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QUARTERLY PROGRESS REPORT

July – Sep 2012

Public Financial Management
Streamlining Internal Audit
PC-I Development
Public Sector Planning Reforms
Supporting USAID Funded Initiatives
National Procurement Strategy
Strengthening the Legislative Oversight
Developing Business Plans Strategy
Needs Assessment
Strategic Planning
Organizational Systems Development
Policies and Procedures
Linkages and Partnerships

Assessment and Strengthening Program - Rural Support Programmes Network

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Acronyms

AATI	Audit and Accounts Training Institute
ACBP	Awardees Capacity Building Plan
AGP	Auditor General of Pakistan
AJK	Azad Jammu Kashmir
AiD	Associates in Development
ASP	Assessment and Strengthening Program
C&W	Communications and Works
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
DCOP	Deputy Chief of Party
DCO	District Coordination Officer
ECNEC	Executive Committee of National Economic Council
EDB	Engineering Development Board
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
NBP	National Bank of Pakistan
NIM	National Institute of Management
NRSP	National Rural Support Programme
NSPP	National School of Public Policy
PARRSA	Provincial Reconstruction, Rehabilitation and Settlement Authority
PARD	Pakistan Academy for Rural Development
P&D	Planning and Development
PD	Provincial Director
PDMA	Provincial Disaster Management Authority
PFM	Public Financial Management
PIDE	Pakistan Institute of Development Economics
PMP	Performance Management Plan
PMU	Project Management Unit
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
STI	Secretariat Training Institute
SWG	Strategic Working Group
TPV	Third Party Validation
USAID	United States Agency for International Development

Executive Summary

This is the fourth quarterly progress report FY II of the USAID funded Assessment & Strengthening Program – Rural Support Programmes Network (ASP-RSPN). The report covers the period from 01 July 2012 to 30 September 2012.

During the reporting quarter, ASP continued to implement its capacity building interventions with the federal and provincial governments and private sector organizations. One of the major event held during the reporting quarter was the “National Stakeholder’s Conference on Public Sector Training in Pakistan.” The conference was organized in collaboration with the Executive Development Institute (EDI) of the National School for Public Policy (NSPP). The conference deliberated on the issues and challenges in the design, development and delivery of the public sector trainings in Pakistan. Subsequently, a set of recommendation emerged as a result of the proceedings of the conference for effective delivery of trainings.

Furthermore, progress has been made to develop a robust Public Financial Management Assessment Framework for Pakistan. ASP-RSPN organized a series of consultation meetings and conferences to solicit feedback from major stakeholders in the PFM continuum. “The Stakeholder’s Consultation Conference on PFM Assessment Framework”, at the National School of Public Policy (NSPP), provided a platform to the federal and provincial governments in developing a consensus upon the need of a PFM assessment framework at the institutional level . After an in depth research and consultation process, a team of national and international consultants have developed a draft PFM Framework and have shared its key elements during provincial consultation meetings organized by ASP-RSPN. A comprehensive testing exercise has also been envisaged during the first quarter of 2013 to finalize the framework.

Under its Research component, ASP-RSPN completed two research studies: ‘Planning & Development Architecture in Pakistan – A case for Restructuring’ and ‘Streamlining GoP’s Project Management Units (PMU)’ Approach. The two reports highlight policy recommendations for federal and provincial planners to streamline the national planning process in line with international best practices.

Further to this, ASP provided strategic support to the Government of Khyber Pakhtunkhwa (GoKP) in the establishment of an internal audit system in the Province. The required Human Resource (HR) – auditors/ experts have been successfully deployed during the reporting quarter and preliminary work has been initiated. ASP-RSPN is also providing support to the GoKP in the establishment and strengthening of Provincial Public Procurement Regulatory Authority (PPRA). Additionally, technical support was provided to develop a Monitoring & Evaluation Framework to monitor procurement processes.

ASP-RSPN provided support to the Department of Education and Planning & Development Department (P&DD) of the Government of Sindh (GoS) in the development of PC-I (project documents) of Municipal Services Development Program (MSDP) and Sindh Basic Education Program (SBEP). In addition, ASP-RSPN is supporting both the departments in the establishment of Project Management Units (PMUs) and hiring of staff. ASP-RSPN's technical assistance to the Health Department of GoS in PC-I development/formulation of Jacobabad District Hospital has also been successfully launched.

The Third Party Validation (TPV) exercise of the GoP's Citizen's Damage Compensation Program (CDCP) has been completed. ASP has compiled one national and five provincial reports upon the successful completion of this exercise. Upon completion of the activity, ASP-RSPN organized an experience sharing workshop to discuss the findings of the TPV exercise in Sindh. Stakeholders from Provincial Disaster Management Authority (PDMA), District Coordination Officers (DCOs) and representatives of the P&D department attended the workshop.

Furthermore, Pre-Award Assessment of six (06) new entities was completed during the reporting quarter. The five organizations assessed were mainly involved in construction work with USAID. The pre-assessment reports of five institutions and draft assessment report of the National Highway Authority (NHA) has been submitted to USAID for approval.

