% job placement rate. In Kabul, 70 interns began internships at the following organizations:

- Afghanistan Customs Department (ACD) – 20
- MRRD – 15
- Control and Audit Office (CAO) – 10
- National Environmental Protection Agency (NEPA) – 8
- Afghan Telecom – 7
- Ministry of Energy and Water (MEW) – 5
- Independent Administrative Reform and
- Civil Service Commission (IARCSC) – 5

This quarter, the program faced a decline in the full-time job placement rate for program graduates. The rate dropped from 84% as of December 2012 to 62% as of March 2013. This is due in part to the President's decree that line ministries can only recruit civil servants through the Civil Service Commission Entrance Exam. The entrance exam was scheduled for university graduates and applicants in late-February or early-March, but the exam has not yet occurred. The decree was issued by the President in October 2012 and delegated the right of recruitment of grade 4, 5, and 6 civil servants in the to the IARCSC through an entrance examination. Additionally, a significant number of women graduated at the very end of the quarter, somewhat skewing the job placement numbers. The team is working with these recent graduates to help them find full-time employment.

During the quarter, the Women in Government team added staff to fully support the growing number of interns. A total of 23 supervisors and trainers were hired in Kabul and provinces to improve intern supervision, train-



Interns display their certificates following the successful completion of the Women in Government internship program.

ing, and mentorship.

**Internship Program Training Curriculum:** The team developed a six-month training curriculum to help provide standard support and training to interns in Kabul and the provinces. The training plan is designed to help interns build the skills that will help them be successful in their internships and full-time employment. The training curriculum consists of 12 modules and runs for six months. The first part of the program is designed to build basic technical skills, and the later part of the program covers more technical topics. At the end of the training program, interns will be evaluated through an end of internship report produced by each intern.

**Women in Development Association:** On February 20, the Women in Government internship program held an event celebrating three years of program success and officially launched the Women in Development Association. Key counterpart officials attended the event, including MoF Deputy Minister of Customs and Revenue, Mr. Sayed Mobin Shah, MoWA Director General of Policy and Planning, Ms. Rahima Zarifi, and a number of Human Resource Directors for counterpart ministries.

At the event, the Women in Development Association formally introduced its leadership and outlined its mission and vision. Hajira Qatra, a former intern and newly-elected President of the Women in Development Association, addressed the group, highlighting a need for a change in women's development. Earlier in February, current and former interns elected the association leadership, including the

President, Vice President, and eight board members. Candidates nominated themselves and explained their plan for their work with the association before voting.

The Women in Development Association, established with the support of the Women in Government team, is the first association in Afghanistan for women who are seeking assistance in finding jobs and opportunities for development. This network of current and former interns will provide women with additional opportunities to build their capacity, progress professionally, and work together to support women's rights in Afghanistan. The registration process for the association is in progress with the Ministry of Justice (MoJ) and updates will be shared accordingly.

**Capacity Building Trainings Program:** During the quarter, the Women in Government team continued to deliver regular capacity building trainings to the interns in Kabul and the provinces. These trainings address key skills that interns need in their internships and as they search for full-time employment. Training topics included:

- ICT Training (MS PowerPoint, MS Word, MS Excel, MS Outlook)
- PFM (budget preparation, budget execution, budget reporting)
- Communication Skills
- Presentation Skills
- Procurement Processes
- Teamwork and Problem Solving
- CV Writing
- Interview Skills
- Civil Service Recruitment Process
- Good Governance and Accountability



Interns benefit from capacity building trainings delivered by the Women in Government team.

Continued on page 11...

# Progress Towards Meeting Objectives

## Women in Government

Continued from page 10...

### Mazar

- Computer and IT Skills
- Communications Skills
- Teamwork and problem solving

### Herat

- MS Office
- Conflict Management
- Meeting Management
- Job Interview Skills
- Government Letter Writing
- Teamwork and problem solving
- Civil Service Exam (Kankor)
- Communications Skills
- Windows installation
- Good Governance

### Jalalabad

- CV Writing
- Interview Skills
- Teamwork and Problem Solving
- IT Skills

### Women in Government Internship Program in Mazar:

The Women in Government team hired 20 interns in Mazar during the quarter. The women began six-month internships at the following organizations:

- Directorate of Education – 12
- Balkh University – 6
- Da Afghan Breshna Sherkat – 2

The team conducted an orientation session for the interns, introducing the internship program and explaining their roles and responsibilities during their internship.

