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QUARTERLY PROGRESS REPORT

April – June 2012



Stakeholders' Consultation on Public Procurement Regime in Pakistan

Assessment and Strengthening Program Rural Support Programmes Network (ASP – RSPN)

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Acronyms

ACBP	Awardees Capacity Building Plan
AJK	Azad Jammu Kashmir
AiD	Associates in Development
ASP	Assessment and Strengthening Program
CB	Capacity Building
CDCP	Citizens Damage Compensation Program
CDWP	Central Development Working Party
CGA	Controller General of Accounts
COP	Chief of Party
CPO	Central Program Office
CSOs	Civil Society Organizations
ECNEC	Executive Committee of National Economic Council
DCOP	Deputy Chief of Party
GOP	Government of Pakistan
GOS	Government of Sindh
HSA	Health Services Academy
IDS	Innovative Development Strategies
KP	Khyber Pakhtunkhwa
LUMS	Lahore University of Management Sciences
MER	Monitoring, Evaluation and Research
MSDP	Municipal Service Delivery Program
NADRA	National Database and Registration Authority
NRSP	National Rural Support Programme
NSPP	National School of Public Policy
NIM	National Institute of Management
PaRRSA	Provincial Reconstruction, Rehabilitation and Settlement Authority
PD	Provincial Director
PDMA	Provincial Disaster Management Authority
PMP	Performance Management Plan
PPO	Provincial Program Office
PIM	Pakistan Institute of Management
PPRA	Public Procurement Regulatory Authority
QPR	Quarterly Performance Report
RFA	Revolving Fund Account
RSPN	Rural Support Programmes Network
SBEP	Sindh Basic Education Program
SMEDA	Small and Medium Enterprise Development Authority
SWG	Strategic Working Group
TPV	Third Party Validation
USAID	United States Agency for International Development

Executive Summary

This quarterly progress report covers the activities and achievements of USAID funded Assessment & Strengthening Program (ASP) of the Rural Support Program Network (RSPN) from 01 April 2012 to 30 June 2012. During the reporting period, ASP-RSPN built strategic partnership with the National School of Public Policy (NSPP), convened National Stakeholders' Consultation on Public Procurement Regulatory Regime, embarked on a year- long capacity building partnership with PDMA/PARRSA, and launched a national level study to development Public Financial Management Assessment Framework for Pakistan. The project continued its discussions with the federal and provincial governments on reform initiatives and looked for building new partnerships with federal and provincial governments.

ASP-RSPN moved ahead on four strategically important capacity-building assignments with the federal government institutions including the Auditor General of Pakistan (AGP), Controller General of Accounts (CGA), Secretariat Training Institute (STI) and Health Services Academy (HSA). ASP is supporting the AGP in the needs assessment exercise aimed at a long-term strategic plan for the next five years. ASP-RSPN helped the Health Services Academy (HSA) in redesigning and implementing a robust financial management system in phase I; and now going ahead a second-generation intervention covering other areas of governance. ASP-RSPN is currently working on a concept paper for the institutional strengthening of the Controller General of Accounts (CGA). Similarly, the Secretariat Training Institute has asked for ASP's support in curriculum redesigning and IT related institutional support. Both these interventions will be executed during the coming quarter.

In Khyber Pakhtunkhwa, the reform initiatives of the provincial government have opened up new avenues of collaboration between ASP-RSPN and GO-KP. The capacity building initiatives achieved significant progress during the reporting quarter. ASP-RSPN deployed a team of experts to assist the PDMA-PaRRSA to streamline their business processes as per USAID management standards. The on-job technical assistance phase is currently going ahead smoothly. The Finance Department of KP and ASP-RSPN jointly convened a donors' consultation conference on the reforms program of the provincial government. The meeting highlighted ASP-RSPN's commitment to take forward the agenda in coordination with development partners.

During the reporting quarter, ASP-RSPN entered into formal negotiations with Finance Department to take up the following assignments.

- 1) Establishment of Internal Audit function in all line departments of GOKP
- 2) Initiation of Strategic Planning process in all departments of KP government; and
- 3) Institutional strengthening of the Provincial Public Accounts Committee

4) Institutional Infrastructure development of PPRA in KP

In Sindh, ASP-RSPN geared up its efforts to accelerate work on its two on-going assignments i.e. MSP and SBEP. The CB plans for ‘on-the-job technical assistance’ phase of Municipal Services Program (MSP) Sindh and Sindh Basic Education Program (SBEP) are under process. The implementation will start with the establishment of PMU and the formal approval of PC-I by the ECNEC. ASP-RSPN CPO and provincial offices are also providing technical support to the Health Department of the GoS in PC-I formulation for Jacobabad District Hospital.

In Balochistan, the focus has been to strengthen Balochistan PPRA. The CB plan is being developed and shared with USAID for approval. PPO Balochistan is engaged in advocacy for institutional strengthening in key areas. PPO Balochistan ensured policy level participation of provincial officials in important workshops under ASP-RSPN auspices and contributed in research assignments.