During the reporting quarter, ASP - RSPN continued its negotiations with two more institutions i.e. Water and Power Development Authority (WAPDA) Staff College and Engineering Development Board (EDB) to initiate its capacity building interventions. Capacity building plan has been developed for Controller General of Accounts (CGA) and submitted to the Steering Committee formed by CGA for review. Capacity building plan of STI has been finalised and approved by USAID.

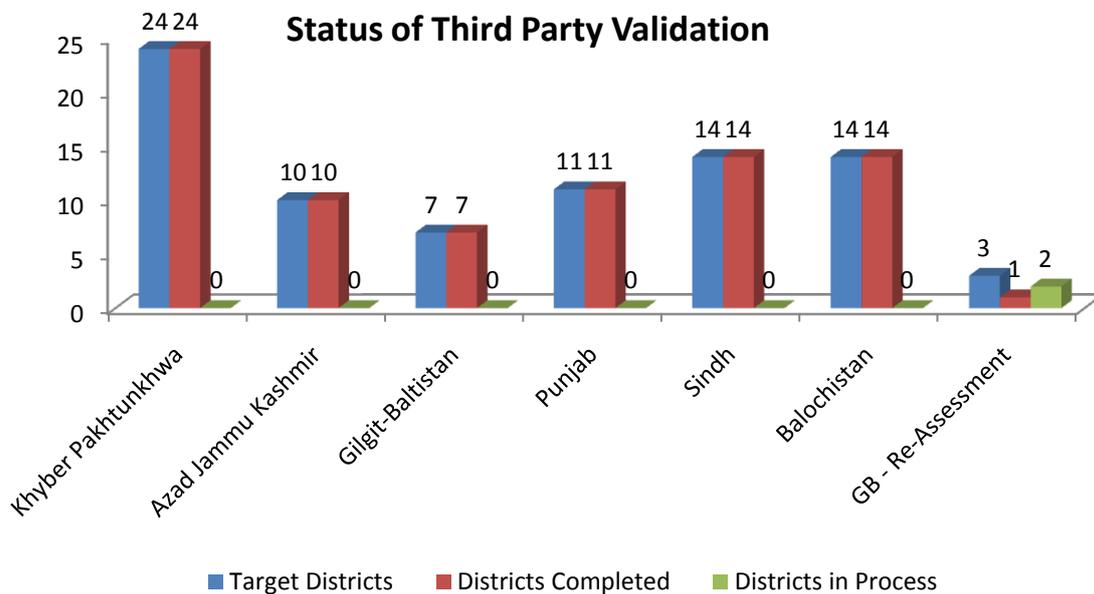
1. PROGRAM ACHIEVEMENTS

ASP-RSPN completed its second Program Year (PY II) with substantial progress made in all of its assignments. The following section details the program achievement under each component:

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

The CDCP is a national level cash-grant program of the Government of Pakistan(GoP) for the recovery and rehabilitation of the flood affected people in all four provinces, including Gilgit-Baltistan (GB) and Azad Jammu and Kashmir (AJK).

During the reporting quarter, ASP completed the TPV assessments in all planned districts. Results of eighty one (81) districts have been shared with NADRA. However, assessment of two districts in Balochistan has not been completed due to the law & order and data verification issues. Not found cases in two Districts of Balochistan i.e. Naseerabad and Jaffarabad, has resulted in putting the survey in



these districts on hold. In Gilgit Baltistan, NADRA shared new lists of District Ghanchay. A formal request has been made to Narrator provide the complete addresses and the names of beneficiaries. List of completed districts attached as Annexure -1.

1.1.1 Experience Sharing Workshop of CDCP Third Party Validation in Sindh

In Sindh, an experience sharing workshop was held on September 28, 2012 to share the progress, findings, and lessons learnt during the TPV exercise. Participants of the workshop included representatives from the PDMA, District Government, DCOs, Additional DCOs, Planning and Development Department.

Upon successful completion of this vital activity, ASP formulated a list of recommendations based on the lessons learnt while conducting the TPV Assessment. These

recommendations will be an important tool in conducting similar activities in the future.



Fig 1: TPV Experience sharing workshop September 28, 2012 Karachi, Sindh

Data:

- Ensuring quality: Standardized templates are essential.
- Database: NDMA/PDMAs/DDMAs should have efficient and functional databases to process data into emergencies without causing any delays.

Data Collection:

- Enhancing Capacities: There is dire need to enhance the Institutional & Human Resource capabilities in PDMAs and DDMAs. In addition, involvement of local community and partnerships with Rural Support Programmes (RSPs) and organizations like Pakistan Poverty Alleviation Fund (PPAF) and other Civil Society Organization (CSOs) should also be institutionalized.
- Permanent Setup: There should be permanent establishment at each district level for initial survey/estimation of first hand data etc.

NADRA data warehouse: Inclusion of union council names and/or if possible the tapa/deh may also be included in the addresses.

Clarity on operational definitions: There should always be clearly defined definitions of the terms involved in such tasks. In this case, the term damage was inappropriately defined.

