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KABUL CITY INITIATIVE (KCI)

QUARTERLY REPORT (NO. 2)

JANUARY 1 – MARCH 31, 2011



April 15, 2011

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DISCLAIMER

The author's views expressed in this publication do not necessarily reflect the views of the United States Agency for International Development or the United States Government.

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ACRONYMS

AUCC	Afghan Urban Consulting Company
ASI	Adam Smith International
CLIN	Contract Line Item Number
COA	Chart of Accounts
CO	Contracting Officer
COP	Chief of Party
COTR	Contracting Officer Technical Representative
DCOP	Deputy Chief of Party
DG	Director General
DM	Deputy Mayor
GIRoA	Government of the Islamic Republic of Afghanistan
KCI	Kabul City Initiative
KM	Kabul Municipality
LTTA	Long Term Technical Assistance
NRC	National Research Council
PMP	Project Management Plan
RFA	Request for Approval
STTA	Short Term Technical Assistance
SOP	Standard Operating Procedure
SOW	Scope of Work
TA	Technical Assistance
TOR	Terms of Reference
USACE	U.S. Army Corps of Engineers
USAID	United States Agency for International Development
WG	Working Group

PREFACE

The Kabul City Initiative (KCI) supports the Kabul Municipality and its Mayor in three important ways: 1) KCI increases the capacity of city officials to manage the city's resources, both human and material, to improve the level of services, to enable the participation of Kabul citizens in the determination of services to be provided, and to communicate with citizens so they are aware of the improvements and credit the city administration with these accomplishments; 2) KCI assists the city staff to markedly improve the level and quality of services provided; and 3) KCI increases the ability of the city to generate its own revenues to fund the increased level of services that new management capacity makes possible.

It is anticipated that as a result of KCI, Kabul City citizens will experience consistently improving services provided by a steadily improving city workforce and management. The improved services will be supported by a stronger locally derived revenue base. The public will credit the Kabul City administration with the improvements, become more supportive of Kabul City government and therefore more likely to participate and to take an active part in improving the urban environment for all.

The Kabul City Municipality is a unique government entity in Afghanistan consisting of a central administration and 22 administrative districts. KCI has embedded its project leadership and half its staff with the Mayor and his deputies at the Kabul Municipality, in each of the 22 districts, and in all of its operating departments. KCI staff is now working side by side with city officials on a daily basis.

Per Task Order EPP-I-05-04-00035-00, section F.6 page 2, this Quarterly Report is a brief presentation of the results and activities of the second quarter of KCI implementation that:

- Describes the plan for the reporting period (as stated in the annual work plan);
- Assesses overall progress to date with regard to performance indicators for the quarter;
- Describes the specific accomplishments of the project during the quarter including information on all activities, both ongoing and completed, by component, and geographically by district; and,
- Highlights any issues or problems that are affecting the delivery or timing of services provided.

During the second quarter KCI submitted a revised work plan and PMP for an 18 month period which was approved by USAID. Once approved, a request for a budget and contract was submitted. This submission was declined by the Contracting Officer on March 29. This Q2 report's targets and achievements are reported against the 18 month base period in the approved work plan. KCI is in the process of amending its work plan and PMP to correspond to the 12 month base year.

During the second quarter KCI organized nine working groups of Kabul Municipality managers from all 22 administrative districts who met regularly to collaborate to improve municipal management and capacity, and to strengthen financial management and

improve revenue collections. All District Managers and Directors General also participate in the weekly Project Oversight and Donor Coordination meeting with the Mayor. Service Delivery project concepts totaling approximately \$15 million and covering 14 of the 22 districts were presented to and approved by the Mayor during these weekly meetings.

1.0 QUARTER 2 HIGHLIGHTS

1.1 OVERALL QUARTER 2 ACHIEVEMENTS

- Twenty nine Service Delivery Fund project concepts totaling \$15 million have been approved at the Mayor’s Project Oversight and Donor Coordination meeting and are in various stages of implementation;
- Phase one of the Kabul Municipality ICT strategy has been approved and is being implemented;
- A new Kabul Municipality Chart of Accounts has been developed and adopted by the Kabul Municipality;
- Twenty two (22) process maps have been developed for six revenue and seven financial work processes;
- KCI helped organize the KM’s International Women’s Day celebration with over 3,000 participants, and also assisted the KM with four public participation activities;
- The baseline Organizational Management Assessment and the baseline Public Opinion Survey have been completed.
- Innovative management systems, such as procedures for assessing employee skill levels, developing individual training plans, preparing a performance evaluation plan , meeting management and process mapping have been introduced.

1.2 OVERALL QUARTER 2 ISSUES AND RESOLUTION

Overall Issue	Resolution
<p>KCI had understood from USAID that its contract and budget would be amended from a 12 to an 18 month period following the direction and approval by USAID of an 18 month work plan and PMP. However, the contract and budget modifications were rejected by the Contracting Officer on March 29.</p>	<p>KCI is amending its work plan and PMP to conform to the 12 month base period contract and budget, and will shortly submit a request for a budget realignment to reflect ground realities as experienced during the first six months of implementation.</p>
<p>KCI is facing some resistance at the lower levels in accessing municipal financial information</p> <p>KCI is facing attempts to influence procurement and limit procurement to Kabul based businesses</p>	<p>KCI is continuing to work with the Mayor and his deputies who show a willingness to assist KCI in overcoming these obstacles at the lower levels of government</p>

2.0 CLIN 1 ACHIEVEMENTS

Twelve task forces or working groups have been created to facilitate cooperation between KCI and the KM, five at the end of Q1 and seven at the beginning of Q2. These include two joint KCI/Kabul Municipality Task Forces: one to develop and implement a Municipal Management and Capacity Improvement Plan and one to develop and implement a Comprehensive Financial Management, Revenue and Property Registration Plan. Each Task Force oversees joint KCI/Kabul Municipality Working Groups. CLIN 1 Working Groups focus on Improving Procedures; Increasing Public Participation; Project Management; Training; ICT; and, Compensation. CLIN 3 Working Groups focus on Revenue Improvement; Financial Management Improvement; and Property Registration.

Phase One of a Kabul Municipality ICT strategy has been approved: it includes delivering computers and computer training to 500 priority managers, professionals and technicians; establishing five computer training labs in the largest municipal office buildings; providing internet service to the central Kabul Municipality; and providing a software-supported Help Desk function and training Kabul Municipality employees to staff the Help Desk.



- KCI helped organize the KM's International Women's Day celebration with over 3,000 participants, and also assisted the KM with four public participation activities. KCI and the KM have selected 60 managers and engineers, representing all 22 districts, to attend training in project management at the Project Management Institute chapter in Turkey.

- Innovative management systems, such as procedures for assessing employee skill levels, developing individual training plans, preparing a performance evaluation plan, meeting management and process mapping have been introduced.

Of the fifty-six Kabul Municipality managers who participated in a self-assessment as part of the KCI baseline Organizational Management Audit, 45 have now been trained to assess the skills of their departmental staff, to articulate required skills and to develop individual training plans for 1,450 permanent staff at the Kabul Municipality.