The Provincial office of ASP-RSPN in Punjab has coordinated efforts to initiate capacity building of SMEDA and ‘*Aik Hunar Aik Nagar*’ (AAHAN) project of the Ministry of Production. The capacity-building plan of SMEDA is being developed and will be shared with USAID for approval.

ASP-RSPN carried on its assistance to the Citizens’ Damage Compensation Program (CDCP) through Third Party Validation (TPV). In Balochistan, cases categorized as “Not Found” were processed while in Gilgit-Baltistan a re-survey was conducted in one district. Work in two districts of Balochistan and one re-validation of district Ghizer in GB were successfully completed and results handed over to NADRA.

Under the research component, research studies initiated earlier during the year were further refined with the help of technical experts. ASP-RSPN has finalized the draft research report on GOP Project Design, Approval and Implementation Cycle and Project Management Unit (PMU). ASP-RSPN shared recommendations with key policy makers in the Planning Commission to have an in depth analysis before formal presentation to the government. ASP-RSPN has also planned to hold strategic level consultations with the concerned GOP departments, ministries and officials to disseminate research recommendations.

ASP-RSPN’s interventions, mostly focused towards the GoP sector, experienced operational delays in certain cases which hindered the timely execution of planned program activities. ECNEC’s approval of the PC-Is developed for USAID funded MSDP Sindh and SBEP is still awaited (expected in the next quarter), which will be followed by on-the-job technical assistance for both programs through ASP-RSPN. The number of assignments initiated/completed under all components of the program is also completely dependent upon their timely intimation from USAID.

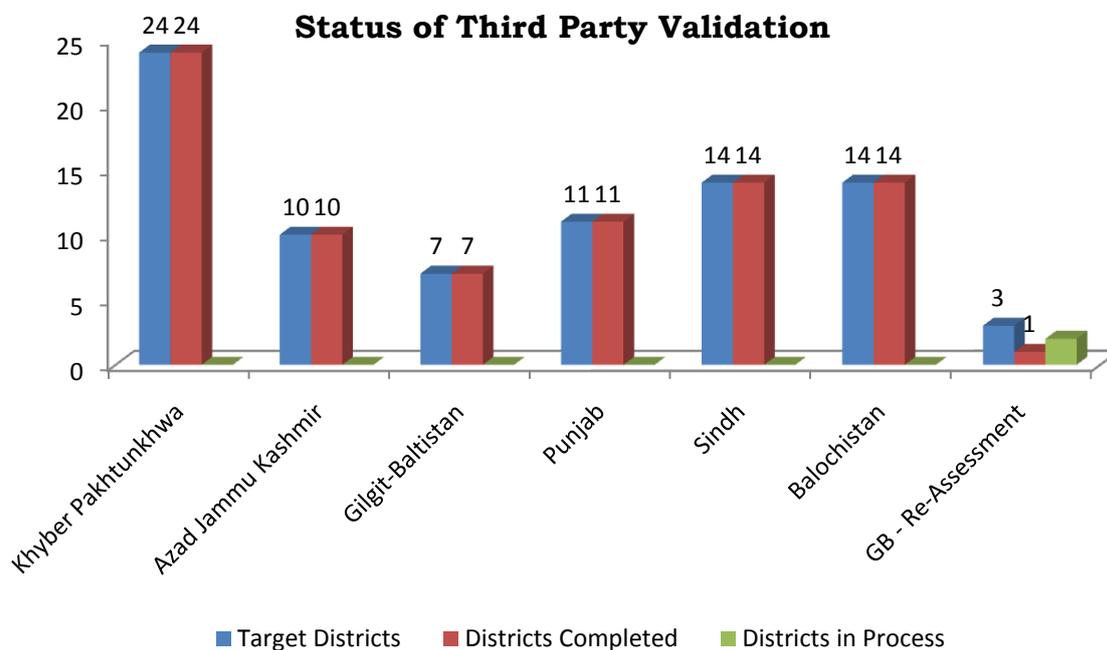
1. PROGRAM ACHIEVEMENTS

In the third quarter of the second year, ASP-RSPN geared up its activities with a number of assignments under four program components. ASP-RSPN while targeting various sectors in GoP having high significance like strengthening procurement regulations, internal audit functions, public sector training institutions etc is aiming to achieve tangible and long term results. The 4th quarter (Jul – Sep 2012) will be of vital importance in this regard. The following section details the program achievement under each component:

1.1. PRE-AWARD ASSESSMENTS, TPV VALIDATION OF THE CDCP PROGRAM

Third Party Validation (TPV) of Citizen Damage Compensation Program (CDCP) continued the major assignment under the Pre-Awards.

CDCP is a National level Cash-Grant Program of the Government of Pakistan for the recovery and rehabilitation of the flood affected people in all four provinces including Gilgit-Baltistan and Azad Jammu and Kashmir (AJK).