Institutionalization of Third Party Validation (TPV): To institutionalize the Third Party Validation for post disaster compensation and other cash transfer programs.

1.1.2 Pre-Award Assessments

During the reporting quarter, following six (6) assignments initiated under this component. .

- EA Consulting Pvt. Ltd, Karachi
- Izhar Construction Pvt. Ltd, Lahore
- Echo West International Pvt. Ltd, Lahore

- Matracon Pakistan Pvt. Ltd, Islamabad
- Qavi Engineers Pvt. Ltd, Islamabad
- National Highway Authority, Islamabad

The Pre-Award Assessment reports of EA consulting, Izhar Construction, Echo West International, Matracon Pakistan and Qavi Engineers have been completed and reports have been submitted to USAID. The draft report of the National Highway Authority has also been submitted to USAID for review..

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

ASP-RSPN under its Capacity-Building component continued to provide support to its partner organizations. The progress in each assignment respectively in the last quarter is as follows:

1.2.1 Municipal Services Delivery Program (MSDP), Sindh

Sindh MSDP has been designed to achieve improved municipal service delivery to address the basic needs of selected towns/secondary cities of three divisions viz: Sukkur, Larkana and Mirpurkhas along with some of the 2010-flood affected areas in Sindh. The primary focus of the program is on provision of safe drinking water, improved sanitation services and solid waste management. The program is stand included in the Sindh Provincial ADP (2012-13) with an allocation of Rs. 150 million. So far, one program steering committee meeting has been held in June 2012 and subsequently, both foreign and local currency Assignment Accounts have been opened.

As per the Capacity Building plan, ASP-RSPN will be providing assistance to the GoS in three phases. The first phase of the CBP includes preparation of PC-I, The second phase comprises of development of required manuals viz: Financial Management, M&E, Need Assessment, Procurement and HR Management and under the third phase is to provide on the job technical assistance on the implementation of frameworks.

PC-I Approval: After approval of the project from various forums and technical committees i.e. PDWP and CDWP, PC-I was finally approved by ECNEC on 16th August 2012. All five frameworks have been shared with Project Director (PD) MSDP and USAID. These will now be converted into manuals

Handholding on Framework: ASP-RSPN is in the process of engaging experts for the third phase as per the Capacity Building plan. These experts, in addition to handholding of PMU staff, will also work on detailed manuals for each of the above mentioned areas..

Establishment of PMU: MSDP has been able to mobilize a three-member team from the GoS including Director Finance, Procurement Specialist and a HR & Admin Officer. The first program steering Committee meeting held on 14th June

2012 among other things also approved the six towns of Larkana and Hyderabad Divisions to be covered under the program hence MSDP team is in the process of developing 1st year work plan.

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. Upon USAID's request, ASP developed the PC-I document of the project during Phase-I of the partnership.

During the reporting quarter, one program steering committee meeting has been held and both foreign and local currency Assignment Accounts has been opened. After passing through different forums such as the PDWP and CDWP, ECNEC approved the SBEP PC-I on 16th August 2012. The M&E Manual has been shared with RSU and USAID on 3rd August, 2012 for their review.

ASP-RSPN is in the process of engaging experts for its third phase of its Capacity Building plan. These experts, in addition to handholding of PMU staff, would also work on detailed manuals for each of these five areas, as mentioned above.

ASP-RSPN has also initiated the implementation of Technical Assistance (TA) component, and an advertisement for the recruitment of required staff has been developed.

1.2.3 District Head Quarter (DHQ) Hospital, Jacobabad

The Government of Sindh with support from USAID is constructing a new building for District Headquarter Hospital Jacobabad as a state of the art "Jacobabad Institute of Medical Sciences – JIMS". ASP-RSPN facilitated a stakeholder's meeting of JIMS including USAID, District Administration, Finance Dept. and P&D Dept. in Health Department on July 9, 2012 to discuss PC-I and other related matters. Based on the outcome of the decisions, the PC-I is to be updated and submitted to Sindh Health Department for submission to Technical Committee/PDWP (P&D Department).

During the reporting quarter, the 3rd draft of the PC-I was developed and shared with USAID on 8th September 2012. The Chief Minister Sindh approved the summary and its elements were duly incorporated in the PC-I which also included Risk Mitigation Framework (RMF).

1.2.4 Sindh Public Procurement Regulatory Authority (SPPRA)

Sindh Public Procurement Regulatory Authority is an autonomous body at the provincial level which is endowed with the responsibility of prescribing regulations and procedures for public procurements in Sindh. During the quarter, multiple deliberations with SPPRA regarding their capacity needs were held; ASP-RSPN came up with a Capacity Building plan of SPPRA. USAID approved the Capacity Building plan in July 2012. A meeting with MD SPPRA to discuss the action plans was held on July 27, 2012. Presently, ASP-RSPN is in the process of engaging the

experts for the implementation of Capacity Building plan. As start-up activities, SPPRA has planned three workshops to be held in Karachi, Hyderabad and Mirpurkhas in October 2012.