2.1 CLIN 1 QUARTER 2 ACHIEVEMENTS AND TARGETS

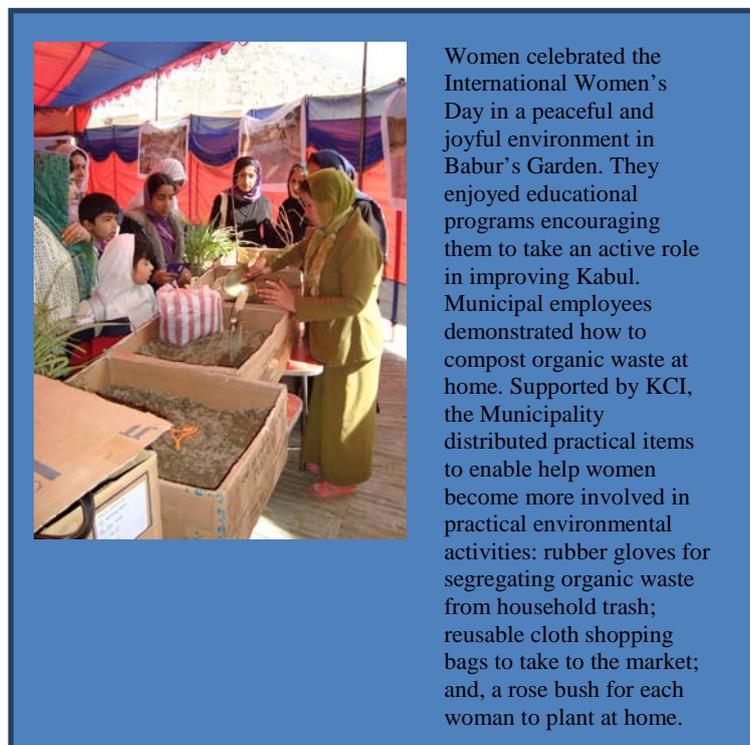
With the active participation of the Kabul Municipality officials who participate in the Working Groups, KCI has made a number of achievements against the four CLIN 1 output indicator targets.

The Project Management Institute's (PMI) *Fundamentals of Project Management* book has been translated into Dari to serve as a desk manual for Kabul Municipality managers

and engineers. KCI will be sending 60 KM staff for project management training at the PMI facility in Istanbul.

Forty-five managers in the departments of Sanitation, Streets and Maintenance, and Urban Planning have been trained in how to conduct a skills assessment, and prepare a performance evaluation plan. Fifty eight subject matter experts in finance and revenue have received training in process mapping.

The KM, with KCI support held four public meetings during the second quarter specifically targeting women and youth. About 400 youth and 100 women participated in three events to provide input into the design of neighborhood parks, while more than 3000 women attended an event to celebrate International Women’s Day in Babur’s Garden. At the event educational programs concerning the cleaning and greening of Kabul were supplemented with practical handouts such as reusable cloth shopping bags and rosebushes to plant at home.



Women celebrated the International Women’s Day in a peaceful and joyful environment in Babur’s Garden. They enjoyed educational programs encouraging them to take an active role in improving Kabul. Municipal employees demonstrated how to compost organic waste at home. Supported by KCI, the Municipality distributed practical items to enable help women become more involved in practical environmental activities: rubber gloves for segregating organic waste from household trash; reusable cloth shopping bags to take to the market; and, a rose bush for each woman to plant at home.

Public meetings to increase public participation

Kabul Municipality officials engaged the media to cover two park design events and two events to keep the public informed about progress on the project to clean the Saraye Shamali canal and side ditches to mitigate the risk of spring flooding.

Indicator	Description of Indicator	Baseline	Base Period Target	Q1 Results	Q2 Results
#2 Output	Number of innovative management structures, new service performance standards, and systems or procedures manuals, instructions, or guidelines produced	0	37	4	0
#4 Output	Number of staff trained in (CLIN 1) core administrative functions, (CLIN 2) service management and operations, and (CLIN 3) revenue and financial. (FACTS: Number of individuals who received USG-assisted training, including management skills and fiscal management, to strengthen local government and/or decentralization (Male/Female))	0	382	0	133

#7 Output	Number of town halls or other public meetings held to request citizen input into project design, and to increase transparency and public participation (equivalent to FACTS: number of local mechanisms supported with USG assistance for citizens to engage their sub-national government)	0	100	0	4
#8 Output	Media events held to publicize the projects (FACTS: Number of local mechanisms supported with USG assistance for citizens to engage their sub-national government)	0	60	0	4

2.1.1 DEVELOP THREE-YEAR MUNICIPAL MANAGEMENT AND CAPACITY IMPROVEMENT PLAN

CLIN 1 Working Groups for Project Management, ICT, Public Participation, Training and Improving Procedures are active and engaged in conducting assessments and initiating implementation of priority activities. Meetings are highly participatory and productive, guided by agendas and resulting in meeting minutes with action items. Within each Working Group there are ten to twelve Kabul Municipality members from different departments and two or three KCI staff. Municipality participants include the relevant Directors General of line departments, two or more District Managers and rank and file technicians.

The original weekly meeting schedule for Working Groups proved overwhelmingly time consuming for both KCI staff and Kabul Municipality staff. The schedule has been shifted to a bi-weekly schedule, allowing time between meetings for action items to be implemented.

Although it would have been possible for KCI to prepare a draft Municipal Management and Capacity Improvement Plan (MMCIP) and present it to the Kabul Municipality for endorsement in Q2, KCI opted to delay this deliverable and pursue opportunities in Q3 to further engage the Kabul Municipality to participate in this important coordination and strategic planning exercise to ensure that the MMCIP is truly the Kabul Municipality's plan.

Base Period Output Description	Q2 Activities and Status
Deliver training to Working Group members in assessment techniques, M&E and Media and Outreach	Assessment and M&E training completed. Media and Outreach training will be conducted in Q3
Assess with KM officials the feasibility of a "Future Leaders" internship program for 50 young men and women	The plan for recruiting, training and placing 50 interns, including job descriptions and a draft MOU with the Civil Service Commission has been completed but has not yet been approved by the Mayor

Based on Assessment implement “Future Leaders” internship program	On hold pending the Mayor’s approval of the program
Within their TOR, Working Groups establish priorities based on the results of assessments and public opinion surveys	Completed
Deliver Municipal Management and Capacity Improvement Plan	Working Groups are more engaged in implementing priority activities rather than strategic planning. Development of an integrated written plan is delayed until Q3
Implement Working Group activities	On-going. Examples include public events; media events; trainings and work on streamlining procedures
Monitoring and oversight meetings with Task Force	The Task Force met only once in Q2, as the weekly Mayor’s meeting took priority for municipal leaders.

2.1.2 BUILD HUMAN CAPACITY

The Training Working Group, of which the Afghan Civil Service Institute is a member, has moved forward with preparation of the required skills for each position to be included in revised job descriptions and the preparation of individual training plans and performance evaluation plans. To date, 75 managers have enthusiastically participated in OJT to develop a matrix of duties, required skills, training needs and performance evaluation plans for 336 employees in the Streets and Maintenance, Sanitation and Urban Planning Departments.