The Government of Pakistan commissioned Third Party Validation (TPV) of CDCP survey to ASP-RSPN in order to determine the accuracy of the data compiled by the provincial and district governments. During the reporting quarter, under TPV the ASP-RSPN completed assessments of two (2) districts in Balochistan during the period. The survey teams revisited not found houses of Kohlu and Naseerabad. In addition, one re-survey exercise of Ghizer district was also completed. The results of Ghizer district were shared with NADRA during June 2012. New lists of District

Ghanchay and Diamir are still awaited. The total number of assessments conducted as of June 30, 2012 is 81 (80 districts during the Phase-I and 1 district in the Phase-II of the TPV exercise. List attached as [Annex-I](#).

During the quarter under report, no fresh pre-award assessments were assigned. However, ten new assignments will be initiated during the last quarter of 2012 reporting year.

1.2. INSTITUTIONAL CAPACITY BUILDING, ON THE JOB TECHNICAL ASSISTANCE & NEW STRATEGIC INTERVENTIONS

During the reporting period, ASP-RSPN continued its work on the on-going capacity building initiatives. At present, ASP-RSPN is working on 17 capacity building assignments across the country. Four new assignments were taken up during the quarter. Tangible progress has been reported on the on-going assignments.

Phase-II of the Capacity Building Plan of Municipal Services Delivery Program (MSDP), Sindh has been completed. Development of the operational manuals stands completed.

PC-I of Sindh Basic Education Program (SBEP) has been approved by the CDWP and Anticipatory Approval granted by the ECNEC.

Institutional Capacity Building

The component focuses on the improvement of policies and procedures of the recipient organizations to achieve specific institutional development objectives and tangible outcomes. To make local organizations utilize USG and other donors' funds efficiently and effectively, ASP addresses these gaps by implementing organization specific capacity development plans.

Capacity building process was initiated for the following institutions during the reporting period.

- Provincial Reconstruction, Rehabilitation and Settlement Authority (PaRRSA),
- Establishment of Internal Audit function in GOKP,
- Health Services Academy (HSA) and
- DHQ Hospital Jacobabad – Health Department GoS

The new assignments under the post-obligation capacity building initiatives include;

- PPRA-KP, Auditor General of Pakistan (AGP)
- Secretariat Training Institute (STI),
- Command Area Development Project of Gomal Zam Dam - Agriculture Department KP.

1.2.1 Municipal Services Program, Sindh

ASP-RSPN is providing capacity development assistance to USAID funded USD 76.65 million Municipal Services Program of the Government of Sindh. The ECNEC has granted Anticipatory Approval to the MSP project.

ASP-RSPN completed Phase-II activities, which includes the submission and finalisation of five (5) documents i.e. Needs Assessment Framework and Financial Management, Procurement, Human Resource/Admin and M&E manuals to USAID and government of Sindh (GoS). The revised policies and procedural manuals will be discussed during the upcoming Project Steering Committee meeting. A comprehensive work plan for Phase-III has been finalized and the on job technical assistance phase will be commenced after the establishment of PMU.

1.2.2 Sindh Basic Education Program

Sindh Basic Education Program is a US\$ 155 million program of the Government of Sindh with financial assistance of USAID. The program aims to increase primary enrolment in the province. The integrated program covers institutional issues of low literacy rate in rural Sindh. On USAID direction, ASP-RSPN developed the PC-I document of the project during Phase-I of the Capacity Building plan.

The project has been approved by the CDWP of the Planning Commission. Subsequently, capacity building phase of the project will be started after the establishment of the PMU. In the meantime, ASP-RSPN finalised four manuals on HR/Administration, M&E, Procurement and Financial Management and submitted for GoS approval. ASP-RSPN also finalized the work plan mainly focussing on technical assistance activities.

1.2.3 Public Procurement Regulatory Authorities (PPRAs)

Stakeholders Consultation on Public Procurement Regulatory Regime in Pakistan April 19, 2012

ASP-RSPN hosted a one-day consultative workshop, titled “Stakeholders’ Consultation on Public Procurement Regulatory Regime in Pakistan”. The workshop provided an opportunity to create



ASP-RSPN: Quarterly Program Performance Report | Fig 1: Mr. Terry N. Woods from ADB presenting during the workshop

efficacious partnerships, for the establishment of robust PPRAs at the provincial level. The workshop evolved a consensus through key stakeholder consultation to create a strategy for strengthening the procurement system in the country.

The forum agreed on various initiatives including, creation of linkages and collaborative mechanisms for providing support to strengthen the public procurement system at the federal and provincial levels. Other recommendations included establishment of procurement cadre in public sector organizations; continued donor assistance; collaboration with universities for capacity building of officials and the requirement of standardization and harmonization of procurement system in the country.

The stakeholders also agreed to establish a working group, comprising of stakeholders' i.e., federal and provincial governments, development partners and ASP-RSPN for formulation and implementation of an effective "National Procurement Strategy".

Strengthening of Provincial PPRAs

To take forward the recommendations of the Stakeholders' Consultation on PPRA, ASP-RSPN convened meetings with provincial government and extended its support in strengthening the PPRA institutions. We are pleased to report that all four PPRAs have approved ASP's capacity building initiatives.