1.2.5 Strategic Interventions with Government of Sindh

ASP-RSPN initiated brainstorming dialogues with the GoS on this reform agenda. The first formal meeting was held on 24th August 2012 in the office of ACS, P&D Department to apprise the key line departments in GoS on the need of strategic interventions in the Provincial Governments. As a result of the meeting, the ACS, P&DD formed a committee under the chief economist and each department was advised to nominate a focal person (for membership in the committee).

1.2.6 Public Procurement Regulatory Authority (PPRA) in KP Province

ASP-RSPN is providing valuable assistance to the GoKP in institutionalizing key reforms, through establishment of sustainable institutional structures and policies and procedures in the public system. The proposed reform agenda includes establishment of an internal audit unit, establishment of KPPPRA, strengthened Public Accounts Committee, and preparation of strategic plans for the line departments in the GoKP.

ASP convened meetings with provincial government in KP and extended its support in establishing and strengthening the provincial PPRA. ASP-RSPN will focus on PPRA-KP, where the Public Procurement of Goods, Works & Services Act 2012 has been passed by the Provincial Assembly.

1.2.7 Provincial Reconstruction, Rehabilitation, Settlement Authority (PDMA-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, also technical assistance was provided in revising procedures for the recruitment & selection procedures, time sheet templates, JDs and invoice templates for PARRSA during the Phase-I.

During Phase-II, a dedicated team of experts was deployed and has been working with their counterparts in PARRSA since last quarter. In this regard, first meeting of the Project Monitoring Committee (PMC) was held on September 12, 2012. The support team is involved in reviewing the policies and procedures i.e. manuals and other regulations related to PDMA/PARRSA. A 'Milestones Tracking System' has been designed upon request from PARRSA and accordingly shared with them, along with the continued provision of day-to-day support.

1.2.8 Health Services Academy (HSA)

During the reporting quarter, the team of experts initiated the development of policies and procedures in areas including HR/admin, M&E, Procurement, Financial Management and Internal Audit as part of Phase-II. The team is also imparting trainings related to policies and procedures. Day to day technical

support is also being provided and will continue for a period of three months as per the approved plan.

1.2.9 Small and Medium Enterprises Development Authority (SMEDA)

SMEDA an autonomous body under the SMEDA Ordinance 2002, and is attached with the Ministry of Industries and Production (MoIP). SMEDA has been promoting and providing enabling environment and services to small and medium enterprises. A capacity building plan detailing areas of intervention linked to financial, procurement, human resource and administrative management, rules and regulations and monitoring & evaluation has been shared with SMEDA and USAID. SMEDA's capacity building has been divided into two phases. During Phase-I the target is to prepare relevant policy and procedure manuals in the above mentioned areas. And during Phase II on the job technical assistance and trainings will be introduced in order to help the staff adapt to the new/revised policies and procedures introduced during Phase I.

Currently individual consultants' selection is in progress for institutional capacity building. In this context interviews were conducted for capacity building of SMEDA, and contracts are being finalized by ASP-RSPN. The work on Phase- I is expected to start very soon.

1.2.10 Internal Audit KP

ASP-RSPN is providing support to the Finance Department of the GoKP in institutionalizing the Internal Audit system in the province. This strategic support to the government is aimed to provide immediate assistance in conducting internal audit in line with the approved charter and further build the capacity of the government officials in internal audit implementation.

The technical support for Phase-I includes deployment of auditors/experts for internal audit of pensions, pay roll in general and of four line departments i.e. Communication and Works; Planning and Development; Education and Health departments of the Government of KP.

1.2.11 Auditor General of Pakistan

Capacity building support to Auditor General of Pakistan has been a significant initiative taken during the reporting quarter. The key objective of ASP-RSPN' support for AGP is to ensure sustained development of core skills and capabilities to optimally utilise in delivering its mandate effectively. The assignment consists of two main components:



Fig 3: Consultation for need assessment of AGP at AATI, Islamabad

- (i) Development of a strategic plan based on need assessment.
- (ii) Development of a program document.

AGP constituted two (2) Steering Committees for this assistance through ASP-RSPN to be used in an efficient manner. These steering committees were constituted during the reporting quarter. Several meetings were held with the senior management including Deputy Auditor General of the Department of AGP. A team of in-house and external experts has been deployed for carrying out need assessment of the AGP. This exercise is likely to be completed in October 2012. ASP-RSPN has developed a comprehensive Capacity Building plan and shared with the steering committees for review.

1.2.12 Secretariat Training Institute (STI)

Capacity building of Secretariat Training Institute (STI) is another important initiative on which progress was made during the reporting quarter. STI being an important institution for the training of officers of the federal government, have a funding of US\$ 91 million from USAID. ASP-RSPN is providing assistance in the review of curriculum/content development, support in training delivery, Website Up gradation and development of an MIS.

The assistance also focussed on a possible collaboration with STI for dissemination of ASP-RSPN' research findings and recommendations.

1.2.13 Agriculture Department (KP) – Command Area Development Project of Gomal Zam Dam

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. This project has an overall funding of US\$ 91 million and aims at making 163,000 acres (app.) of land cultivatable through the project.