In January 2013, two women graduated from the internship program in Mazar.

### Women in Government Internship Program in Herat:

In Herat, the team hired 20 interns during the quarter. These women began six-month internships at the following organizations:

- Directorate of Public Health – 2
- Directorate of Information and Culture – 6
- Directorate of Environmental Protection – 2
- Herat Department of Justice – 3
- Directorate of Economy – 1
- Herat Governor's Office – 5
- Directorate of Women's Affairs – 1

The team conducted an orientation session for the interns, introducing the internship program and explaining their roles and responsibilities during their internship. The team also coordinated meetings with potential employers to seek full-time employment opportunities for the interns.

On March 31, 19 interns in Herat graduated from the Women in Government internship program after completing internships at the following organizations:

- Herat Governor's Office
- Herat University
- Directorate of Agriculture, Irrigation and Livestock (DoAIL)
- Directorate of Women's Affairs



The Women in Development Association leadership team was announced officially on February 20.

### Women in Government Internship Program in Nangarhar:

In Jalalabad, the team hired 10 interns during the quarter. These women began internships with the following organizations:

- Directorate of Rural Rehabilitation and Development – 3
- IARCSC – 3
- Directorate of Public Health – 2
- Directorate of Education – 2

The team conducted an orientation session for the interns, introducing the internship program and explaining their roles and responsibilities during their internship. The team also met with various counterparts to help identify potential employment opportunities for the interns.

## Revenue Reconciliation Database

During the quarter, the project's RRD team, in coordination with the ARD officials, successfully remediated RRD application issues and fiscal year reporting issues in five of six priority provinces based on the approval of USAID. In November and December 2012, the RRD team remediated RRD application issues in Kandahar, Kunduz, and Herat. However, RRD activities were adjusted to respond to RRD issues that resulted from the change in the fiscal year. Beginning this year for FY 1392, the MoF moved the beginning of the fiscal year to December 21 from March 21. RRD was developed using the old fiscal year, so RRD closing balance reports were based on this fiscal year. As a result of the fiscal year change, there were issues generating reports, including the M29, closing balance, and revenue arrears reports.

Deputy Minister Shah requested the support of USAID and the project team to help the ARD address the RRD application issues as well as the fiscal year issues. Following USAID's approval, the team worked with the

database developer to make the necessary updates to the RRD application. The updates address the issues that resulted from the fiscal year change and allow for any fiscal year changes in the future.

During the quarter, the team worked with ARD officials to remediate RRD application issues and fiscal year reporting issues in Balkh and Nimroz provinces. The team established a sub-network for the revenue collection unit in the mustofiats, installed the new RRD application, performed a re-installation of the system with licensed software and updated the security software on the computers, conduct training for the data entry operators, and used technology features to limit access to prevent or reduce potential misuse of the system in the future. The updated RRD application also addressed fiscal year reporting changes, and the team assisted with the re-entry and reconciliation of the previous months' data to align with the first months of the FY 1392 fiscal year.

The team also addressed the fiscal year reporting issues in Herat, Kunduz, and Kandahar provinces. The team installed an updated version of the RRD application that addressed the fiscal year reporting issues and assisted the provinces with the re-entry and reconciliation of the previous months' data to align with the first months of the FY 1392 fiscal year.

The team will travel to Jalalabad in early April to remediate RRD application issues and fiscal year reporting issues. ARD requested additional support to help resolve RRD issues in 34 provincial mustofiats and the ministries in Kabul. Per USAID direction, the EGGI database expert and RRD consultant will continue to support the remediation of RRD issues in line ministries and other provinces with the condition that ARD will cover the required software expenses.

