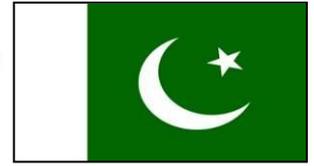




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**ASSESSMENT AND STRENGTHENING PROGRAM
FOR CIVIL SOCIETY ORGANIZATIONS AND
GOVERNMENT OF PAKISTAN
Quarterly Program Performance Report
January – March 2011**



Program orientation Workshop at Lahore on Jan 22-23, 2011

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Acronyms

ACV	Assessment, Capacity Building and Validation
AJK	Azad Jammu Kashmir
AiD	Associates in Development
ASP	Assessment and Strengthening Program
CB	Capacity Building
CDCP	Citizens Damage Compensation Program
COP	Chief of Party
CPO	Central Program Office
CSOs	Civil Society Organizations
C & W	Communication and Works
DCOP	Deputy Chief of Party
GOP	Government of Pakistan
IDS	Innovative Development Strategies
KPK	Khyber Pakhtun Khuwa
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 Program
PaRRSA	Provincial Reconstruction, Rehabilitation & Settlement Authority
PDMA	Provincial Disaster Management Authority
PMP	Performance Management Plan
PMU	Project Management Unit
PPO	Provincial Program Office
PPP	Public Private Partnership
PRMP	Punjab Resource Management Program
RDF	Rural Development Foundation
RFP	Request for Proposals
RSPN	Rural Support Programmes Network
SERP	Sindh Education Reform Program
SWG	Strategic Working Group
TPV	Third Party Validation
TORs	Terms of Reference
USAID	United States Agency for International Development

Executive Summary

The 2nd Quarterly Performance Report provides the progress update on the Assessment and Strengthening Program (ASP), activities initiated under the various components of the program, the operational and start up activities and the deliverables submitted during the reporting period from January to March 2011.

The major focus of the reporting period has been the pre-award assessment component where ASP-RSPN received a special assignment called third party validation of the Citizens Damage Compensation Program. Preparation of the assignment inception report and meetings at the CPO and PPO has been held for coordination with the national and provincial government authorities. The initial engagements for the capacity building of two government organisations have been started.

Capacity Building assignment has been initiated with the initial meetings of ASP-RSPN with the Government of Sindh for USAID Sindh Education Program and Municipal Services Delivery Program. The assignments will be formally executed from the next quarter. Furthermore, the provincial level mapping has been completed for the capacity building of provincial departments, and federal level mapping exercise will be started soon. Under research component, Expert Committee on Research is being evolved and a comprehensive list of experts in various ASP program areas is being explored. The finalised research committee will be on board from the next reporting period.

The CPO and PPOs are actively operational with majority of the human resource on board and procurement of physical infrastructure almost completed. Key positions have been filled at CPO and PPO, except Director Capacity Building and Director Finance at the CPO. The deliverables of the period include the inception report for the TPV of CDCP and Performance Management Plan and the Quarterly Performance report for Oct- Dec 2010.

1. INTRODUCTION

United States Agency for International Development (USAID) has awarded a five-year comprehensive capacity-building program titled “Assessment and Strengthening Program (ASP) for Civil Society Organizations and the Government of Pakistan” to Rural Support Programmes Network (RSPN), Associates in Development (AiD) and Lahore University of Management Sciences (LUMS).

The program aims to strengthen the management capacity of Government and civil society organizations for transparent and accountable utilization of USAID resources to enhance aid effectiveness. This program sets out an approach regarding effective institutional development of Government, civil society and the private sector organizations.

The overall management structure of ASP-RSPN comprises a Central Program Office (CPO) and four Provincial Program Offices (PPOs) in the four provincial capitals. NRSP as a partner organization of RSPN for ASP-RSPN program is responsible for project implementation in the four provinces through the PPOs, while the CPO will be continuously providing its support in terms of coordination, overall management, reporting to donor, catering to government & donor needs, making contractual arrangements amongst partners and technical expertise.

ASP is being implemented on a national scale i.e. in the Federal Capital with particular emphasis on the Provincial Governments of Punjab, Sindh, Khyber Pakhtunkhwa, and Baluchistan. As per the agreed initial plan the GOP organizations (jointly federal & provincial) are proposed to be 75% of the total organizations, rest of the organizations will include non-profit (20%) and for-profit (5%) for pre-award assessment, capacity building and annual validation. USAID is responsible for identifying the autonomous bodies/organizations, government departments and CSOs whose institutional assessment followed by enhancing development needs are to be done under the platform of ASP-RSPN as per the agreed/approved organization-specific capacity building plan.