ASP-RSPN was assigned the task of developing its PC-I. The PC-I was developed during the reporting period and have been submitted to Agriculture Department KP. Meetings were held with Agriculture Department and USAID on cost benefit ratio (CBR) and Result Based Management (RBM) and subsequently comments were incorporated in the final version of PC-I.

1.2.14 Trainings on Assignment Account

During the reporting quarter ASP-RSPN conducted three trainings on Assignment Account.

First training was held at Pakistan Academy of Rural Development (PARD), Peshawar KP. Twenty five (25) Participants from Auditor General KP, PARRSA, MSDP-KP, P&D Dept KP, Finance Dept KP, Agriculture dept KP & NBP attended the training.

Second training on assignment account was held at Pakistan Institute of Management (PIM), Karachi on July 16-17 Sindh. Eighteen (18) Participants from MSDP-Sindh, Finance dept Sindh, Accountant General Office Sindh, PPRA Sindh, and Sindh Education Reforms Program & USAID attended the training.



Fig 5: Training on Assignment Account July 16-17, 2012 at NIM Karachi



Fig 6: Training on Assignment Account September 18 – 19, at Islamabad

The third training was held at the federal level. Thirty five (35) participants attended the training. Trainings were delivered by experts having vast experience of the public sector financial management and trainings. Officials from federal and provincial Agriculture, Finance and Planning Departments, USAID & USAID funded Programs participated in the training.

The sessions in all these trainings covered detail aspects of Revolving Fund Accounts/ Assignment Account, and areas of commitment accounting under the new accounting model and accounting and reporting procedures for Assignment Account/ RFA.

1.2.15 WAPDA Staff College

With regard to WAPDA Administrative Staff College (WASC) following important areas were highlighted for capacity building of WASC during ASP staff visit to WASC:

1. Curriculum Development
2. Training of Trainers/ Training Methodology
3. Short training courses on Management for practitioners,
4. Support in Hard-wares.

1.2.16 Aik Hunar Aik Nagar (AHAN):

ASP-RSPN PPO has developed a capacity building plan to improve governance and to provide institutional support to AHAN regarding human resource development through provision of training, other interventions for AHAN employees as well as development of internal systems, including development of operational manuals, trainings on these manuals and thereafter on-the-job trainings.

Capacity building plan comprises of following three components:

1. Development of operational manuals
2. Training of AHAN's staff
3. Training of 5000 rural artisans and 1000 entrepreneurs.

1.2.17 Engineering Development Board (EDB):

EDB focuses primarily on the development of engineering goods and services sector on modern lines enabling it to become technologically sound and globally integrated. It is mandated to develop sectoral studies in engineering sector collaborating with private entities. The Board is considered as think tank of the ministry of Industries. Realizing the deficient areas which create hindrance in the growth of the organization, the Government of Pakistan, Ministry of industry had initiated a request to USAID for capacity building interventions. Currently a formal presentation is being worked out to project ASP proposed interventions in EDB before the Government of Pakistan's Ministry of industry.

1.3. Validation

Periodic validation of USAID supported organizations is another major area of ASP program. The first assignment was taken up with Trust for Democratic Education and Accountability (TDEA). ASP has carried out validation of TDEA, a national level non-profit organization by contracting a CPA firm for conducting the organization's re-assessment/validation and the gap analysis based on the approved framework in the last reporting quarter. USAID has intimated to take up the validation exercise of Abacus Consulting. The assignment will be initiated in the first month of next financial year.

1.4. Research Leading to Policy Change initiated

ASP-RSPN envisions a '*research to policy*' approach in pursuance to the vision of the program. Substantial progress has been made during the reporting period on the selected research areas, related to public financial management and development planning & management. They are:

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

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.

Following section explains the progress achieved during research on the individual research areas under implementation:

1.4.1. Project management (PMU) and GOP Project Cycle

The initial drafts of the research reports on both PMU and GOP Project Cycle have been prepared. The reports on both the assignments have been finalised by the internal committee. The finalised version is shared with the government and USAID during the reporting quarter. Feedback on reports from USAID and Government is awaited.

1.4.2. 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 initiated the study to develop a robust Public Financial Management Assessment Framework focusing on institutional performance in the PFM cycle. The study intends to focus on a framework that will be 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 formal approval. The team of experts has been selected with the team lead by Mr. Nawid Ahsan, former Secretary General Finance, Government of Pakistan.

The team developed the draft assessment framework and submitted to USAID during the current reporting period. After submission, ASP-RSPN along with USAID is presently reviewing this strategically important assessment framework. In this regard; three meetings have been held in the reporting quarter. The discussions in the meetings focussed on scoring methodology and performance scoring questionnaire of the framework. The framework will be finalised after incorporating all the comments of stakeholders in the coming quarter.



Fig 7: Group Discussion of with USAID and ASP on PFM Assessment Framework

1.4.2.1 Stakeholder's Consultation Conference on PFM Assessment Framework

A Stakeholder's Consultation Workshop on the Assessment Framework of Public Financial Management (PFM) in Pakistan was held on July 11, 2012 at National School of public policy (NSPP) Lahore to take the ownership of the Government departments on the subject. The event was jointly organised by Assessment and Strengthening Program – RSPN and NSPP.