# Workplan Challenges

## Overall

In March 2013, the project experienced funding delays and a stop work order issued by USAID. As a result of these circumstances, the project ceased technical assistance and took initial steps to demobilize the project. During this period the project was unable to deliver technical assistance to counterparts, and project technical assistance activities experienced a slight delay. The workstreams are adjusting the timelines of their upcoming activities to account for this delay.

## Program Budget

The new program budget workplan requires additional staff to appropriately support the line ministries and MoF. Due to the short period remaining on the project, the team expects it will be difficult to hire new staff and retain existing staff in the coming months.

## Tax Administration

**Challenge 1:** The team continues to face challenges in obtaining data from the Mazar MTO, resulting in an inability to produce comparison charts or provide revenue collection trend analyses. A local staff will travel to Mazar to attempt to generate cooperation from the section of the mustofiat that produces Form M-29, the report from which the data is collected.

**Challenge 2:** The Kandahar MTO continues to experience growing difficulties, including reporting deficiencies and weak revenue collection. While it is anticipated that reporting will improve, the road ahead for revenue col-

lection does not seem as positive. Kandahar taxpayers notoriously either do not report, or under report, income. The team expects some improvement with the addition of a local staff to the Kandahar MTO; however, this improvement will be slow. USAID can be instrumental in providing assistance such as office equipment and materials that will improve working conditions and possibly lead to more positive revenue collection.

## Women in Government

This quarter, the program faced a decline in the full-time job placement rate for program graduate. The rate dropped from 84% as of December 2012 to 62% as of March 2013. This is due in part to the President's decree that line ministries can only recruit civil servants through the Civil Service Commission Entrance Exam. The entrance exam was scheduled for university graduates and applicants in late-February or early-March, but the exam has not yet occurred. The decree was issued by the President in October 2012 and delegated the right of recruitment of grade 4, 5, and 6 civil servants in the to the IARCSC through an entrance examination. Additionally, a significant number of women graduated at the very end of the quarter, somewhat skewing the job placement numbers. The team is working with these recent graduates to help them find full-time employment.

## Non-Tax Revenue

**Challenge 1:** The MoF, Mol, and Traffic Directorate have provided the required administrative and procedural approvals for the move of the ASYCUDA function to the Traffic Directorate. But, the recent attack on the Mol

Traffic Directorate resulted in damages to the computer network and electrical systems that have delayed the actual implementation of this move.

**Challenge 2:** Recent changes in ARD and Customs management will likely delay the move of the ASYCUDA function to the traffic directorate. The move may now occur at the end of April.

**Challenge 3:** The move of the Kabul Customs ASYCUDA vehicle documents verification function to the Traffic Directorate was a key priority for ARD Non-Tax Revenue Directorate Management, so other tasks were delayed because Director General Zamanzai, the Non-Tax Revenue Directorate, and the project advisor were focused on obtaining high-level agreement, commitment and support from Mol, Traffic Directorate, and Customs. The project advisor was also focused on developing official documentation for this move, including agreement letters and new standard operating procedures.

**Challenge 4:** The ARD Non-Tax Revenue Director requested additional support to develop a traffic revenue reforms implementation presentation that included traffic operations statistics from the past five years. The data is scattered throughout various offices of the Traffic Directorate and the Kabul Traffic Department in various registration books, requiring manual data collection and assistance from traffic officers. The absence of traffic officers and their unwillingness to provide assistance in data collection resulted in the postponement of the review of administration and enforcement regimes.

# Project Activities by Regional Command

## Regional Overview

In Q2 of Year 4, project activities at the provincial level centered on provincial budgeting coordination activities, tax administration support to MTOs, the expansion of the Women in Government internship program, and the remediation of RRD issues. The tax administration team continued their support to the provincial MTOs with regular meetings with directors, managers, and other employees, contributing to revenue increases at provincial tax offices. Following USAID approval, the project supported ARD to remediate RRD application issues and fiscal year reporting issues in Herat, Jalalabad, Kandahar, Kunduz, and Mazar provinces. The provincial budgeting team continued conducting coordination meetings with key provincial officials to discuss ways to increase coordination and involve civil society in provincial budgeting. Additionally, the Women in Government team continued to conduct capacity building trainings for the interns in Herat, Mazar, and Jalalabad and continued to hire, graduate, and support interns as they searched for full-time employment at the provincial level.