2. PROGRAM ACTIVITIES

The section details the activities performed under each component of ASP-RSPN:

2.1. Assessment of Government, Civil Society and Private Sector Organizations

ASP-RSPN received its first assignment from USAID called “Third Party Validation/ Spot Check Survey” for CDCP Phase II. The purpose of this survey is to authenticate the accuracy of the data compiled by the provinces. Whereas the CPO and PPOs are engaged in coordination and planning for the Spot Check Survey, pre-award assessment reports carried out by CPA firms for USAID have been internally reviewed by the ASP-RSPN team. In

The core purpose of the **pre-award assessment** is to determine the internal controls and administrative and financial management systems of a proposed first-time USAID recipient. This will include, but not be restricted to Control Environment, Financial Management and Accounting, Procurement Management Systems, Personnel Policies and Payroll Systems, Monitoring & Evaluation and Absorptive Capacity

this regard, assessment reports on nine administrative departments in KPK, sixteen administrative departments and eight Program Management Units in Sindh were reviewed in the respective PPOs during the reporting period. (Details are annexed) Based on the reviewed reports, ASP-RSPN has identified key areas for capacity building across various departments. Furthermore, identification of key experts to undertake the CB activities was also aided through the review exercise.

2.1.1 Third Party Validation/Spot Check Survey of Citizens Damage Compensation Program (CDCP)

In response to the recent floods in the country, Government of Pakistan initiated the Citizens Damage Compensation Program (CDCP) to aid recovery from the calamity in all four provinces Khyber Pakhtunkhwa, Sindh, Punjab and Balochistan as well as Gilgit-Baltistan and Azad Jammu and Kashmir (AJK). The first phase of CDCP, also called Watan Card Program, was initiated with a one-off payment of PKR 20,000 to the affected families. The federal and provincial governments financed the Program jointly. The Government of Pakistan now plans to extend the program through a second phase of CDCP during which further instalments of PKR 40,000 would be made to flood victims. The second phase will use housing damage as a proxy indicator for determination of households being affected by the floods. The second phase of the CDCP is to be financed by the Federal Government and the development partners. The TPV has been assigned to ASP-RSPN to perform an assessment of the accuracy of the data compiled by the provinces and ascertain the extent to which this data can be used for funds disbursements during Phase II. Various activities have been initiated at the CPO and PPO level in regard of the TPV of CDCP.

Several meetings have been held at the CPO level with various stakeholders involved in CDCP including World Bank, Cabinet Division, and NADRA to understand the various modalities with the implementation of Spot Check Survey. Furthermore, the PPOs' major milestones during the reporting period include various meetings and coordination activities with a number of Provincial Government Departments such as Provincial Disaster Management Authority (PDMA), Planning and Development (P & D), National Database Registration Authority (NADRA) and some civil society organizations (CSOs).

In particular, the progress made by ASP-RSPN on the assignment during the reporting quarter as below:

- i. In response to the request for proposals (RFP) advertised in daily national newspapers, 16 proposals were received from national and sub-national consulting firms. After a competitive technical and financial evaluation, IDS was selected to carry out the assignment in the field. The agreement with IDS will be signed in the next quarter.
- ii. The inception report for the TPV has been designed which will serve as a basis for implementation of all activities related to the assignment. It has been sent to USAID for approval.
- iii. A design phase and province wise work plan has been outlined having incorporated the monitoring and quality control tools.
- iv. The Questionnaire has been developed and shared with USAID and WB for feedback.
- v. Development of data security plan and training manuals are in progress.

- vi. Meetings with the Provincial Disaster Management Authorities (PDMAs) at the respective PPOs have been conducted for the coordination and management of the survey.
- vii. Various meetings at the federal and provincial level have been held as well as with the World Bank and USAID. The details of all these meetings are covered in Section 2.7
- viii. The lists of beneficiaries (with complete data set) from NADRA is awaited

ASP-RSPN also engaged KPMG to finalize a broader agreement to undertake specific assignments under pre-award assessment and annual validation. This agreement was drafted by ASP-RSPN and is currently being reviewed by KPMG. The agreement is expected to be finalized in the month of April.

2.2. Institutional Capacity Building

The institutional capacity building component of ASP-RSPN has been initiated with various initial meetings with USAID on the capacity building of USAID Sindh Education Program (SERP) and Municipal Services Development Program (MSDP), Sindh. The preliminary meetings were aimed at coordination activities and work plans to be followed.

Further meetings with the USAID and the government of Sindh are planned in the next quarter to develop work plan and the timelines for the activity.