Fig 8: Stakeholders' consultation on PFM assessment on July 11, at NSPP, Lahore

The conference primarily aimed at bringing on board the stakeholders involved in the PFM cycle at the federal and provincial level and building a consensus in developing a comprehensive public financial management framework that can also be negotiated with donors as a common PFM assessment tool for Pakistan.

The participants of the workshop included Senior Officers of the federal and provincial governments representing Ministry of Finance, Provincial Finance Departments, Controller General of Accounts and Provincial Audit Departments along with participation by USAID.

The outcomes of the conference provided an opportunity to formulate a PFM strategic committee that would contribute in future coordination by using the experience of stakeholders. The participants of the conference also anticipated that conference would result in positioning PFM as an agency of a strategic reform process with contributions from all the financial departments of the country.

The conference also put forward the recommendations in the form of notification of a working group of all the stakeholders to hold periodic discussions on the public financial management.

1.4.2.2 Focus group discussions on PFM

Two focus groups (FGDs) were held at Islamabad and Karachi. The FGDs aimed to carry out further consultations on the draft PFM assessment framework shared in the stakeholders' consultation conference at NSPP. The FGD at Islamabad was held on August 8, 2012 while FGD in Karachi was held on August 10, 2012. Officials from federal ministries/ departments, education and health department of provincial governments of KP and Punjab (finance departments) and USAID attended the meetings.

1.5. Awardees Capacity Building

Development of Manuals for Awardees

Development of policies and procedures of the USAID awardees is an essential part of the Awardees Capacity Building component. ASP-RSPN is in the process of developing manuals on areas of HR, M&E, Financial management, Internal Audit and IT manuals for RSPN and NRSP according to the International standards and best practices.

IT and Internal Audit manuals for NRSP have been finalised. However, Financial Management, Procurement and HR manuals are in the process of development. Similarly, IT, internal Audit and procurement manuals have been finalised for RSPN. HR manual is still in process. The exercise is expected to end during the next quarter.

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	16	2	18
Financial Management	25	6	31
HR & Administration	21	5	26
Procurement Management	15	2	17
Grand Total	77	15	92

2. PROGRAM SUPPORT ACTIVITIES

This section outlines the operational and support activities' 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

One Strategic Working Group (SWG) meeting was held at ASP-AiD during the reporting quarter. The meeting reviewed the overall progress of each partner. USAID representatives and ASP partners attended the meeting.

2.2. Work plan for Year III and Annual Performance Report

ASP-RSPN submitted the third year's work plan for USAID's approval. The Umbrella PMP for all the three partners is also being revised to bring it in line with the Mission's Results Framework. A series of meetings were held during the reporting quarter to finalize ASP's Revised Results Framework and the PMP. Detailed sessions were also held with USAID's Performance Management Officer Margaret Harritt to brainstorm and discuss the Program's Results, Performance Indicators and the Data Quality Protocols. Based upon this finalized Umbrella Results Framework, each partner will submit the PMP during the next month.

2.3. Conference on Public Sector Training in Pakistan at NSPP

The performance of public sector organizations and effective delivery of services depends on the quality and performance of human resource available to government. The present day complex system of governance and nature of delivery of public services require government officials to be highly professional and well aware of new models of management and administration. The management trainings play a pivotal role in this regard and training institutions owe the responsibility to address emerging challenges by continuously reviewing and revising their training programs.

The National School of Public Policy (NSPP) and its constituent bodies are responsible for in-service training of

officials from BPS-17 to BPS-20. Similarly, departmental/specialized training institutions also provide regular programs specifically focusing for on-job technical training. In total, 24 public sector institutions and 20 private institutions are involved in executive training across Pakistan. However, no effort to date has been



Fig 9: Conference on Public Sector Training 26th – 27th September at NSPP

made to provide both public and private institutions a platform to interact, share and learn from each other's experiences.

The Executive Development Institute (EDI) of the NSPP in collaboration with the Assessment & Strengthening Program (ASP) organized a two days workshop on 27th – 28th September 2012 to review the quality of the executive training curriculum, its delivery and impact. It also assessed the capacity gaps and improvements required in the training institutions and possible areas of support. The workshop identified the priority areas for training based on the feedback of the participants. The participants included senior officers from various public and private sector training institutions including NSPP, STI, Academy of Educational Planning & Management, PIDE, Information Services Academy, NIM Peshawar & Quetta, Punjab Small Industries Corporation, Punjab Public Service Commission, Punjab Privatization Board, Directorate General of Training & Research (Inland Revenue Service), WAPDA Staff College, National Defence University, LUMS, Pakistan Postal Staff College, Directorate General of Training & Research (Customs) and Audit & Accounts Training Institute.

2.4. Meeting with new Mission Director, USAID at ASP-RSPN

A meeting was held at ASP-RSPN with the newly designated USAID's mission Director, Mr. Jock Conley on 14th August, 2012.

Three ASP partners AiD, LUMS and RSPN gave comprehensive presentations on their respective program activities. Mission Director appreciated the scope of the program and achievements of the projects accomplished during its first two years.