KP PPRA

Initially, ASP-RSPN will focus on PPRA-KP where Public Procurement of Goods, Works & Services Bill, 2010 has already presented to the Provincial Assembly for approval. A detailed Capacity Building Plan with Finance Department of KP's inputs has been developed covering relevant aspects.



Fig 2: Mr. Khalid Mehmood Lodhi, Director Federal PPRA presenting during the workshop

Sindh PPRA

The draft CB plan of Sindh PPRA has been developed and shared with GOS for review. The plan focuses on the development of M&E System, capacity building of all departments, establishment of procurement cadre and linking Sindh PPRA with PIFRA.

Balochistan PPRA

The Government of Baluchistan has formally requested ASP to support Baluchistan PPRA. A capacity building plan is being developed by ASP.

1.2.4 Provincial Reconstruction, Rehabilitation, Settlement Authority (PaRRSA)

The Capacity building assignment of PaRRSA has been initiated during the last quarter. Initial assistance was extended to complete post-project review of Khwaza Khela Bridge project; also technical assistance was provided in revising procedures for the recruitment & selection procedures, time sheet templates, JDs and invoice templates for PaRRSA during Phase-I.

For phase II, a dedicated team of experts is now working with their counterparts in PaRRSA. In this regard, an introductory meeting was held on June 15th, 2012 chaired by the Secretary Department of Relief, Rehabilitation and Settlement KP. A draft work plan developed by the team was presented for approval.

1.2.5 Health Services Academy (HSA)

The capacity building of Health Services Academy is another strategic capacity building intervention of ASP-RSPN. The pre-award assessment indicated that the Academy required assistance in the formulation of policies and procedures, preparation of financial statements on a regular basis, lack of adequate human resource personnel in the finance department, internal audit, usage of latest accounting software and preparation of bank reconciliation statement. During Phase-I, technical assistance was given in the preparation of bank reconciliation statements, financial reports, recruitment of additional staff, redesigning of the organogram and training of the finance team in using the accounting software Peachtree.

The second phase includes i.e. development of policies and procedures, HR/Admin, M&E, Procurement and Internal Audit manuals. Based on CB plan, a consultant firm has been hired to facilitate the process.

1.2.6 Small and Medium Enterprises Development Authority (SMEDA)

SMEDA an autonomous body under the SMEDA Ordinance 2002, is attached with the Ministry of Industries and Production. SMEDA has been promoting enabling environment and providing services to small and medium enterprises. These diverse interventions had a positive impact on the market dynamics and small business enterprises.

ASP-RSPN developed a capacity building plan during the last quarter. Based on discussions with SMEDA, the plan has been revised and shared with USAID and SMEDA. Major areas of capacity development and institutional strengthening have now been identified. These include HR management, M&E, Financial Management and Procurement systems.

An entrance meeting is planned in July to kick off the assignment. ASP-RSPN will also be providing necessary equipment to support the capacity building plan.

1.2.7 Internal Audit KP

ASP-RSPN is providing support to the Finance Department of the KP province in institutionalizing the Internal Audit system in the province. ASP-RSPN will provide complementary technical support under its capacity-building program to FD KP. This strategic support to the government is aimed to provide immediate support to conduct internal audit in line with the approved charter and further build the capacity of the government officials in internal audit implementation. Several meetings were held with Finance Department and Reforms Management Unit of Oxford Policy Management (OPM) in this regard. The meeting discussed the implementation plan in detail and the way forward towards achieving the desired output.

1.2.8 Auditor General of Pakistan

Capacity building support to Auditor General of Pakistan has been a significant initiative taken during the reporting quarter. USAID has agreed to provide assistance of USD 265 million to AGP during the coming years. The key objective of ASP-RSPN support for AGP is to ensure sustained development of core skills and capabilities while delivering its mandate effectively. The assignment consists of two main components:

- (i) Development of a strategic plan consisting of needs assessment and preparation of plan,
- (ii) Development of a program document.

During the reporting period, two Steering Committees were constituted by the AGP to oversee the progress on above mentioned tasks. ASP-RSPN proposed TORs of the two committees and a panel of names of consultants to AGP for approval. The capacity-building plan has been developed and shared with the steering committees.

1.2.9 Secretariat Training Institute (STI)

Capacity building of Secretariat Training Institute (STI) is another important initiative on which progress was made during the last quarter. ASP-RSPN is providing assistance in the review of curriculum, content development, support in training delivery and design, IT and hardware/infrastructure support.

The assistance also focuses on a possible collaboration with STI for dissemination of ASP-RSPN research findings and recommendations. In this regard, a comprehensive capacity building plan has already been submitted to USAID for approval.

1.2.10 Health Department Government of Sindh – DHQ Jacobabad

ASP-RSPN during the first phase of capacity building is developing a PC-I for the project. A team of experts has developed the PC-I document and submitted the same for the approval of USAID and Government of Sindh.

1.2.11 Agriculture Department (KP) – Gomal Zam Dam Command Area Development

The capacity building assignment of the Command Area Development Project of Gomal Zam Dam - Agriculture department (KP) has been assigned by USAID to ASP-RSPN. A project funding of US\$ 91 million has been allocated for the project. Approximately, 163,000 acres of land will be cultivated through the project. During the current year, ASP-RSPN will be executing the Phase-I of the capacity building plan. ASP-RSPN with the help of technical consultants is in the process of developing the PC-I.