Assess training needs; design and implement demand-driven training activities

Base Period Output Description	Q2 Activities and Status
Conduct baseline organizational assessment to inform individual training plans for municipal managers	Completed
Train working group participants on how to conduct individual skills assessments against job descriptions and how to measure effectiveness (uptake) of training programs	Completed
Based on the post-assessment recommendations of the Organizational Management Specialist develop work plans for the priority departments needing training for approval and oversight by MNCBIP Task Force	Departmental training plans for Sanitation, Streets and Maintenance and Urban Planning are completed. All departments will be completed in early Q3
Support Working Group members to conduct individual skill assessments in priority departments	Completed

In cooperation with CSC, Afghan universities and relevant Afghan business associations, identify existing and/or develop new training curricula with M&E frameworks	On-going. ACSI has a permanent representative in the Training Working Group. Plans for ACSI to conduct proposal writing training, management and leadership training, HR training and procurement training are approved. Training will commence in early Q3
In cooperation with CSC, Afghan universities and relevant Afghan business associations, train trainers	To date ACSI has been able to provide the necessary trainers
In cooperation with CSC, Afghan universities and relevant Afghan business associations, deliver training programs	Training commences in early Q3
Establish individual training plans for directors general	On-going. Plans are in place for DGs of Sanitation, Streets and Maintenance and Urban Planning. The remainder will be completed in Q3
Identify priority needs for Afghanistan or international certification programs in key management areas such as procurement, accounting or public-private partnership management	Certification needs of Sanitation, Streets and Maintenance and Urban Planning is complete. Other departments will be completed in Q3
Identify opportunities for exchange programs or overseas training for priority departments and municipal managers where such programs are required as part of an approved departmental or individual manager training plan	A customized overseas training and exchange program will be developed in Q3 for the Deputy Mayor for Administration and Finance and for the DG of Administration and the DG of Finance
Implement certification programs, exchange programs or overseas trainings	Implementation will begin in Q3

Assess municipal and market salary structures and develop strategies and plans for implementing municipal-wide salary increases

Base Period Output Description	Q2 Activities and Status
Obtain and analyze current market data on non-governmental salaries for various types of municipal jobs	Kabul Municipality originally requested this activity but has now postponed it.
Train KCI staff as trainers in QSIP Methodology	QSIP STTA met with KCI and the roll out of QSIP was postponed until Q4 to not overtax KM officials with too many working groups at one time
Evaluate recommendations from Organizational Management specialist on HR. Prepare plan of priority actions to ensure transparent HR processes in line with CSC procedures.	This will be undertaken in Q3.

Conduct internal communications activities that promote improved service delivery and performance standards as a pre-requisite to potential salary increases	This will be undertaken in Q3.
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2.1.3 DEVELOP STANDARD OPERATING PROCEDURES (SOPS)

The Working Group is addressing three top priority procedures: land distribution procedures; the permitting for construction or renovation of residential property; and the merchants' license. KCI technical advisors and other donor-funded organizations such as the Canadian Afghanistan Technical Assistance Program (ATAP), the DFID-funded *Harakat* program and Integrity Watch Afghanistan have contributed technical expertise to the refinement of these procedures. All three procedures have been mapped and analyzed and draft improvements are being prepared for presentation to the Mayor's Project Oversight meeting in early Q3 to secure approval to begin public consultations with stakeholders.

In addition, 19 SOPs from 11 departments have been submitted in writing, some of which have never been written down before. The Working Group is prioritizing their work on these 19 procedures based on their potential to impact revenue and their direct impact on citizens.

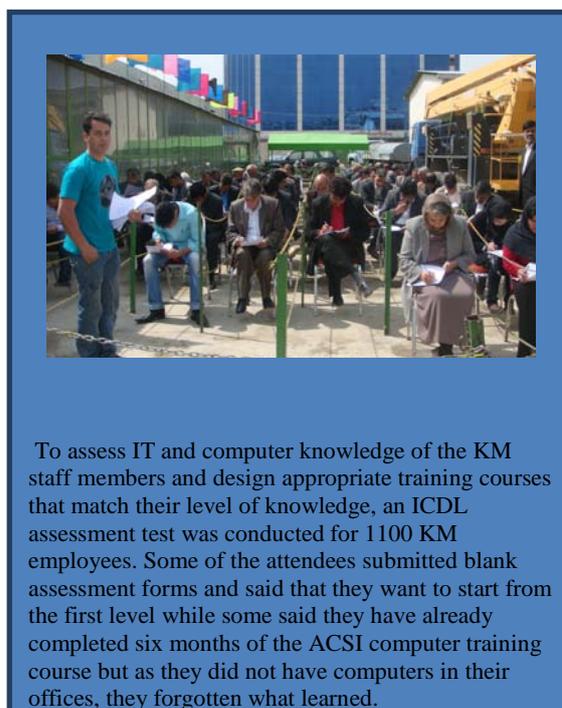
Base Period Output Description	Q2 Activities and Status
Implement baseline organizational assessment	Completed
Deliver training to Working Group on how to evaluate effectiveness and efficiency of procedures	Integrity Watch Afghanistan presented its methodology for evaluating procedures in Q2. Working Group members have requested further assistance and training from IWA in Q3
Evaluate the recommendations of the Organizational Management Specialist and Public Opinion Survey; establish priority regulations and procedures for revision	Completed
Present specific work plans to the Task Force for any revision of priority regulations and procedures	Presentation to Task Force was postponed until early Q3 due to Mayor's travel schedule
Recruit technical advisers to assist with any revision of procedures	Several donor-funded projects have made technical advisers available to assist with this effort; no recruitment required to date
Evaluate similar procedures from other Afghan municipalities, ministries and other countries	On-going

Hold public consultations to understand citizens' and/or the business community's propensity to comply with regulations and procedures	Planned for Q3
Produce draft revisions of priority regulations and procedures	On-going

2.1.4 IMPLEMENT A MUNICIPAL IT STRATEGY

Phase One of the Kabul Municipality IT strategy is focused on the provision of computers and the development of computer skills for those individuals whose productivity will be most impacted: managers, designers and planners, engineers, financial and revenue staff, and surveyors.

Phase One activities are in various phases of procurement: internet service and wireless internet distribution will be installed on day one of Q3; 80 laptop computers have been procured and distribution to Working Group members has begun; 500 desktop computers are on order; SOWs are completed for outfitting five computer training labs; an assessment of 1003 Kabul Municipality employees is being analyzed for preparation of the SOW for contracting for computer training services ; and a SOW is being developed for Help Desk management software and training.



To assess IT and computer knowledge of the KM staff members and design appropriate training courses that match their level of knowledge, an ICDL assessment test was conducted for 1100 KM employees. Some of the attendees submitted blank assessment forms and said that they want to start from the first level while some said they have already completed six months of the ACSI computer training course but as they did not have computers in their offices, they forgotten what learned.

The first step on the road to getting a computer 'driver's license' certification

Base Period Output Description	Q2 Activities and Status
Develop minimum standards of computer literacy required for municipal staff to receive computer equipment (computer "driver's license")	Completed.
Build upon existing CSC computer training curriculum to include training of department-based trainers and use of Linux operating system and Open Office software suite (as they have no annual licensing fees)	Decision was made to use a Microsoft platform and software. KM IT staff will be supported to obtain Microsoft Systems certification
Identify training opportunities for municipal IT staff in procurement, M&E, and network administration	OJT in bid evaluation and M&E on-going. Network administration training delayed until Q4

Assess electricity supply at municipal satellite offices and produce procurement documents for needed electrical upgrades and backup sources of power (solar power, batteries and UPS, and/or generators) necessary to protect and service computer equipment	Completed
Train the trainer training for departmental point persons	Delayed until Q3 due to delays in arrival of computer equipment
Deliver computer training in cooperation with CSC with follow on on-the-job training provided by embedded mentors	Decision was made to pursue ICDL certification using a private vendor. Training to begin in mid-Q3
Evaluate the recommendations of the Organizational Management Specialist and present specific Phase One work plans to the Task Force for the priority departments needing computer equipment and internet connectivity	Completed
Develop procurement documents for Phase One computer equipment and internet connectivity	Completed
Provide Task Force with a five year cost/benefit analysis comparing the expansion of the in-house IT department with the cost of contracting out for network and equipment maintenance and service	Completed
Monitor installation of Phase One computer equipment and internet connectivity	On-going
Develop and institute "help desk" procedures and tracking system	Help Desk management software is identified. Training to take place in early Q3

2.1.5 IMPROVE PROJECT MANAGEMENT

With copyright permission from the Project Management Institute (PMI), the *Fundamental of Project Management* book has been translated into Dari. English and Dari copies of the book will be distributed to Kabul Municipality managers and engineers to serve as a desk manual for project management.