During the reporting period PPOs were designated with the task to carry out a mapping exercise of the currently running or completed donor-funded projects related to institutional capacity building and governance, such that the staff at all PPOs gets acquainted with the common objectives, implementation mechanism and other related literature. The mapping exercise was successfully completed and proved very useful in term of getting the initial knowledge of the governance/institutional capacity building related initiatives in the provinces. The information gathered from the mapping exercises will be helpful in development of department specific and focused CB plans.

Institutional capacity building

component will focus on improving policies and procedures of the recipient organizations to achieve specific institutional development objectives and tangible outcomes in order to make these local organizations utilize USG and other donors' funds efficiently and effectively for the agreed program/project objectives. ASP will address these gaps by implementing organization specific capacity development plans.

2.3. Annual Validation

For this component, ASP-RSPN received a list of 36 organizations from USAID for which various CPA firms through USAID have already done the pre-award assessments. Organizations from this list are being analysed based on their annual budget, date of the first USAID funding and nature of organization (public, civil society, for profit) for prioritizing few organizations for the first year. ASP-RSPN will also ensure that it does not have any conflict of interest with the organizations selected for annual validation. The list of organizations will be finalised in consultation with USAID and the process of annual validation will be discussed. The Annual validation component of ASP-RSPN will start from the next quarter.

The annual 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.

2.4. Research

The starting point for the Research component of ASP-RSPN was the workshop of March 2, 2011 at the CPO Islamabad. An important consideration in this workshop was the consultation of PPOs for proposing the research committee names and discussion on research agenda. Each PPO submitted the names of various eminent people from across the country having expertise and recognized experience in education, economics, health, policy making, audit, local government, development and reform. The list of names suggested by PPOs has been reviewed by the CPO and a finalised research committee will be proposed to USAID in the next quarter for their approval. The approved Research Committee will broadly help in setting the Research Agenda in Policies and Procedures (P&P) issues related to financial systems, procurement and administrative management in CSOs and Government entities. . Furthermore, the research committee will guide and steer the research component. The CPO will outline the detailed TORs of the Research Committee. ASP-RSPN in consultation with USAID who has already identified some areas of significance where research needs to be carried out for improving understanding and building capacity of public sector entities. Concept notes for each of these areas have been drafted. Following research subject identified along with some indicative research objectives.

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.

2.4.1 Assignment Account

Enhancing, Understanding and Improving Practice

- To draw a comparative analysis of various accounts in use other than assignment account.
- To identify capacity issues in handling Assignment Accounts.
- To enhance and more effective procedure for establishment of assignment account.
- To suggest standard best practice for day-to-day handling and operationalization of the assignment account.
- To identify issues and bottlenecks and provide solutions with respect to the establishment and management of assignment account.

2.5. Awardees Capacity Building

The ASP-RSPN workshop held on March 2nd 2011 was the first exercise in regard to Awardees Capacity Building component. It was decided that RSPN, NRSP and CPO/PPOs would set up Departmental Core Groups to spell out their capacity-building issues and requirements indicating their order of priorities and estimated costs. The Awardees Capacity Building Plan will be formulated in consultation with RSPN, NRSP and PPOs.

The **Awardees Capacity Building** component will target project staff as well as partner organizations under the ASP to have a holistic and integrated capacity building program. The needs assessments will reflect the institutional needs of each partner and identify capacity building initiatives each partner would require. As part of this capacity building plan, relevant staff will be oriented in basic USAID and government systems and procedures.

2.6. Workshops

Workshop 1: ASP-RSPN Orientation Workshop and Provincial Level Workshops: A two-day workshop was held at Avari Hotel, Lahore, with the purpose of orientation of the CPO and PPOs staff about the ASP objectives and scope. The participants were briefed on the approach of ASP-RSPN and an outline of Pre-Award Assessment Framework was shared. KPMG presented the Pre-Award Assessment Framework (s) with special focus on problems & issues that they faced during conducting Assessments. It was followed by a briefing on RSPN/RSP Concept & Work and a team Building Exercise was conducted towards the end.

Day 2 dealt with MER and financial issues. An MER presentation was followed by a discussion on MER frameworks and tools. Moreover, the participants were briefed about USAID Financial Management Rules & Procedures and the issues related to Financial Management, Compliance and Procurement were discussed. A detailed overview of Government Systems, Structures, Policies & Procedures and Instruments was also given. The day concluded on a presentation on the Communication Plan including Branding and Marking Strategy as per USAID policies.

In order to introduce ASP-RSPN to staff members at the PPO level, a one-day program orientation workshop was conducted in all PPOs. The purpose of these workshops was to develop an overall understanding of ASP mandate and specific role PPOs with regards to program management and their engagements with the key provincial level stakeholders.