1.2.12 Possible Capacity Building Assignments

ASP-RSPN has initiated discussion with the government and USAID to take up the following assignments during the coming quarter:

- Controller General of Accounts (CGA)
- Pakistan Institute of Parliamentary Studies (PIPS)
- Interflow Communications
- Aik Hunar Aik Nagar (AHAN)

1.3. VALIDATION

Periodic validation of USAID supported organizations is another major area of the ASP-RSPN components. The first assignment was taken up related to Trust for Democratic Education and Accountability (TDEA). TDEA is a national level non-profit organization. The organization has utilized USAID resources. ASP-RSPN contracted a CPA firm for conducting the organization's re-assessment/validation exercise based on the approved framework. The validation report has been finalized during the current quarter after the incorporation of views of all stakeholders. The report has been submitted to the USAID and TDEA management.

*The **validation** process aims to target four specific objectives. Firstly, ensure continued compliance with standards and procedures identified by the USAID/ASP. Secondly, categorize GOP and For-Profits entities for capacity building and CSOs for further capacity building. Thirdly, refer CSOs, For-Profits and GOP for capacity building, when gaps are identified. Fourthly, develop benchmarks for graduation from annual validation.*

1.4. RESEARCH LEADING TO POLICY CHANGE INITIATED

ASP-RSPN envisions a 'research to policy' approach. Four Research topics were selected during the current year. The research areas were related to financial management and development planning & management. The topics are:

- Revolving Fund Account/Assignment Account
- Streamlining Project Management Units
- Project Design, Approval and Implementation Cycle
- Development of Public Financial Management (PFM) Assessment Framework.

***Research** component deals with setting up of research agenda specifically in Financial Management, Procurement Management and Administrative Management. ASP will work on compilation of a compendium of Federal and Provincial Governments important manuals, rules and regulations on development projects and donors funded programs in order to bring clarity for the implementation agencies and also identify gaps in these rules and procedures.*

ASP-RSPN is simultaneously building strategic partnerships with relevant entities/institutions that can play a vital role in influencing the decision makers to adopt research recommendations.

The following section explains the progress achieved on the individual research areas under implementation:

1.4.1. Revolving Fund Account (RFA) / Assignment Account

The report presents recommendations inter-alia for improving the procedures related to opening and handling of Assignment Account or RFA Account. The report was shared with the Federal Minister for Finance, who duly acknowledged the report as a valuable resource and appreciated the efforts of ASP-RSPN.

1.4.2. Project Management (PMU) and GOP Project Cycle

The initial drafts of the research reports on both PMU and GOP Project Cycle have been prepared. An internal committee is currently reviewing the findings and recommendations. The review is underway on both the reports and the finalized version will be shared with the government and USAID during the next quarter.

1.4.3. Public Financial Management Framework (PFM)

Successful development of institutions depends, in a large measure, on the efficiency, integrity, and effectiveness with which the Government raises, manages and expends public resources. Public Finance Management (PFM) constitutes an essential element of an effective governance process. The main pillars of PFM continuum includes resource mobilization and distribution, budgetary process, management of resources, exercising controls, expenditure management and legislative oversight.

ASP-RSPN initiated the study to develop a country - specific Public Financial Management Assessment Framework focusing on institutional performance in the PFM cycle. The study intends to focus on a framework that may be gainfully utilized by the federal and provincial governments, in order to assess the efficacy of governance processes.

The research assignment was formally launched during the reporting quarter with USAID's approval. A team of experts was constituted and detailed meetings were held between USAID, ASP and the team. The technical team is headed by Mr. Nawid Ahsan, former Secretary General Finance, Government of Pakistan.

In June, the draft 'Inception Report' detailing all phases of the assignment was submitted for approval. The draft framework is being developed by the team and is expected to be prepared by the end of July 2012.

In order to ensure the ownership of the Government departments, ASP-RSPN also requested federal and provincial departments to nominate focal persons to provide technical inputs on the draft framework. ASP-RSPN is coordinating with the Ministry of Finance, Economic Affairs Division, Auditor General of Pakistan,

Controller General of Accounts, Provincial Departments of Finance and Provincial Auditor General Offices in this regard.

ASP-RSPN is also planning to convene a Stakeholder's Consultation Conference on PFM Assessment Framework at the National School of Public Policy (NSPP) Lahore in early July.

1.5. AWARDEES CAPACITY BUILDING

1.5.1 Workshop on Effective Report Writing

ASP-RSPN organized a two-day workshop on effective report writing, from 8-9 June 2012 at Bhurbhan. The aim of the workshop was to enhance participants' skills in report writing and enable them to convey information in this format effectively. Participants were drawn largely from ASP, RSPN and NRSP staff, from across the country, but there were also a number of government officials and representatives from implementing partners. The facilitator was Dr. Iffat Idris.