The Project Management Working Group has solicited a proposal from the Project Management Institute (PMI) chapter in Turkey to provide training to 60 Kabul Municipality employees and to sponsor Kabul Municipality in initiating a PMI chapter in Afghanistan. Bids have been received from local private training vendors to provide to 60 participants a preparatory two-week English and Computer primer course tailored to the *Fundamentals of Project Management* material.

Base Period Output Description	Q2 Activities and Status
Evaluate existing project management training opportunities in Afghanistan or overseas	Project Management Institute's training and certification program is adopted
Present specific work plans to the Task Force for the delivery of the project management training suite to targeted departments, linking training materials to Service Delivery Fund projects that provide practical experience	Completed
Adapt and augment project management curricula; train trainers	Initial training to be provided by Project Management Institute chapter in Turkey in Q3
One day workshop for KCI technical advisers, KCI M&E staff and working group members in how to monitor and evaluate the effectiveness of project management training at the department, team, and individual levels	KCI M&E specialist participates in the Project Management Working Group and is working on M&E for project management participants on an on-going basis. No need for a workshop as Mayor has indicated the need to limit meetings
Conduct basic proposal writing training for all district managers, DGs and managers	To begin in early Q3
Deliver targeted project management training on a schedule that advances Service Delivery Fund projects	100 copies of the Project Management Institute's <i>Fundamentals of Project Management</i> have been produced in Dari to serve as desk manuals for KM staff
Prepare quarterly M&E reports to the Task Force that evaluate the effectiveness of project management training at the department, team, and individual levels	To begin in Q4 after participants have attended PMI training

2.1.6 INCREASE PUBLIC PARTICIPATION

The Public Participation Working Group has been very active in public outreach: planning events to engage youth and women in the Kabul Municipality's vision for a cleaner and greener Kabul. Public meetings were held in Districts 2, 3 and 11 to engage women and youth in expressing which amenities they would most like to see in neighborhood parks being reconstructed in those districts. Working Group members believe that women, particularly, can contribute to developing a city culture that supports a clean environment. An event to celebrate International Women's Day in Babur's Garden attracted more than 3000 women and children, who engaged in a live demonstration by municipal staff on how to separate organic waste at home and use it for fuel or compost. Rubber gloves, along with an educational brochure were distributed to encourage the women to practice this at home. Women were also given reusable cloth shopping bags and small rose bushes to encourage each one to take action to protect the environment.

The Working Group was less active in the area of media relations. One Journalists' Seminar was held in early January. The municipal officials received strong feedback from

the assembled news editors and managers that the Municipality needs to have a Public Information Office and be more responsive to journalists' inquiries. By the end of the quarter, KCI was able to forge agreement between the Kabul Municipality and the Government Media and Information Center (GMIC) to begin to transition the existing municipal Publications Department into a Public Information Office that follows the standards and procedures of the many successful Public Information Offices that GMIC has helped establish in the Ministries.

Base Period Output Description	Q1 Activities and Status
Conduct a public opinion survey to inform program priorities and to establish a baseline of citizen trust and satisfaction	Completed
Deliver training in Media Relations and Public Outreach to Municipal Media Staff District Managers, Directors General and members of the Working Group for Women and Youth	Kabul Municipality has adopted the Government Media and Information Center (GMIC) standards for a Public Information Office. GMIC will begin training KM publications employees in early Q3, with KCI providing embedded mentors to complement the training
Procure media monitoring services to establish baseline and measure improvements in news coverage of municipal activities	No private sector organizations expressed interest in bidding on this activity; KCI will work with GMIC in Q3 to assess the feasibility of starting a media monitoring unit within the Kabul Municipality Public Information Office
Conduct assessment for establishment of citizen information/assistance/one stop center	Scheduled for early Q3
Conduct assessment for developing a sustainable public access television and radio station for Kabul	Scheduled for early Q3. The Mayor and the Public Participation Working Group have approved a proposal to rehabilitate and convert the Cinema Park into a Community Engagement Center with public access television and radio facilities
Support Working Group to design and implement a series of three-month public education campaigns for women on top public education and behavior change needs to be approved and monitored by the MNCBIP Task Force	Public education materials on sanitation and greenery, and a live composting demonstration were part of the March 10 International Women's Day event. Public education campaigns will be conducted in cooperation with the launch of Service Delivery Fund projects in Q3.
Support municipality to organize regular seminars for journalists	On-going
Support Working Group to plan neighborhood level meetings for women and youth on priority public education campaigns; produce facilitation guide for neighborhood meetings; procure production services for brochures, posters, TV and radio spots, if required	Delayed until commencement of CLIN 2 door to door trash collection project in Q3

Support Working Group to develop contact list of Kabul civil society organizations, youth clubs, CDCs, Shuras	In Q2 the Working Group circulated a questionnaire to all District Managers to collect the CSO data. The information will be entered in to a database in Q3
Present results of baseline Public Opinion Survey to municipality to foster a better understanding of the opinions and expectations of women and youth	An analysis of the disaggregated gender data will be completed in early Q3
Support development of municipal website with procedures for departments and districts to regularly provide updated information to website to maintain relevance and usefulness for the public	A commission of Kabul Municipality officials was formed in Q2 to oversee the development of the website and an assessment of departmental and district level capacity to contribute to the website was conducted. KCI participates in the commission. Procedures will be developed in early Q3
Evaluate recommendations from Organizational Management Specialist, develop work plan for priority departments requiring procedures and training in the recruitment and advancement of female employees and in proper consultations with women and youth in project design and service delivery in coordination with training and SOP subcomponents	KCI deployed an STTA Gender Specialist in Q2 to lead this effort. A Kabul Municipality Gender strategy will be presented in Q4
Conduct consultations with relevant civil society organizations	On-going
Roll out priority public education campaigns	Delayed until Q3
Develop procedures and guidance for recruitment and advancement of female employees within the municipality in coordination with SOP subcomponent	Draft recruitment plan is completed. Pending approval by Kabul Municipality
Develop procedures and guidance for consultations with women and youth in project design and service delivery in coordination with SOP subcomponent	Draft gender communications strategy is completed. Pending approval by Kabul Municipality
Develop procedures and plans for Participatory Budgeting process to ensure robust participation of women and youth in culturally appropriate ways in coordination with CLIN 3	Draft gender communications strategy is completed. Pending approval by Kabul Municipality

2.2 QUARTER 2 ISSUES AND RESOLUTION

CLIN 1 Issue	Resolution
The KCI Task Order requires that performance management indicators include milestones from a Municipal Management and Capacity Improvement Plan (MMCIP), but the Task Order also requires that the development of the plans be participatory.	KCI submitted a PMP with the base period work plan without milestones for the MMCIP. Milestones will be added to the PMP after KCI and the municipal counterparts have had the opportunity to work jointly on the development of plans. This will require a special workshop or meeting of the Task Force.

3.0 CLIN 2 ACHIEVEMENTS

3.1 CLIN 2: QUARTER 2 ACHIEVEMENTS AND TARGETS

Five infrastructure/service delivery projects have been implemented as of the end of Q2. These include a sports court, canal cleaning, and upgrades to the Sanitation and Greenery Departments and to City Hall. Over 40 kilometers of city streets, amounting to approximately \$12 million are under procurement and will be under construction in Q3.