Regional activities are highlighted below and broken down by Regional Command (RC).

## Regional Command West—Herat

**Tax Administration:** During the quarter, the Herat MTO collected 137,188,163 AFN compared to 97,840,675 collected during the previous quarter, representing a 40% increase. In March 2013, Herat MTO collected 68,617,754 AFN compared to 41,927,538 AFN in February 2013, representing a 64% improvement. It is also important to note that the Herat MTO decreased penalty assessments by 36%, which is a positive development for the tax office's compliance posture.

Additionally, Herat MTO taxpayers filed 927 tax returns in March compared to 721 filed in February, representing a 29% month-on-month improvement. To date, 9,626 tax returns were filed in 2013 compared to 4,279 in 2012, representing a 125% increase.

**Provincial Budgeting:** On January 2, the project's west region provincial budgeting team attended the Herat monthly PDC meeting. The meeting was chaired by Herat Governor Dr. Daud Shah Saba. Representatives from the line directorates and national and international organizations also attended the meeting. The meeting included a status update on development projects, a discussion of the FY 1392 Herat development plan, and proposals for new priority projects for FY 1393.

On January 10, the west region provincial budgeting team met with the Director of the USAID Office of Democracy and Governance, Mr. Timothy Alexander; the Democracy and Governance Regional Advisor, Mr. Paul Peterson; and the US West Region Consulate Field

Program Officer, Mrs. Rett Ertl, at the US Consulate in Herat. The team briefed the USAID representatives on the status of the provincial budgeting reform activities and provided an overview of the project's support to the MoF provincial budgeting reform implementation activities since July 2010.

On February 2, the west region provincial budgeting team met with representatives from DFID, USAID, the Asia Foundation, and UNDP in Herat to brief donor representatives on sub-national budgeting policy and provincial budgeting reform activities. The provincial budgeting team provided updates on the FY 1391 provincial budgeting pilot program and the project's provincial budgeting activities.

On February 10, the project's west region provincial budgeting team met with Herat Economy Deputy Director, Mr. Nematullah Habibi, to discuss the Economy Directorate's role in provincial development activities. Mr. Habibi stated that the Economy Directorate plays a key role in provincial development and is the secretary of the PDC. All provincial directorates share their development project proposals with the Economy Directorate for review, and then the Economy Directorate shares the selected projects with the Provincial Council.

**Revenue Reconciliation Database:** At the request of Deputy Minister Shah, USAID approved project support to ARD in remediating RRD application issues and fiscal year reporting issues in six priority provinces. During the



quarter, the team addressed RRD fiscal year reporting issues in Herat province.

**Women in Government:** In Herat, the Women in Government team hired 20 new interns during the quarter. The interns were hired for six-month internships at the following organizations:

- Directorate of Public Health—2
- Directorate of Information and Culture—6
- Directorate of Environmental Protection—2
- Herat Department of Justice—3
- Directorate of Economy—1
- Herat Governor's Office—5
- Directorate of Women's Affairs—1.

In March 2013, 19 interns in Herat graduated from the Women in Government internship program.

Additionally, the team continued to deliver capacity building trainings to the interns in Herat. These trainings help the interns build skills that will help them be successful in their internships and help them find full-time employment.

## Regional Overview Continued

### Regional Command North—Baghlan, Balkh, Jowzjan, Kunduz

**Tax Administration:** In March, the Mazar MTO collected 36,981,515 AFN. For the quarter, the Mazar MTO collected 106,207,037 AFN compared to 90,369,208 AFN in 2012, which represents an 18% increase. The year-on-year data shows that the MTO collected 278,560,965 AFN in 2011-12 compared to 407,679,162 AFN in 2012-13, representing a 46% year-on-year improvement in revenue collection.