Fig 3: Participants of the Report writing skills Training



Fig 4: Group work in Report writing skills Training

The workshop was divided into eight sessions, conducted over two days. The sessions covered different aspects of report writing, beginning with an assessment of the importance of report writing. This was followed by sessions on planning and structure, writing style and proper referencing, and use of secondary data. Day two of the workshop covered tools to enhance readability, text boxes and case studies, PowerPoint presentations and report dissemination.

1.5.2 Procurement of SAP ERP System

The institutional infrastructural development of the USAID Awardees is part of the overall capacity building program of ASP. During the quarter, the deployment of SAP ERP in RSPN has been completed. The required equipment and software has been installed and is functioning smoothly. Similarly, hardware procurement and deployment of HR-MIS in NRSP has also been completed.

1.5.3 Development of Manuals for Awardees

The HR, M&E, Financial management, internal audit and IT manuals for RSPN and NRSP are being developed under the Awardees Capacity Building Plan. Draft versions of the manuals have also been shared with RSPN and NRSP for their comments. The exercise is expected to end during the coming quarter.

1.5.4 Awardees Training Program

ASP-RSPN facilitated the successful completion of trainings of individuals from ASP-RSPN, RSPN, NRSP and other USAID implementing partners through ASP-LUMS in the areas of M&E, Procurement, Financial Management and Human resource management. The following table shows a summary of the individuals completing trainings in the reporting period. The details are attached as [Annex-II](#).

Training Area	# of individuals		
	USAID IPs	ASP/RSPN/NRSP	Total
Monitoring & Evaluation	13	10	23
Financial Management	14	9	23
HR & Administration	28	11	39
Procurement Management	29	6	35
Grand Total	84	36	120

2. PROGRAM SUPPORT ACTIVITIES

This section outlines the operational progress during the reporting period of April to June 2012. These activities indirectly contribute towards achieving the program intermediate and sub-intermediate results. The details of the activities undertaken are as under:

2.1. SWG Meetings

Two Strategic Working Group (SWG) meetings were held during the quarter. The meetings reviewed the overall progress of each partner. USAID representatives and ASP partners attended the meetings. Record of the proceedings is being maintained.

2.2. Work plan for Year II and Annual Performance Report

ASP-RSPN submitted the revised Work Plan, after incorporating the new assignments received under the capacity-building component in the second quarter

of 2012. The revised PMP has also been submitted to USAID for approval in line with the updated work plan.

2.3. Memorandum of Understanding between NSPP and ASP-RSPN

The National School of Public Policy (NSPP) and ASP-RSPN signed a Memorandum of Understanding to take forward the Institutional Reform Policy discourse jointly from NSPP platform. NSPP also agreed to conduct training of government officers with the help of its constituent bodies at the provincial level. A formal signature ceremony was held on 6th April 2012. Mr. Tedd Gehr USAID's Regional Director, Ms. Elizabeth Palmer Controller Finance USAID, Mr. Mr. Ismail Qureshi Rector NSPP, Mr. Ejaz Rahim and Mr. Khalid Khan from ASP also attended the ceremony.



Fig 5: April 06, 2012 – MoU signing ceremony between NSPP and ASP-RSPN

2.4. Conference on Development Partners Feedback on Internal Audit in KP

The Government of Khyber Pakhtunkhwa has embarked upon a Provincial Reforms Programme (PRP) to improve the service delivery and governance in the province. ASP-RSPN and Finance Department convened a donors' coordination meeting jointly. The participants of the meeting included representatives from the World Bank (WB), United States Agency for International Development (USAID), European Union (EU), Department for International Development (DFID) and the German Society of International Cooperation (GIZ).



Fig 5: June 22, 2012 – Donors' Conference on Internal Audit KP at Islamabad

The meeting reviewed KP government's initiatives, with respect to internal audit. The Additional Secretary Finance, KP requested the development partners to provide assistance to the KP government in resolving their major challenges, e.g.

the lack of capacity building initiatives in place. In response, the development partners agreed to provide continuous support to the Finance Department of the Government of Khyber-Pakhtunkhwa.

ASP-RSPN assured the provincial government to provide support to the reform program.

2.5. Issues / Challenges faced during the quarter

Following are some of the major challenges faced during the reporting quarter.

- Delayed final approvals from government of the developed PC-Is (i.e. MSP and SEP) hinder the initiation of the On-the-job technical assistance component to the beneficiary projects/institutions
- Frequent transfers of key government officials affects the implementation of planned activities

3. Progress on Performance Indicators

The following table presents the progress on performance indicators till the period ending June 2012:

Indicator	Targets as of Sep 2012	Completed as of Jun 2012	In Process	Notes/Beneficiary Organizations
1.1 Number of implementing partners who have received training or technical assistance	12	2	10	Completed Pre-Obligation of MSP & SEP In Process 10 GoP institutions or USAID IPs
1.2 Number of policy reforms recommended for improvement of policies, procedures and systems and leading to another program/initiative	4	1	3	Completed Assignment Account In Process GoP Project Cycle PMUs Public Financial Management
2.1 Number of assessed potential USAID partners with improved implementation of USAID standards	1	0	1	In Process Trust for Democratic Education and Accountability (TDEA)
3.1 Awardees capacity building plans implemented	3	1	2	Completed ASP-RSPN In Process RSPN NRSP