In addition, nearly two kilometers of canals/ditches have been cleaned, with 400 cubic meters of silt/trash removed. Construction of 350 meters of a drainage canal sub-project in District 11 has been approved as has the construction of a 1,500 meter main canal and side drainage sub-project in District 15; technical documents and the design of this sub-project is completed and is under procurement. Another 10 kilometers in District 5 is under preparation for approval.

Topographical studies and designs have been completed for three neighborhood parks that will be under construction in Q3, along with five sport courts to be used for football and basketball.

New electrical systems have been designed for the Streets and Sanitation Departments to increase lighting and safety, and allow Municipal employees to work more comfortably and more productively. In Q3, KCI will be completing the maintenance outsourcing of some Sanitation and Streets vehicles, which will put more vehicles in service while at the same time reducing costs incurred from the theft of supplies and fluids.

Plans for a new Transfer Station are nearing completion and construction will start in August. KCI is conducting a demonstration project on a system using GPS to track city trash collection vehicles. The project is also completing plans to introduce trash compactors in one District to pick up trash on established routes at predetermined times, which will enhance the reliability of the trash collection system.

Indicator	Description of Indicator	Baseline	Base Period Target	Q1 Results	Q2 Results
#12 Output	Number of infrastructure/service delivery projects implemented with KCI funding	0	100	0	5
#13 Output	Number of public awareness campaigns conducted on service delivery and planning initiatives (FACTS: Number of local mechanisms supported with USG assistance for citizens to engage their sub-national government)	0	5	0	0
#14 Output	Number of Public-Private Partnerships initiated	0	1	0	0

3.1.1 IMPROVE KABUL PARKS AND GREENERY

KCI will construct or renovate ten neighborhood parks and one major Municipal Park, and develop a pilot urban landscaping project for Municipal roadsides and medians.

Base Period Output Description	Q2 Activities and Status
Prepare Inventory of existing and potential city parks and green areas	A parks inventory was completed, increasing the number of identified city parks from 17 to 43.
Design/ Construct/ Renovate Small Neighborhood parks (gender-sensitive design)	9 of the 10 Parks have been identified and received approval from Mayor's Review Committee. 5 topographical surveys completed. 5 designs initiated.
Design/ Construct/ Rehabilitate One Major City Parks--(gender-sensitive design)	Two Major Community level parks (Allaudin and Shahr-e-Naw) were identified and approved for renovation. Topographical survey of these parks is in progress.
Develop an Urban Landscaping Pilot Project for planting trees/shrubs and other landscaping materials	Around 5000 evergreen trees have been planted in (Districts 4, 8, 9 and 12) and plantation of more trees is ongoing. Landscaping pilot project to be implemented in Quarter 4.
Facility Improvements	Greenery department rewiring designed and under

	tendering. Heating/air conditioning units installed.
Construct small, fenced football/cricket facilities for youth/boys	Construction of Shahr-e-Naw park fence and goals is completed, creating a model for the construction of new sports courts. 5 areas for sports courts identified. Fledgling football association is organizing, have identified 10 more potential facilities for construction.
Procure tankers, lawn mowers -maintenance equipment for Greenery Dept.	Q-4 (Determined to be low-level need)
Implement small improvement projects (service structures)	Q-4 (Determined to be low-level need)
Procure small equipment and hand tools	Q 4 (Determined to be low-level need)
Procure other required Supplies	Q-4 (Determined to be low-level need)

3.1.2 IMPROVE KABUL CITY SANITATION

Kabul Municipality's Sanitation Department has three primary responsibilities: 1) the Department is responsible for the collection and disposal of trash from Kabul residents and businesses; 2) the Department is responsible for the construction and maintenance of the Municipal storm water drainage systems (most visibly street side ditches); 3) the Department is responsible for the limited collection of human waste from septic tanks, and while they share this duty with the private sector, the Municipality does collect this waste from most government buildings, and through the Macrorayons operates a small and ineffective sewage treatment facility-the only such facility in Kabul.

Trash Collection

Base Period Output Description	Q2 Activities and Status
Prepare an Inventory for existing and potential dumpsters	Inventory of one cubic meter and seven cubic meters dumpsters completed for Districts 1-7 and entered into Google Earth. Inventory of open dumpsites in D-2 and D-3 has been completed. Route plan for D-3 is in progress.
Trash Collection Strategy Development	Truck activity has been audited by KCI staff, identifying a number of delays and inefficiencies in trash routing. A GPS fleet management system that would track vehicles and monitor fuel usage (fuel theft is a significant problem/cost) is being field-tested on one compactor. A routing plan for District 2 was developed and will be implemented in Q-3.

	A location for a temporary Transfer Station was identified in District 10.
Procure and mobilize Trash Collection Trucks and Trucks/Trailers	This activity will build on the Strategy that is developed and be implemented in Q3 and Q4.
Construction of a Transfer Station	The Mayor's Review Committee has identified and approved a location for a Transfer Station. After a two-month delay, city ownership of the land was verified. A topographical survey is underway. Design in Q-3 Construction in Q-4
Location, design and construction of second Transfer Station	A potential location has been identified. It is anticipated that design will occur in Q-5, and construction in Q-6 should KCI receive an option year in its contract.
Evaluation and Study of a compost system	One composting specialist is hired and 20 workers have been introduced by KM to work at Gazak landfill area. Composting of Solid Waste materials has been started.
Private sector contract to provide Door to Door trash collection in a pilot district	Technical documents for this sub-project are completed. Implementation will start in Q-3.
Private sector contract to repair machinery- study and implement	Assessment underway. Contract anticipated in Q-4.
Study exchange tours to other countries for 20 people	Need assessment underway. Tours to begin in Q-3.
Study and implement pilot program for solid waste recycling	Assessment to begin in Q-3. Project in Q-4.
Procure small equipment and hand tools	Q-4 (Determined to be low-level need)
Procure other required supplies	Q-4 (Determined to be low-level need)
Facilities improvements	Q-4 (Determined to be low-level need)

Drainage

KCI will work with KM to establish a routine ditch cleaning program, road side ditches construction, and rehabilitation of a storm water management system. Additionally, steel grates will be installed in key areas that will keep trash out of ditches, increase safety for pedestrians and vehicles, and decrease citizen use of the polluted water from the ditch, thus decreasing illness. By the end of the base period, KM will have initiated a routine and mechanized ditch maintenance program and installed over 10 km of steel grates.

Base Period Output Description	Q2 Activities and Status
Covering of the roadside ditches with steel grates	2,918 meters of ditch covering design was completed.
Cleaning roadside ditches and canals with machinery	<p>Nearly 2 kilometers of canal/ditch has been cleaned, with 400 cubic meters of silt/trash removed. Construction of 350 meters Drainage Canal sub-project in District 11 is approved; technical documents and design of this sub-project is completed and is under tendering.</p> <p>Construction of Khwajah Boghrah 1,500 meters main Canal and Side Drainage sub-project in District 15 is approved; technical documents and design of this sub-project is completed and is under tendering.</p> <p>Approximately 10 kilometers, Qargha District 5 Drainage Canal is under the Technical Survey and concept notes preparation.</p>
Purchase of equipment for Ditch Cleaning (Backhoes and Trucks)	Q-4 (Determined to be low-level need)

Human Waste Collection and Disposal

There is only a single sewage treatment plant in Kabul, a small facility that serves 7,000 apartments in the Macrorayons, and also treats sewage from a limited number of tankers that is dumped into a pipe leading to the plant. The plant itself is decrepit, and does no real treatment of the sewage. Otherwise, the sewage that is collected is disposed of in surrounding fields, on vacant lots, dumped in the river, or spilled onto the roadways at night. ‘Night soil’ from latrines often finds its way to vacant lots or is disposed of at the random trash dump sites around town.