The Mazar MTO has not consistently reported tax return filings and did not reported tax return filings for March 2013, making it difficult to make reliable comparisons. This lack of data remains a challenge, although the collection data indicates that taxpayers are filing tax returns.

**Provincial Budgeting:** On January 27, the north region provincial budgeting officer met with Jowzjan Provincial Council Chairman Mr. Abdulhai Hayat to discuss Provincial Council inputs to the national budget and Provincial Council coordination with line directorates and district residents. Mr. Hayat remarked that the Provincial Council coordinates closely with line directorates and the Governor's Office and noted that Provincial Council members travel to all the districts on a quarterly basis to better understand resident needs

On February 17, the project's provincial budgeting team lead met with Baghlan Provincial

Council Chairman, Mr. Mohammad Rasool Muhsiny, and other Provincial Council members to brief them on provincial budgeting reform and discuss Provincial Council coordination with residents, line directorates, and the Governor's Office as well as Provincial Council inputs to the FY 1392 national budget. Mr. Muhsiny appreciated the briefing and stated that the Baghlan Provincial Council coordinates closely with residents, line directorates, the Governor's Office, and international NGOs.

On February 17, the provincial budgeting team lead also met with Baghlan Economy Director, Eng. Shah Husain, to brief him on provincial budgeting reform activities and discuss the Economy Directorate's role in provincial development. Eng. Husain noted that the Economy Directorate plays a key role in provincial development activities, coordinating closely with line directorates, the Governor's Office, and the Provincial Council and holding a secretary role for the PDC.

**Revenue Reconciliation Database:** At the request of Deputy Minister Shah, USAID approved project support to ARD in remediating RRD application issues and fiscal year reporting issues in six priority provinces. During the quarter the project remediated RRD issues and addressed the fiscal year reporting issues for Balkh province. The project also addressed



RRD fiscal year reporting issues in Kunduz province.

**Women in Government:** In Mazar, the Women in Government team hired 20 new interns during the quarter. The women were hired for six-month internships at the following organizations:

- Directorate of Education—12
- Balkh University—6
- Da Afghanistan Breshna Sherkat—2

In January 2013, two women graduated from the internship program in Mazar.

Additionally, the team continued to deliver capacity building trainings to the interns in Mazar. These trainings help the interns build skills that will help them be successful in their internships and help them find full-time employment.

### Regional Command

**Tax Administration:** The Kandahar MTO is in its baseline year and is still learning how and what to report. The tax administration team has stationed a local staff to assist the Director, but, as expected, the process is slow. During the quarter, Kandahar MTO collected 26,958,130 AFN compared to 31,891,449 AFN collected during the previous quarter, representing 15% quarter-on-quarter decline. The decline resulted from a 77% decline in the collection of contract withholding tax, which the team will work with MTO Director to monitor. In March 2013, the MTO collected 12,617,158 AFN compared to 9,809,187 collected in February 2013, representing a 29% improvement.

Additionally, Kandahar MTO taxpayers filed 545 tax returns in March 2013 compared to 385 filed in February 2013, representing a 33% month-on-month improvement. The MTO also reported an alarming 1,232% increase in inactive businesses, which the team will work with the MTO Director to examine.

**Program Budgeting:** On January 17, the project's southwest region provincial budgeting officer met with Kandahar Economy Director, Mr. Mohammad Rahim Rahimi, to discuss the Economy Directorate's role in provincial development activities; coordination with line directorates, donors, and NGOs to implement development projects; and the process for approving development projects at PDC meetings.

**Revenue Reconciliation Database:** At the request of Deputy Minister Shah, USAID approved project support to ARD in remediating RRD application issues and fiscal year reporting issues in six priority provinces. During the quarter the project addressed fiscal year reporting issues for Kandahar province.