Fig 10: Meeting with New Mission Director at ASP-RSPN, Islamabad

2.5. Issues / Challenges faced during the quarter

Some of the major challenges faced during the reporting quarter.

- The procedural delays of government entities affect the program's overall performance
- Weak feedback and response system within the beneficiary organizations affects the provision of timely assistance and quick completion of deliverables

3. Progress on Performance Indicators

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

Indicator	Targets Year 2	Completed as of Sep 2012	Notes/Beneficiary Organizations
1.1 Number of implementing partners who have received training or technical assistance	21	24	AG office KP, PaRRSA, MSP-KP, P&D dept KP, Finance dept KP, Agriculture dept KP, NBP, MSP-Sindh, SERP, PPRA Sindh, AG office Sindh, Finance dept Sindh, PIM Karachi, Health dept Sindh, HSA, AGP, WAPDA Audit, NADRA, BISP, GENCO-I, GENCO-II, GENCO-III, Finance Division and HEC
1.2 Number of policy reforms recommended for improvement of policies, procedures and systems and leading to another program/initiative	8	9	5 PPRA (through Consultation Report), GoP's Project Cycle, PMUs, 1 TPV (through Workshop in Sindh), Public Financial Management
2.1 Number of assessed potential USAID partners with improved implementation of USAID standards	10	1	Trust for Democratic Education and Accountability (TDEA)
3.1 Awardees capacity building plans implemented	3	3	ASP-RSPN, RSPN and NRSP
1.1.1 Number of assessments conducted	57	48	3 Punjab, 10 AJK, 14 Sindh, 14 Balochistan, 1 GB, 6 Pre-Awards
1.2.1 Number of USG-supported capacity building plans developed to strengthen the institutional capacity of implementing partners	11	13	Post-Obligation CB of MSP Sindh and SBEP, HSA, PaRRSA, Internal Audit KP, SMEDA, Agriculture Department KP, AGP, STI, PPRA KP, Sindh & Balochistan, Health Department Sindh
1.2.2 Number of USG-supported capacity building plans executed to strengthen the institutional capacity of implementing partners	13	2	Health Department Sindh and Agriculture Department KP

1.2.3 Number of USG-supported capacity building initiatives executed to strengthen the institutional capacity of implementing partners	138	19*	MSP Sindh = 3, SBEP = 4, PaRRSA = 5, HSA = 5, Agri dept KP = 1 and Health dept Sindh = 1
1.3.1 Number of research studies aimed at enhancing institutional capacity/ policies & procedures completed with USG assistance	4	3	GoP Project Cycle, PMUs and Public Financial Management
1.3.2 Number of success stories, case studies and research papers produced	4	4	2 TPV, 1 Assignment A/c and 1 on HAS
1.3.3 Number of policy reform advocacy workshops conducted through USG assistance	14	2	1 Stakeholders' Consultation on PPRAs, 1 Stakeholders' Conference on PFM, 2 Provincial Conferences (FGDs) on PFM, 1 KP Reforms Donors Conference, 1 TPV Workshop in Sindh, 1 Conference on Public Sector Training
1.4.1 Number of training programs developed through USG assistance for effective utilization of USG resources	41	41	4 MSP, 4 SBEP, 4 PaRRSA, 4 SMEDA, 5 HSA, 4 trainings for staff for PPRAs, 2 ToT for STI & 5 on subjects, 1 ToT & 1 for staff of Internal Audit KP, 1 for Assignment A/c & 6 trainings of Awardees
1.4.2 Number of trainings conducted through USG assistance for effective utilization of USG resources	41	9	3 on Assignment A/c and 6 for Awardees
1.4.3 Number of participants receiving training for effective utilization of USG resources	365	242	Assignment A/c Isb = 33, Assignment A/c Pesh = 28, Assignment A/c Karachi = 18 and 163 for Awardees

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	10	1	Trust for Democratic Education and Accountability (TDEA)
3.1.1 Awardees capacity building plans developed	3	3	ASP-RSPN, RSPN and NRSP
3.1.2 Number of capacity development initiatives undertaken by awardees including training for effective management of their respective programs	31	17	Trainings: 2 on Gender, M&E, USAID rules, Advanced USAID rules, Writing Skills Others: SAP for ASP-RSPN, H/w for NRSP, Office Support software, 8 manuals

* The number of “executed initiatives” for which the MoVs are available are mentioned in the table above. The actual/final number upon compilation of all executed initiatives will be shared in the Annual Report for the period ending September 2012.