This is a monumental issue, beyond the scope of KCI. Nonetheless, KM has expressed a desire to develop a limited strategy that might include an assessment and upgrade of the sewage treatment plant, licensing of private haulers to ensure proper disposal, scheduling and fee collection for the Sanitation Department’s tankers (they have purchased approximately ten new tankers that are sitting idle), and the construction of sewage drying lagoons which is beyond the scope of KCI.

During the base period, limited resources will be expended to explore creative and cost-effective solutions that will partially address the problem of waste disposal. The activities listed herein reflect an effort by KCI to be responsive to the needs expressed by KM at the joint work session December 1-2, 2010, but we do not view it as a commitment to action but a willingness to explore further.

Base Period Output Description	Q2 Activities and Status
Liquid waste collection and management by private sector.	Q3
Purchasing Machinery for the liquid waste collection and disposal	Q3
Repair the existing sewers feeding the Macrorayon wastewater treatment plant	Q4
Repair the existing sewers feeding the Macrorayon wastewater treatment plant	Q4
Upgrade Macrorayon Sewage Treatment Facility for Treatment of Tanker Waste	The facility has been visited but no further action has been initiated.
Implement Facility Improvements (buildings, sidewalks, etc.) at the facility	This reflects KM's request but likely will not be pursued

3.1.3 IMPROVE KABUL CITY STREETS

Base Period Output Description	Q2 Activities and Status
Preparation of an Inventory for existing asphalt, gravel and dirt roads and streets	Over 20 kilometers of streets have been identified /approved for resurfacing, and have been designed for tendering in Q-3.
Improvement of third grade roads, residential area	An anticipated road grading/leveling program has been delayed due to KM insistence that all roads must be asphalted. This decision will be revisited in Q-3, as grading would provide some relief to those who use roads that are nearly impassable, and for whom paving will be years away.
Procurement of machinery for 6 asphalt patching crews	Need Assessment and specifications are complete. Tendering in Q-3.
Maintenance of asphalt roads, pothole patching and repairing	Q-3
Repair or construction of side ditches for third grade road, residential area	Q-4
Establishment or improvement of a material testing laboratory providing services to the Municipality	Specifications developed. Tendering and contracting in Q-3.
Procurement and providing machineries for Maintenance and Work Department	Need assessment in Q-3.
Study Tour to another country; exchanging of experience with similar countries	Need assessment underway. Trip in Q-3/Q-4.
Facility Improvements	Building has been assessed and is in deplorable condition.

	<p>Complete electrical rewiring designed—tendering in Q-3.</p> <p>Re-roofing (leaking) designed- tendering in Q-3.</p> <p>New paint and carpet in Q-3.</p> <p>New lighting in Q-3.</p>
Evaluate and Implement Street Lighting at Residential Intersections	Q-3
Procure small equipment and hand tools	Q-4 (Determined to be low-level need)
Procure other necessary supplies	Q-4 (Determined to be low-level need)

3.1.4 COMMERCIAL AREA IMPROVEMENT

KCI intends to identify one commercial area such as a vegetable market or other activity to work in a fully integrated fashion that will engage vendors and citizens to develop an orderly and safe area for commercial activity that can be used as a model for other areas throughout the city. By the end of the base period, KCI will have implemented one pilot project to improve a commercial area that will organize parking, improve lighting, pave pedestrian areas, and improve the market area so that Kabul citizens and businesses will have an example to look to that provides a road map for other market-area improvements.

Location	Base Period Output Description	Q2 Activities and Status
District (TBD)	Identify and Provide a Comprehensive Upgrade to a Business Area to Provide a Model for Kabul Bazaars and Marketplaces	Q-3

3.1.5 REHABILITATE KABUL CITY FACILITIES

KCI intends to provide basic upgrades to Municipal facilities to enhance the ability of KM and KCI staff to work productively. Safety improvements necessary to protect KCI staff, as well as a generator have been purchased for the Municipal Building; the Street Department will be rewired; other departments will be upgraded as well with wiring, lighting, heat and air conditioning.

KCI intends to provide basic improvements to the Central Municipal Complex, and to the buildings housing Sanitation, Streets, and Greenery.

Base Period Output Description	Q2 Activities and Status
Assess Key Municipal Facilities and Upgrade as Necessary to Provide Electricity and Improve Productivity	<p>Generator purchased for Municipal Building.</p> <p>Various office upgrades at Municipal Building.</p>

	One of the Kabul Municipality's main office bathroom rehabilitation is under tendering.
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3.1.6 ESTABLISH AT LEAST ONE PRIVATE PUBLIC PARTNERSHIP

While public sector capacity lags, the private sector in Kabul is remarkably creative and resilient. KM has already identified trash collection as an area for privatization, and there are many other possibilities as well, including roadside/median sponsorship, park sponsorship, outsourcing for vehicle and equipment maintenance. KCI intends to work with the Municipality to establish one public-private partnership.

Base Period Output Description	Q2 Activities and Status
Develop alliances between the City of Kabul and Private Sector partners that add value to the services provided by the city of Kabul to its citizens	SSG has completed an initial assessment and will follow-up in Q-3.

3.2 QUARTER 2 ISSUES AND RESOLUTION--

CLIN 2 Issue	Resolution
While senior staff at Kabul Municipality has embraced KCI, staff-level employees often have not yet engaged, and remain more comfortable <i>reviewing</i> the work of KCI rather than engaging it.	This was is an issue that was anticipated by KCI. We are prepared for the reticence of KM staff, and through persistence and good faith will build a level of trust with Kabul Municipality staff. Once they see that we have no interest in taking credit for the work that is done, but instead will deflect it to shine on KM, we are confident that KM staff will more fully engage.

4.0 CLIN 3 ACHIEVEMENTS

CLIN 3 is tasked with improving the Kabul Municipality's revenue collections; improving its financial management capacity, performance and processes; and developing an effective property tax registration system to support expansion of the tax base more effective property tax collections.

During this quarter CLIN 3 focused on an in-depth review and analysis of KM activities and the introduction of some urgently needed improvements.

4.1 CLIN 3: QUARTER 2 ACHIEVEMENTS AND TARGETS

The ASI Revenue, Financial Management and Property Team is now fully staffed and

engaged with working counterparts. Team members are embedded in four different locations in the Municipality buildings and meet with counterparts regularly. The process of becoming more closely integrated into the KM operations continues.

During this quarter a key activity of the CLIN 3 team was initiation and conduct of process mapping workshops for key revenue collection and financial processes. With KM Management support, a municipal organizational expert was engaged by KCI. Six process mapping sessions were held, with KM subject matter experts carefully selected by KM Management for the purpose. During the sessions, the KM participants learned process mapping methodology, and jointly produced accurate process maps of their various workflows. As a result, KM now possesses a total of 22 process maps representing six revenue and seven financial pivotal work processes. These maps will inform process streamlining, preparation of standard operation procedures and work guides for multiple work areas across the KM.