Workshop 2: M&E, Research and Awardees Capacity Building: A one-day workshop was held at CPO in Islamabad with a focus on MER, research and Awardees capacity building. The session on MER highlighted the PMP with stressing intermediate results and process indicators; the QPR and MPR formats were discussed; and MER online Planning and Reporting system was introduced to the participants. The discussion on research mostly focused on the establishment of the Experts Committee for research. Some of the most important research agendas raised in the workshop were: Education, Governance, Public Private Partnerships and operating systems in Communication and Works Departments. The awardees capacity building discussion ended on the formulation of a Working Group to draft the proposal on Awardees capacity building plan.

2.7. Meetings

USAID & other Donors

ASP-RSPN had six meetings with the team of USAID team in the last quarter to discuss the future assignments required to be undertaken by ASP-RSPN. These discussions proved to be very useful in terms of understanding USAID expectations from the individual assignments

The senior management of ASP-RSPN held two meetings with USAID and World Bank in the reporting period to discuss TORs for TPV of CDCP. The World Bank represented the Government of Italy on these occasions. After the first round of discussion on the draft TORs, a revised version was

shared by the WB in the second meeting for carrying out the spot check survey. During this meeting, the timelines for the survey and the sampling design were also discussed.

Meeting with the Cabinet Division

A meeting of the ASP-RSPN and donors was held with the Cabinet Division to discuss the concept of third party validation. The Cabinet Division requested the team that the all coordination for this assignment should be under an umbrella agreement with clear roles and responsibilities of all stakeholders.

Strategic Working Group (SWG) meeting

The third meeting of the Strategic Working Group was held on January 26, 2011 at the CPO Islamabad. This meeting focused on finalization of the TORs for the SWG, consolidation and collaboration among the implementing partners of SWG, and proposed database portal for ASP. The updates on ASP-RSPN from each partner were shared on the occasion. A presentation on Accelerated Capacity Building was given by KPMG.

2.8. ASP-RSPN Website

The work initiated on the ASP-RSPN website is in process. The initial design of the website has been framed and shared with the PPOs. The inputs from the PPOs are being incorporated and the final version is available online . The information on the website about assignment with RSPN will be posted after formal approval from USAID. In addition, this website will also act as a resource bank related to ongoing, completed and future projects for assessment, capacity building and annual validation. The research work done and manuals/SOPs compiled by ASP-RSPN having best practices, standards policies and procedures for GOP and non-profit organizations will also be uploaded on the website at an appropriate stage. Currently the contents related to introduction of ASP-RSPN, its scope, components, geographic spread, events etc have been uploaded, while the actual program will be uploaded after formal approval from USAID.

3. OPERATIONS AND START-UP ACTIVITIES

This section mainly outlines the operational progress made by the ASP-RSPN during the reporting period Jan-Mar 2011. The details of the activities undertaken are as under:

3.1. Establishment of Offices

All the necessary operational/logistics arrangements for the CPO office setup have been completed including furniture, telephone, fax etc. Almost all the PPOs have already procured the necessary furniture and equipment, installed the computers and telephone lines and launched internet connections.

3.2. Human Resource Recruitment

ASP-RSPN developed TORs of relevant in the reporting period. The key positions at the CPO are being filled. Director MER and Director Admin and Contract have joined ASP/RSPN. Two key positions i.e., Director Capacity Building and Director Finance remain vacant so far.

At the PPO level, NRSP has selected provincial teams, which have started working on establishing the office setups for PPOs and other operational modalities. Recruitment in all the positions of PPOs is complete. PPO staffing is summed up below:

- For Punjab six PPO staff members have been recruited for the positions of: Provincial Director, Manager MER, Manager Capacity Building, Senior Programme Officer F&A, Programme Officer MER and Programme Officer CB;
- For KPK six staff members have been recruited for the positions of Provincial Director, Manager MER, Manager CB, Senior Programme Officer F&A, Programme Officer MER, Programme Officer CB;
- For Sindh six staff members have been recruited for the positions of Provincial Director, Manager MER, Manager CB, Senior Programme Officer F&A, Programme Officer MER, Programme Officer CB;
- Six PPO staff members have been recruited in Balochistan for the positions of Provincial Director, Manager MER, Senior Programme Officer F&A, Manager ACV and Program Officer MER and Programme Officer ACV.

3.3. Submission of Branding Strategy and Marking Plan

As per USAID requirement, ASP-RSPN developed Branding strategy and Marking plan in line with USAID Pakistan Branding and Marking strategy requirements. The revised Branding and Marking plan, after incorporating USAID's comments has been sent for approval.