Indicator	Targets as of Sep 2012	Completed as of Jun 2012	In Process	Notes/Beneficiary Organizations
1.1.1 Number of assessments conducted	88	86	2	<p>Completed 80 districts under Phase-I of TPV 1 district under Phase-II of TPV 5 Pre-Award Assessments</p> <p>In Process 2 districts under Phase-II of TPV</p>
1.2.1 Number of USG-supported capacity building plans developed to strengthen the institutional capacity of implementing partners	16	7	9	<p>Completed Pre-Obligation of MSP & SEP PaRRSA, SMEDA, HSA, Internal Audit KP & Agri Deptt KP-Phase-I</p> <p>In Process AGP, STI, Health Dept Sindh & CGA Interflow & Teachers Resource Center PPRA-KP PPRA-Sindh PPRA-Balochistan</p>
1.2.2 Number of USG-supported capacity building plans executed to strengthen the institutional capacity of implementing partners	4	2	2	<p>Completed Pre-Obligation of MSP & SEP</p> <p>In Process Agriculture Department KP – Phase I Health Department Sindh – Jacobabad Hospital</p>
1.2.3 Number of USG-supported capacity building initiatives executed to strengthen the institutional capacity of implementing partners	55	22	33	<p>Completed MSP Sindh = 7, SEP = 5, PaRRSA = 5 and HSA = 5</p> <p>In Process MSP Sindh = 7, PaRRSA = 4, HSA = 5, Internal Audit KP = 5, AGP = 3, STI = 4, PPRA-KP = 3, Health Dept. Sindh = 1 and Agriculture Dept. KP = 1</p>
1.3.1 Number of research studies aimed at enhancing institutional capacity/ policies & procedures completed with USG assistance	4	1	3	<p>Completed Assignment Account</p> <p>In Process GoP Project Cycle PMUs Public Financial Management</p>

Indicator	Targets as of Sep 2012	Completed as of Jun 2012	In Process	Notes/Beneficiary Organizations
1.3.2 Number of success stories, case studies and research papers produced	6	3	3	Completed 2 TPV and 1 Assignment A/c In Process 1 on HSA and 2 others
1.3.3 Number of policy reform advocacy workshops conducted through USG assistance	4	2	2	Completed 1 with PFM working group on Assignment A/c 1 workshop on PPRAs In Process 1 Workshop on PFM & 1 other
1.4.1 Number of training programs developed through USG assistance for effective utilization of USG resources	63	25	38	Completed 2 for TPV, MSP Sindh = 4, SEP = 4, PaRRSA = 4, HSA = 5, SMEDA = 4 and Internal Audit KP = 2 In Process PPRA-KP = 6, PPRA-Sindh = 4, PPRA-Balochistan = 4, Health Dept. Sindh = 2, STI = 7, Interflow = 4, Teachers Resource Center = 4 and General Trainings = 7
1.4.2 Number of trainings conducted through USG assistance for effective utilization of USG resources	20	2	18	Completed 2 for TPV In Process PaRRSA = 4, HSA = 5, STI = 2 and General Trainings = 7
1.4.3 Number of participants receiving training for effective utilization of USG resources	450	220	230	Completed 220 for TPV In Process PaRRSA = 20, HSA = 25, STI = 10 and General Trainings = 175
2.1.1 Number of validations completed to re-assess level of institutional capacity for effective utilization of USG resources as a result of USG investments	1	0	1	In Process Trust for Democratic Education and Accountability (TDEA)
3.1.1 Awardees capacity building plans developed	3	1	2	Completed ASP-RSPN, RSPN and NRSP

Indicator	Targets as of Sep 2012	Completed as of Jun 2012	In Process	Notes/Beneficiary Organizations
3.1.2 Number of capacity development initiatives undertaken by awardees including training for effective management of their respective programs	35	13	22	<p><u>Completed</u> 8 Trainings, 2 manuals, 1 SAP-B1 implementation and 1 NRSP h/w deployment</p> <p><u>In Process</u> 8 manuals, 10 trainings on manuals, 3 other trainings and 1 development of MIS for RSPN</p>