Indicator	Description of Indicator	Baseline	Base Period Target	Q1 Results	Q2 Results
#16 Output	Increase of safa'i records characterized in the computerized property tax database	0	20% over baseline	0	0
#17 Output	Number of management systems introduced for improved control of finances, revenue collection or internal expenses	0	7	0	1

The primary interface of the Revenue, Financial Management and Property Team with Kabul Municipality decision makers is through the work of a joint Planning Task Force and three Working Groups, one each for Revenue Improvement, Financial Management Improvement and Property Registration. The significant goal of the Task Force is to publish a comprehensive three year Revenue, Financial Management and Property Registration Improvement Plan. The Task Force has met to review progress of the Working Groups twice during the quarter, and has approved some recommendations for action.

Base Period Output Description	Q2 Activities and Status
Determine needed activities and set priorities	Significant progress made in all three work streams. Currently combining elements and drafting high-level sketches of the 3-year Plan.
Implementation of priority activities	Specific implementations ongoing in three work streams.
Adoption of Comprehensive Plan	Subject to KM Management support, this partnership activity will be in draft form at the end of Q4.

4.1.1 REVENUE COLLECTION AND FINANCIAL MANAGEMENT

KCI intends to continue evaluating revenue collection activities and implement improvements resulting in increased revenue collections.

With the support of KCI, the Municipality's revenue collection departments are actively pursuing and implementing improvements in the system. The Revenue Working Group has progressively reviewed a number of key revenue sources and considered improvements to be incorporated into the 3-year Plan. Process mapping of key revenue-generating activities are completed and process re-engineering will begin in the next quarter.

Revenue streams reviewed and reported on Safa'i assessment and collection, business licensing, advertising (sign and billboard) fees, construction permits, government revenue sharing and work permits. New revenue sources proposed for study and consideration include bed tax, tipping and scaling fees and new land lease arrangements. Recommendations for improving current activities include developing enforcement mechanisms, producing Municipal Payment Guides for all revenues, publishing process maps to guide operations in District offices, conducting rate reviews for all revenue activities, and initiating programs to inform the public of payment obligations, payment procedures and any changes.

Base Period Output Description	Q2 Activities and Status
Conduct an overall business process review of the revenue collection system	Revenue process mapping workshops are completed and 15 maps produced. Analysis of revenue activities ongoing.
Identify and implement new methods of revenue collection on existing sources	Several recommendations have been presented to the Revenue Working Group and will be included in the 3-year Plan.
Conduct a legal mapping study of new and existing revenue sources to their legal authorities	Initial work completed. Several Laws and regulations identified and obtained. Legal translation well advanced. Legal STTA expert hired and work on the study is progressing. A substantive draft report will be submitted within the time frame and a final report in the following month.
Analyze potential and cost benefit of revenue sources	Revenue sources identified. Quantification of results by revenue source not yet received. Cost of collections not quantified and detailed information not available. Anticipate some delay or difficulty in fully completing this objective according to schedule due to lack of information. However, an analysis based on partial and assumed information could be completed.
Identify new revenue sources external to the Municipality	KM counterparts have many ideas; KCI work indicates some high potential revenue sources not being realized. Practicality of implementing new sources unknown. Substantive work will be conducted under the 3-year Plan.
Implement identified methods and improvements	Implementation of Safa'i registration project with KCI support will begin the first option year.

4.1.2 ACCOUNTING, BUDGETING, AND FINANCIAL MANAGEMENT

The Financial Management team has begun implementing priority elements of necessary work in establishing a more effective financial system within KM. Significant achievements include the preparation and development of a unique KM Chart of Accounts (COA), which required extensive consultations within KM work areas as well as with MOF advisers and IDLG representatives. The sign-off and adoption of the KM COA represents a significant step toward more complete and reliable financial management and reporting in KM. The second related accomplishment was the initiation of a procurement process to obtain a fully-functioned FMIS, several months ahead of scheduled action under the KCI work plan. This was initiated by KM's strong desire to move ahead with a computerized budget preparation and execution application. KCI investigation established that a fully functional Afghan-developed FMIS is available that will provide the budget process functionality, as well as other functionality which will strongly support other important financial management goals. Immediate goals include creating recommendations for a more effecting Internal Audit current year review program, establishing computerized revenue reporting processes and establishing the use of the new COA in affected work areas.

The FM Working Group will engage in further preparation for establishing the key elements of the three-year Plan for financial management improvements.

Base Period Output Description	Q2 Activities and Status
Conduct overall review of KM's financial framework	Process mapping of the key financial functions is completed. The maps, together with direct observation and Working Group activities, will establish the elements of the review.
Complete a three-year baseline analysis of historic revenue, expenditure vs. budgets	While some progress has been made, the full financial information necessary to complete this work objective has not yet been made available by KM. Some delay in completing the objective may result.
Implement computerized standard revenue reporting procedures	This work objective is being accomplished but has been delayed by implementation of computerization in the District Offices, and by work conducted on higher priority objectives. Templates have been developed and will be implemented when the District Offices are equipped to use them.
Review and implement use of a Chart of Accounts	The KM COA has been approved, adopted and distributed to users by KM. Instructions for use are being prepared. Upon implementation of FMIS, the COA will be fully implemented with training.
Implement a monthly bank account reconciliation protocol	Initial plan established. Full implementation in 22 District Offices may be subject to some delay. Must be coordinated with FMIS implementation.
Implement expenditure management procedures	Planning for support necessary to accomplish this objective has begun. The procedures will be coordinated with FMIS implementation and may be delayed accordingly.

Improve cash management procedures	FMIS functionality will support this objective. Preparations necessary to accomplish this objective have begun. The procedures will be coordinated with FMIS implementation and may be delayed accordingly.
Conduct a systems study to identify needs and develop a computerized MIS	FMIS essential needs have been identified and have informed the procurement activities. The FMIS implementation objective has been moved forward from project year two to present, to better manage multiple functionality needs that have been identified.
Provide essential financial management Training	Preparation for training in specific activities has begun, including COA and revenue reporting instructions. Preparation for general computer-use skills training are being provided by CLIN 1 in anticipation of FMIS implementation. FMIS training is ready and will be provided on a just-in-time basis.

4.1.3 IMPROVE PROPERTY TAX REGISTER

Property registration improvements have been initiated by the Afghanistan Land Consulting Organization and KCI has established a cooperative working relationship with them. The Property Team has completed initial evaluations including process maps of property-related activities such as the collection of the title transfer 1% fee, the Safa'i assessment, registration and payment processes, and the Municipal property rent collection process. Process re-engineering for property activities will be accomplished as elements of the three-year Plan. An inventory of properties in the Municipality was initiated through a request for detailed information from District Directors. Substantial information was received, which will inform the Safa'i registration process and eventual digitization of the register. The Property Working Group is developing a proposal to study improved use of KM property through new strategies including long-term lease arrangements and sale of land development rights while retaining ownership. The Working Group is also recommending a review of the property evaluation regulations. In the next quarter, the Working Group will establish strategies which will inform the three-year Plan.

KCI has procured digitization equipment which will be deployed in the next quarter to enhance and refine the digitization process begun by ALCO. In addition, KCI will support recording of digitized registration data in Districts.

Base Period Output Description	Q2 Activities and Status
Identify counterparts working within the property tax area and establish a small working group	Completed
Establish a baseline of properties already characterized in the property tax system	The total number of properties in the computerized database in December, 2010 was confirmed as 9,000.