# Project Activities by Regional Command

## Regional Overview Continued

### Regional Command East—Kunar, Laghman, Logar, Nangarhar, Wardak

**Tax Administration:** Jalalabad MTO collected 41,282,244 AFN in March compared to 19,032,736 AFN in February 2013, representing 46% increase. For the quarter, Jalalabad MTO collected 67,010,914 AFN compared to 92,612,104 AFN, which represents a decrease of 28%. This decrease is due to the 56% decrease in collections for tax on government contracts as there were less such contracts during the quarter, and 93% decrease in collection of personal income tax during the quarter which does not represent the MTO's core function of collecting business taxes. While the individual tax decreases are not alarming, overall quarterly decreases in three other tax categories (employee wage withholding, rent withholding, and 10% business receipt tax) is cause for concern. The team will monitor overall collection and discuss potential improvements as necessary with the MTO Director.

**Provincial Budgeting:** On January 6, the east region provincial budgeting team met with Kunar Provincial Council Chairman Mr. Mia Hassan Adil to discuss Provincial Council consultation with Kunar residents, the Provincial Council's role in development activities, Provincial Council coordination with the Governor's Office and line directorates, and Provincial Council inputs to the central ministries through provincial directorates. Mr. Adil stated that the Provincial Council coordinates closely with the residents. He also noted that this year the Provincial Council recommended 246 development projects to line directorates that were approved by the PDC.

On January 20, the central region provincial budgeting officer met with Dr. Abdul Wali

Wakil, Logar Provincial Council Director; Ms. Nafisa Hijran, Provincial Council member; and Dr. Mohammad Esmail, Provincial Council Administrative Consultant, to discuss Provincial Council coordination with line directorates and Logar residents as well as Provincial Council inputs to the national budget. Dr. Wakil noted that the Provincial Council coordinates closely with Logar residents, the Governor's Office, line directorates, and donors. As a result of Provincial Council efforts and coordination with provincial stakeholders, line directorates were able to make significant progress in development activity funding in FY 1391.

On January 28, the east region provincial budgeting team met with Laghman Economy Director Mohammad Agha Mubariz to brief him on provincial budgeting reform activities, discuss the Economy Directorate's role in provincial development activities, and better understand its coordination with line directorates, the Governor's Office, and donors on provincial development project implementation.

On February 24, the central region provincial budgeting officer met with Wardak province Deputy Governor, Mr. Zakir Hosain Saltani, and Rural Rehabilitation and Development Director, Eng. Jan Mohammad Hikmatju, to discuss the development projects in FY 1391 and the projects that will be implemented during FY 1392. Mr. Saltani stated that a number of development projects have been successfully implemented and completed in Wardak province in FY 1391.



On March 13, the east region provincial budgeting team attended a seminar organized by the Nangarhar Governor's Office and the PRT to discuss the process of transferring the FY 1392 development budget on time to Nangarhar province and the procurement process for development project implementation.

**Women in Government:** In Jalalabad, the Women in Government team hired 10 new interns during the quarter. The women began six-month internships at the following organizations:

- Directorate of Rural Rehabilitation and Development—3
- IARCSC—3
- Directorate of Public Health—2
- Directorate of Education—2

Additionally, the team continued to deliver capacity building trainings to the interns in Jalalabad. These trainings help the interns build skills that will help them be successful in their internships and help them find full-time employment.

### Regional Command Southwest—Nimroz

**Revenue Reconciliation Database:** At the request of Deputy Minister Shah, USAID approved project support to ARD in remediating RRD application issues and fiscal year reporting issues in six priority provinces. During the quarter the project remediated RRD database issues and addressed fiscal year reporting issues for Nimroz province.



# Q2 Training Summary

## Q2 Training by the Numbers:

1,169—Person-days of training in fiscal policy and financial administration

2,136—Person-days of training as part of the Women in Government Internship Program

72—Number of tax enforcement training participants

42—Number of tax accounting training participants

645—Number of FY 1392 budget debriefing session participants

1,969—Number of women trained

## EGGI Training Summary

Table: Number of Male and Female Stakeholders Trained by EGGI, January through March 2013