4. FINANCIAL PROGRESS AS OF JUNE 30, 2012

Amounts in US \$

ACTIVITY	APPROVED BUDGET	Expenditure till March 2012	Expenditure Apr-Jun 2012	CUMULATIVE TOTAL	REMAINING BUDGET
<i>Budget Line Items</i>					
Salaries and wages	3,227,660	504,266	121,729	625,996	2,601,665
Fringe Benefits	910,222	127,049	45,699	172,748	737,474
Travel and Transportation	379,783	17,666	816	18,482	361,301
Equipment	69,228	70,075	-	70,075	(847)
Supplies	75,196	59,142	494	59,636	15,560
Contractual	6,146,637	382,729	33,568	416,297	5,730,340
Pre-Award Assessments	1,833,514	340,282	6,596	346,878	1,486,637
Institutional Capacity Building	3,606,692	28,002	24,097	52,099	3,554,593
Annual Validation	449,000	-	1,099	1,099	447,901
Recurrent Operational Costs	257,430	14,445	1,776	16,221	241,209
Other Direct Costs	1,997,663	218,881	104,346	323,227	1,674,436
Research	702,800	27,221	40,287	67,508	635,292
Institutional Development of Awardees	587,817	43,303	35,078	78,381	509,436
Recurrent Operational Costs	707,046	148,357	28,981	177,338	529,708
Sub awards	5,354,577	-	219,640	1,313,223	4,041,354
Total Direct Costs	18,160,965	2,473,392	526,291	2,999,683	15,161,282
Indirect Costs @ 10%	1,816,096	246,954	41,355	288,309	1,527,787
TOTAL	19,977,061	2,720,346	567,646	3,287,992	16,689,069

Annex-I: Names of completed Districts of TPV

#	Regions					
	KP	Punjab	Gilgit Baltistan	AJK	Sindh	Balochistan
1	Shangla	Rahim Yar Khan	Hunza	Hattian Bala	Larkana	Loralai
2	Chitral	Muzaffargarh	Baltistan	Kotli	Dadu	Barkhan
3	Bunner	Sargodha	Gilgit	Muzaffarabad	Ghotki	Zhobe
4	Abotabad	Jhang	Astore	Rawalakot	Shaheed Benazir Abad	Kachi
5	Karak	Khushab	Ghanchay	Neelum	Nowsheroferoze	Harnaie
6	Charsadda	Bhakkar	Diamir	Mirpur	Hyderabad	Dera Bugti
7	Kohat	DGKhan	Ghizer	Haveli	Sukkur	Killa Saifullah
8	DIKhan	Layyah		Bhimber	Thatha	Sherani
9	Lakki Marwat	Mianwali		Bagh*	Qambar Shadad Kot	Musa Khel
10	Malakand*	Rajampur		Sudhnoti	Jamshoro	Sibbi
11	Nowshera	Multan			Shikarpur	Kohlu
12	Lower Dir				Kashmore	Jaffarabad
13	Battagram				Khairpur	Jhal Magsi
14	Peshawar				Jacobabad *	Naseer Abad
15	Upper Dir					
16	Bannu					
17	Haripur					
18	Kohistan*					
19	Mardan					
20	Hangu					
21	Tank					
22	Mansehra					
23	Sawabi*					
24	Swat*					

Annex-II: Trainings completed during Apr – Jun 2012

Monitoring and Evaluation	23
ASP-RSPN	6
National Rural Support Programme (NRSP)	4
Planning and Development Department Baluchistan	1
Provincial Disaster Management Authority Baluchistan	1
Provincial Reconstruction and Rehabilitation Authority Khyber Pakhtunkhwa	3
Reform Support Unit, Education Dept. Sindh/SBEP	7
Small and Medium Enterprise Development Authority	1
Financial Management	23
Agriculture Department Khyber Pakhtunkhwa	1
ASP-RSPN	3
Finance Department Baluchistan (BPPRA)	1
Health Department, Government of Sindh	1
Health Services Academy, Islamabad	1
National Rural Support Programme (NRSP)	6
Planning and Development Department Baluchistan	1
Provincial Reconstruction and Rehabilitation Authority Khyber Pakhtunkhwa	3
Reform Support Unit, Education Dept. Sindh/SBEP	3
Secretariat Training Institute, Establishment Division	1
Small and Medium Enterprise Development Authority	2
HR and Administration	39
Agriculture Department Khyber Pakhtunkhwa	1
ASP-RSPN	9
Finance Department Baluchistan (BPPRA)	1
Health Services Academy, Islamabad	3
Municipal Services Delivery Programme Sindh	1
National Rural Support Programme (NRSP)	2
Planning and Development Department Baluchistan	4
Provincial Disaster Management Authority Baluchistan	1
Provincial Reconstruction and Rehabilitation Authority Khyber Pakhtunkhwa	5
Reform Support Unit, Education Dept. Sindh/SBEP	6
Secretariat Training Institute, Establishment Division	1
Sindh Public Procurement Regulatory Authority	1
Small and Medium Enterprise Development Authority	4
Procurement Management	35
ASP-RSPN	1
Finance Department Baluchistan (BPPRA)	2
Health Services Academy, Islamabad	1
Ministry of Finance PPRA KP	4
National Rural Support Programme (NRSP)	1
Planning and Development Department Baluchistan	2
Provincial Disaster Management Authority Baluchistan	1
Provincial Reconstruction and Rehabilitation Authority Khyber Pakhtunkhwa	8

Reform Support Unit, Education Dept. Sindh/SBEP	6
Rural Support Programmes Network Islamabad (RSPN)	4
Secretariat Training Institute, Establishment Division	3
Sindh Public Procurement Regulatory Authority	2
Grand Total	120

ASP – RSPN
Rural Support Programmes Network (RSPN)
Tel: 051-2114311-3
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