4. FINANCIAL PROGRESS AS OF SEPTEMBER 30, 2012

ACTIVITY	APPROVED BUDGET	B						D
		Till June 30, 2012	DISBURSEMENTS				CUMULATIVE TOTALS	REMAINING BUDGET
			CURRENT PERIOD					
			Jul-12	Aug-12	Sep-12	TOTAL		
<i>Budget Line Items</i>	1	2	3	4	5	6=3+4+5	7=2+6	
Salaries and wages	3,227,660	625,995.54	40,757.55	40,017.53	43,898.21	124,673.29	750,668.84	2,476,991.50
Fringe Benefits	910,222	172,747.88	7,853.53	8,072.56	13,863.70	29,789.80	202,537.67	707,684.00
Travel and Transportation	379,783	18,481.81	721.44	4,051.99	6,288.63	11,062.06	29,543.87	350,238.65
Equipment	69,228	70,075.08	-	-	-	-	70,075.08	(847.08)
Supplies	75,196	59,635.67	-	-	-	-	59,635.67	15,560.36
Contractual	6,146,637	416,296.72	31,081.02	41,368.68	86,294.14	158,743.85	575,040.56	5,571,596.07
Pre-Award Assessments	1,833,514	346,877.61	977.07	4,751.75	52,059.50	57,788.32	404,665.92	1,428,848.38
Institutional Capacity Building	3,606,692	52,099.04	28,377.88	35,789.28	34,234.64	98,401.80	150,500.84	3,456,191.19
Annual Validation	449,000	1,099.01	1,065.88	-	-	1,065.88	2,164.90	446,835.10
Recurrent Operational Costs	257,430	16,221.05	660.19	827.66	-	1,487.85	17,708.90	239,721.40
Other Direct Costs	1,997,663	323,226.82	30,248.13	90,170.53	78,972.64	199,391.30	522,618.12	1,475,044.80
Research	702,800	67,507.75	2,129.64	66,835.73	51,716.17	120,681.53	188,189.28	514,610.59
Inst Development of Awardee	587,817	78,381.18	22,774.72	19,055.60	19,511.11	61,341.43	139,722.61	448,094.80
Recurrent Operational Costs	707,046	177,337.90	5,343.77	4,279.21	7,745.36	17,368.33	194,706.23	512,339.40
Sub awards	5,354,577	1,313,223.37	69,770.14	83,089.54	59,034.56	211,894.24	1,525,117.61	3,829,459.36
Total Direct Costs	18,160,965	2,999,682.88	180,431.82	266,770.83	288,351.89	735,554.54	3,735,237.42	14,425,727.66
Indirect Costs @ 10%	1,816,096	288,308.90	22,613.35	32,741.62	13,798.34	69,153.31	357,462.20	1,458,633.60
TOTAL	19,977,061	3,287,991.77	203,045.17	299,512.45	302,150.23	804,707.85	4,092,699.62	15,884,361.26

Annex-I: Names of completed Districts of TPV

#	Regions					
	KPK	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	Harnaee
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*	Rajanpur		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*					

* Round II

** Resurvey

*** Updated Addresses awaited

Annex-II: Trainings completed during Jul – Sep 2012

Monitoring and Evaluation	18
Planning and Development Department Balochistan	2
Provincial Disaster Management Authority Balochistan	1
Provincial Reconstruction and Rehabilitation Authority Khyber Pakhtunkhwa	3
Finance Department Khyber Pakhtunkhwa	1
Health Services Academy Islamabad	1
AHAN Quetta	1
Reform Support Unit, Education Dept. Sindh/SBEP	2
Rural Support Programmes Network (RSPN)	2
Small and Medium Enterprise Development Authority	5
Financial Management	31
ASP-RSPN	5
Finance Department Balochistan (BPPRA)	2
Health Department, Government of Sindh	1
Health Services Academy, Islamabad	4
Planning and Development Department Balochistan	1
Provincial Reconstruction and Rehabilitation Authority Khyber Pakhtunkhwa	3
Reform Support Unit, Education Dept. Sindh/SBEP	4
Services and General Administration Group Quetta	2
Sindh Public Procurement & Regulatory Authority (SPPRA)	1
Small and Medium Enterprise Development Authority	2
Auditor General of Pakistan	2
Federal Audit Quetta, Balochistan	1
AHAN Quetta	1
Finance Department KP	1
Rural Support Programmes Network	1
HR and Administration	26
ASP-RSPN	1
Health Services Academy, Islamabad	2
Municipal Services Delivery Programme Sindh	1
National Rural Support Programme (NRSP)	1
Planning and Development Department Balochistan	2
Provincial Reconstruction and Rehabilitation Authority Khyber Pakhtunkhwa	2
Reform Support Unit, Education Dept. Sindh/SBEP	5
Small and Medium Enterprise Development Authority	2
Auditor General of Pakistan	1
Directorate of Industries Quetta	2
Finance Department KP	2
Services and General Administration	1
Rural development Academy Quetta, Balochistan	1
Rural Support Programmes Network	3
Procurement Management	17
ASP-RSPN	1

Health Services Academy, Islamabad	2
Planning and Development Department Balochistan	4
Provincial Disaster Management Authority Balochistan	1
Provincial Reconstruction and Rehabilitation Authority Khyber Pakhtunkhwa	3
Reform Support Unit, Education Dept. Sindh/SBEP	1
Rural Support Programmes Network Islamabad (RSPN)	1
Sindh Public Procurement Regulatory Authority	2
Planning and Development Department Sindh	1
Services and General Administration Department Quetta	1
Grand Total	92

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