Month	ID	Workstream	GI/roA Counterparts Trained	Training Topic	Location												Total # of Participants by Gender			Total Training Days	Person Days Trained
					Kabul		Balkh		Nimroz		Herat		Jalalabad		Kandahar		Male	Female	Total		
					M	F	M	F	M	F	M	F	M	F	M	F					
Jan-13	W3	Program Budget	NOC	Program Budget Concept	12	-	-	-	-	-	-	-	-	-	-	-	12	-	12	1	12
	W3	Program Budget	MoUDA	Presentation on ANDS and NPPs	19	1	-	-	-	-	-	-	-	-	-	-	19	1	20	1	20
	W5	Tax Admin.	MoF	Enforcement Training	29	1	-	-	-	-	-	-	-	-	-	-	29	1	30	3	90
Feb-13	W3	Program Budget	MoCI, MoCN, MoHIA, CSO, MoBTA, ICOIC, CAO, Supreme Court, AAEHC, MoSPA, OAA, HOOAC, IDKA, MoCIT	FY 1392 Budget Debriefings	337	29	-	-	-	-	-	-	-	-	-	-	337	29	366	1	462
	W5	Tax Admin.	MoF	Enforcement Training	42	-	-	-	-	-	-	-	-	-	-	-	42	-	42	4	168
	W5	Tax Admin.	MoF	Accounting Training	25	2	-	-	-	-	-	-	-	-	-	-	25	2	27	3	81
	W6	RRD	ARD	RRD and MS SQL 2008 R2 Installation and Use	-	-	6	-	3	-	-	-	-	-	3	-	12	-	12	1	12
Mar-13	W3	Program Budget	ANSA, UH, MoJ, NEPA, AGCHO, NOC, MoTCA, MoHE, KM, MoIC, AGO	FY 1392 Budget Debriefings	238	41	-	-	-	-	-	-	-	-	-	-	238	41	279	1	279
	W5	Tax Admin.	MoF	Accounting Training	15	-	-	-	-	-	-	-	-	-	-	-	15	-	15	3	45
<b>Fiscal Policy and Financial Administration Sub-Total</b>					<b>717</b>	<b>74</b>	<b>6</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>729</b>	<b>74</b>	<b>803</b>	<b>18</b>	<b>1,169</b>
Jan-13	W7	WIG	Interns	ICT	-	176	-	-	-	-	-	-	-	-	-	-	176	176	1	176	
	W7	WIG	Interns	ICT	-	96	-	-	-	-	-	-	-	-	-	-	96	96	2	192	
	W7	WIG	Interns	Orientation	-	45	-	-	-	-	19	-	10	-	-	-	74	74	1	74	
	W7	WIG	Interns	Budget Training	-	76	-	-	-	-	-	-	-	-	-	-	76	76	2	152	
	W7	WIG	Interns	Microsoft Office Excel	-	-	-	-	-	-	19	-	-	-	-	-	19	19	1	19	
	W7	WIG	Interns	Meeting Management	-	-	-	-	-	-	19	-	-	-	-	-	19	19	1	19	
	W7	WIG	Interns	Conflict Management	-	-	-	-	-	-	19	-	-	-	-	-	19	19	1	19	
	W7	WIG	Interns	CV Writing	-	-	-	-	-	-	-	-	-	36	-	-	36	36	1	36	
	W7	WIG	Interns	Interview Skills	-	-	-	-	-	-	-	-	-	34	-	-	34	34	1	34	
Feb-13	W7	WIG	Interns	Job Interview Skills	-	-	-	-	-	15	-	-	-	-	-	-	15	15	1	15	
	W7	WIG	Interns	Government Letter Writing	-	-	-	-	-	20	-	-	-	-	-	-	20	20	1	20	
	W7	WIG	Interns	Civil Service Exam (Kankor)	-	-	-	-	-	10	50	-	-	-	-	10	50	60	1	60	
	W7	WIG	Interns	Computer and IT Literacy	-	-	20	-	-	-	-	-	-	-	-	-	20	20	2	40	
	W7	WIG	Interns	MS Word, MS Excel, Internet	-	-	19	-	-	-	-	-	-	-	-	-	19	19	2	38	
	W7	WIG	Interns	MS Outlook, MS PowerPoint	-	-	20	-	-	-	-	-	-	-	-	-	20	20	2	40	
	W7	WIG	Interns	CV Writing	-	54	-	-	-	-	-	-	-	49	-	-	103	103	1	103	