4. HIGHLIGHTS – ACTIVITIES MATRIX

SN	Activities	Progress Status	
		Oct 2010 – Dec 2010	Jan 2011 – Mar 2011
Operations and start-up activities			
11	Hiring of Key staff	40% complete - COP / DCOP on board	95% complete
Program activities			
1	Review of assessment studies carried out by USAID earlier	6 assessments studied conducted by USAID contractors	KPK: 9 assessments reviewed on government departments Sindh: 16 assessments reviewed on government departments 8 on PMUs
2	Review of literature on capacity building initiatives	2 studies reviewed	2 studies reviewed
3	Meetings attended to help design the TPV of CDCP program	-	2 meetings with USAID and World Bank and 1 meeting with Cabinet Division
4	Participation in the Strategic Working Group meetings	2 meetings held	1 meetings held
5	Selection of firm for CDCP Spot Check / Third party validation	-	Completed
6	ASP-RSPN Website	In progress	In progress
7	Operational manual	In progress	Draft available
Program deliverables			
1	ASP-RSPN Performance Management Plan	Submitted to USAID	Submitted to USAID
2	Quarterly Progress Report Oct-Dec 2010	-	Submitted to USAID
3	Marking Plan	Submitted to USAID	Submitted to USAID
4	Branding Strategy	Submitted to USAID	Submitted to USAID
5	Inception Report for TPV of CDCP	-	Submitted to USAID

5. FINANCIAL PROGRESS

Rural Support Programmes Network
Assessment and Strengthening Program for CSOs & GOP
Cooperative Agreement # 391-A-00-11-01201-00
Financial Progress October - December 2010 (All figures in USD)

ACTIVITY	A	B						C
	APPROVED BUDGET	DISBURSEMENTS						Remaining Budget
		As of December 2010	Current Period				Cumulative Totals	
			Jan 2011	Feb 2011	Mar 2011	Total		
<i>Budget Line Items</i>	1	2	3	4	5	6=3+4+5	7=2+6	8=1-7
Salaries and wages	2,562,920	12,882	16,786	26,419	24,524	67,729	80,611	2,482,309
Fringe Benefits	861,789	2,754	4,581	5,957	5,842	16,379	19,134	842,656
Travel and Transportation	471,991	0	0	0	471	471	471	471,521
Equipment	63,357	49,677	0	0	6,914	6,914	56,591	6,766
Supplies	65,250	28,915	499	1,974	6,288	8,760	37,675	27,575
Contractual	7,012,532	1,601	3,960	0	35	3,995	5,596	7,006,936
Pre-award Assessments	1,451,000	0	0	0	0	0	0	1,451,000
Institutional Capacity Building	4,745,000	0	0	0	0	0	0	4,745,000
Annual Validation	577,000	0	0	0	0	0	0	577,000
Recurring Operational Costs	239,532	1,601	3,960	0	35	3,995	5,596	233,936
Other Direct Costs	1,768,548	30,758	16,652	1,946	15,093	33,691	64,450	1,704,098
Research	813,453	0	0	491	7,182	7,673	7,673	805,780
Awardees Capacity Building	280,000	0	12,119	0	0	12,119	12,119	267,881
Recurring Operational Costs	675,094	30,758	4,533	1,455	7,911	13,899	44,657	630,437
Sub-awards	5,354,577	0	0	107,064	127,835	234,899	234,899	5,119,678
Total Direct Costs	18,160,965	126,588	42,477	143,360	187,001	372,839	499,427	17,661,538
Indirect Costs @ 10%	1,816,096	12,659	4,248	14,336	18,700	37,284	49,943	1,766,154
TOTAL	19,977,061	139,247	46,725	157,696	205,702	410,123	549,370	19,427,692

Annex 1: Review of the Pre-existing Assessment Reports

Sindh PPO		KPK PPO
Departments	PMUs	Departments
1) Planning & Development	1) Community Development Programme	1) Agriculture
2) Finance	2) Economic Reform Unit	2) Energy & power
3) S&GAD	3) Hepatitis Prevention and Control Programme	3) Communication & Works
4) Agriculture	4) Japanese Assisted Rural Road Construction Project – II	4) Elementary & Secondary Education
5) Education	5) Peoples' Primary Healthcare Initiative	5) Higher Education
6) Food	6) Sindh Cities Improvement Programme	6) Health
7) Health	7) Sindh Education Reform Programme	7) Irrigation
8) Industries & Commerce	8) Sindh Water Sector Improvement Project (Phase-I)	8) PAARSA
9) Irrigation & Power Development		9) Population
10) Livestock		
11) Local Government		
12) Mines & Minerals Development		
13) Population Welfare		
14) Social Welfare		
15) Women Development		
16) Works & Services		