	W7	WIG	Interns	Interview Skills	-	-	-	-	-	-	-	-	-	17	-	-	17	17	1	17	
	W7	WIG	Interns	Teamwork and Problem Solving	-	-	-	-	-	-	35	-	23	-	-	-	58	58	1	58	
	W7	WIG	Interns	Outcomes and Outputs	-	46	-	-	-	-	-	-	-	-	-	-	46	46	1	46	
	W7	WIG	Interns	Communication Skills/ICT	-	124	-	-	-	-	-	-	-	-	-	-	124	124	1	124	
	W7	WIG	Interns	Costing Process	-	44	-	-	-	-	-	-	-	-	-	-	44	44	1	44	
	W7	WIG	Interns	Teamwork	-	65	-	-	-	-	-	-	-	-	-	-	65	65	1	65	
	W7	WIG	Interns	Budget Training	-	59	-	-	-	-	-	-	-	-	-	-	59	59	1	59	
W7	WIG	Interns	Problem Solving	-	52	-	-	-	-	-	-	-	-	-	-	52	52	1	52		
W7	WIG	Interns	Presentation Skills	-	154	-	-	-	-	-	-	-	-	-	-	154	154	1	154		
W7	WIG	Interns	Procurement Processes	-	37	-	-	-	-	-	-	-	-	-	-	37	37	1	37		
Mar-13	W7	WIG	Interns	Interview Tips	-	54	-	-	-	-	-	-	-	-	-	-	54	54	1	54	
	W7	WIG	Interns	Civil Service Recruitment Process	-	167	-	-	-	-	-	-	-	-	-	-	167	167	1	167	
	W7	WIG	Interns	Communication Skills	-	43	-	20	-	-	18	-	-	-	-	-	81	81	1	81	
	W7	WIG	Interns	Good Governance & Accountability	-	38	-	-	-	-	27	-	-	-	-	-	65	65	1	65	
	W7	WIG	Interns	Operating Systems	-	-	-	-	-	-	15	-	-	-	-	-	15	15	1	15	
	W7	WIG	Interns	Reporting	-	-	-	-	-	-	18	-	-	-	-	-	18	18	1	18	
	W7	WIG	Interns	Windows Installation	-	-	-	-	-	-	33	-	-	-	-	-	33	33	1	33	
W7	WIG	Interns	Fulbright Scholarship	-	-	-	-	-	-	10	-	-	-	-	-	10	10	1	10		
<b>Women in Government Sub-Total</b>					<b>-</b>	<b>1,330</b>	<b>-</b>	<b>79</b>	<b>-</b>	<b>10</b>	<b>317</b>	<b>-</b>	<b>169</b>	<b>-</b>	<b>10</b>	<b>1,895</b>	<b>1,905</b>	<b>39</b>	<b>2,136</b>		
<b>Grand-Total</b>					<b>717</b>	<b>1,404</b>	<b>6</b>	<b>79</b>	<b>3</b>	<b>-</b>	<b>10</b>	<b>317</b>	<b>-</b>	<b>169</b>	<b>3</b>	<b>739</b>	<b>1,969</b>	<b>2,708</b>	<b>57</b>	<b>3,305</b>	

## Q2 Counterpart Meetings

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### January through March 2013 Counterpart Meetings

#### Counterpart Meetings

- 14** meeting with Non-Tax Revenue GIRoA counterparts and stakeholders.
- 95** meetings with Program Budget GIRoA counterparts and stakeholders.
- 15** meetings with Provincial Budget GIRoA counterparts and stakeholders.
- 20** meetings with Tax Administration GIRoA counterparts and stakeholders.
- 05** meetings with RRD GIRoA counterparts and stakeholders.
- 80** meetings with Women in Government GIRoA counterparts and stakeholders.

To view additional meetings and training details, click [here](#) to access the data on the portal.

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#### *Dedicated to Economic Growth*

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