Undertake a wider review of the property taxation system that includes lessons learnt by other donor organizations or key reform actors	Completed. ASI property advisor has met with local projects and organizations involved in property related activities. A report from the STTA specialist on findings and conclusions has been accepted.
The existing street naming and numbering program, will be assisted and augmented by integrating compatible activities	Property experts will review the current process and make recommendations for improvement.
Undertake a review of existing mechanisms, procedures and methods of public engagement within the Municipality	Process mapping of the Safa'i and title deed processes has been completed. Next step will be to recommend an approach to streamline some aspects of the registration process by reducing duplication and increasing use of computers and digital capture of information.
Increase the number of properties registered in the (computerized) Property Tax (Safa'i) system	This activity is dependent upon purchase and deployment of specialized equipment and trained staff. Equipment deployment and digitization activities will begin in the next Quarter.

4.2 QUARTER 2 ISSUES AND RESOLUTION

CLIN 3 Issue	Resolution
Contractual annual outcome of 20% increase in overall property tax registrations may be impossible or highly impractical. Estimated extent of existing paper registrations estimated at 100,000. Practicality of registering an additional 30,000 households in one year is questionable and would require huge amounts of human resources beyond the current scope of the CLIN budget and organization. Registration process requires technical teams conducting personal visits to each new residence. Further, impact of such a program may tend to decrease citizen satisfaction with Municipal government.	Resolved: the contractual obligation has been defined as an increase in the number of properties characterized in the computerized register.
Difficulty in obtaining detailed historic revenue information from Revenue Department showing historical District breakdown of revenues.	Ongoing. KM officials have had difficulty in preparing and providing the needed information, but efforts are continuing. KCI has been waiting for over two months for the required revenue data. Partial information only received. As a result the following objectives may be delayed: three-year historical analysis objective; the revenue efficiency and potential analysis and drafting of a three-year Revenue Improvement Plan.
Difficulty in obtaining electronic copies of bank statements from Revenue Department.	KCI prepared a letter to the KM banks of record, requesting direct access to electronic copies of three years of bank statements for all accounts. The request was initially signed by DM Akrami and verbally approved by the Mayor, but later rescinded. Since then a replacement letter provided by the Revenue Department has had no result four weeks later.

	Without bank statements, the three-year historic analysis cannot be completed.
Difficulty in obtaining regular revenue reports from Revenue Department.	The Revenue Department has agreed to provide current revenue reports as needed, but none have been received. Complete revenue reports are needed for many purposes including establishing a key indicator baseline for M&E purposes. Failure to obtain these reports will hamper proper reporting to USAID and stakeholders.

5.0 Q3 ACTIVITY FORECAST

During the second quarter, KCI will complete the recruitment and fielding of expat and local staff, particularly the Contracts Team Leader and the Gender Specialist. The processes necessary to develop and approve projects and the processes necessary to specify, bid, contract, administer and implement projects will be completed. The systems for recording and reporting activities to assure measurement of progress toward and achievement of project objectives according to the PMP will be completed.

5.1 CLIN 1: QUARTER 3 FORECAST

- 500 municipal employees begin on-site computer training classes in five new computer training labs
- Directors General and District Managers complete ACSI's Proposal Writing training course
- Procedures manuals, instructions or guidelines produced for Kabul Municipality IT Department and Public Information Department
- Kabul Municipality IT Department with improved administrative systems as demonstrated by the adoption of SOPs/regulations
- Customized training plans drafted for an additional 500 municipal employees
- 580 municipal staff equipped with computers
- 25 town hall or other public meetings held to increase transparency or popular participation
- 20 communications/outreach activities to the citizenry implemented concerning municipal capacity development and/or new and improved services, and
- one public education campaign conducted to promote public participation in civic activities

5.2 CLIN 2: QUARTER 3 FORECAST

- Three Neighborhood Parks will be under construction, as will five sport courts to be used for football and basketball.

- Trash compactors in one District will pick up trash on established routes at predetermined times to enhance the reliability of the trash collection system.
- The demonstration project will be complete and a final decision will be made on a system using GPS to track city trash collection vehicles.
- Plans for a new Transfer Station will be nearing completion, with construction starting in August.
- KCI will be completing the maintenance outsourcing of some Sanitation and Streets vehicles which will put more vehicles in service while at the same time reducing costs incurred from the theft of supplies and fluids.
- An assessment will be made of the waste water treatment plant to determine whether it is viable and should be repaired. This is the only WWTP serving the city, and while sewage runs through from approximately 7,000 residences, it is not treated.
- Over 40 kilometers of city streets, amounting to approximately \$12 million will be under construction.
- New electrical systems in the Streets and Sanitation Departments will increase lighting and safety, and allow Municipal employees to work more comfortably and more productively.
- A business area will be identified and initial planning undertaken for a comprehensive upgrade that will organize parking, improve lighting, pave pedestrian areas, and improve the market area so that Kabul citizens and businesses will have an example to look to that provides a road map for other market-area improvements.

5.3 CLIN 3: QUARTER 3 FORECAST

Revenue:

- Safa'i Guide drafted and introduced;
- Safa'i registration campaign public brochure content developed and provided to CLIN 1 for design and production;
- District Safa'i project supported with a proposed renewed process and District planning meeting, subject to KM agreement
- Safa'i process map approved for use in Districts, published and posted
- Draft three-year Plan proposed
- Legal study first draft refined

Finance:

- Distribute COA and KM Directive to all work areas
- Support FMIS procurement – develop SOW and participate in selection of vendor and in implementation;

- Review and clarify regular revenue and expenditure reporting processes;
- Distribute reporting templates to Districts and affected Directorates
- Develop and distribute COA instructions for use to all work areas
- Develop recommended training materials for COA and reporting template users
- Draft three-year Plan proposed

Property:

- Digitization of KM registration data to begin in KM Central Office
- Plan for District digitization pilot established
- WG proposal for land use option study presented and supported
- WG will develop compliance tools to enable KM to collect amounts due
- Report on findings and conclusions regarding lessons from work done by other donor programs or stakeholders
- Draft three-year Plan proposed

5.4 MONITORING AND EVALUATION: QUARTER 3 FORECAST

- M&E staff will document the achievement of outputs reported in the PMP
- M&E staff will provide interim analysis and reports on progress towards each of the annual outcome indicators and impact indicators
- M&E staff and public outreach staff will support the KM M&E Commission to establish SOPs, reporting tools, and to engage the media in covering the Municipality's monitoring efforts.

6.0 FINANCIAL SUMMARY

Budget Line Items	Approved Budget for Base Period	Total Quarter 2	Total Invoiced To Date	% Budget Spent
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CLIN 0001				
DIRECT LABOR	\$718,626	\$120,212	\$172,724	24%
FRINGE	\$74,182	\$18,874	\$34,381	46%
SUBCONTRACTS/ GUC	\$6,678,409	\$97,119	\$106,857	2%
ALLOWANCES	\$141,461	\$27,288	\$54,372	38%
ODCS	\$189,811	\$4,406	\$14,652	8%
ACTIVITY COSTS	\$407,000	\$101,354	\$101,354	25%
SECURITY	\$0	\$0	\$0	0%
INDIRECT	\$635,041	\$90,916	\$129,076	20%
TOTAL ESTIMATED	\$8,844,530	\$460,168	\$613,415	7%
FIXED FEE	\$321,769	\$16,751	\$22,330	7%
TOTAL CLIN 1 COSTS	\$9,166,299	\$476,920	\$635,745	7%

CLIN 0002				
DIRECT LABOR	\$800,414	\$114,796	\$242,902	30%
FRINGE	\$132,466	\$24,705	\$37,825	29%
SUBCONTRACTS/ GUC	\$26,540,475	\$296,020	\$347,413	1%
ALLOWANCES	\$279,891	\$85,674	\$97,355	35%
ODCS	\$508,369	\$12,650	\$21,994	4%
ACTIVITY COSTS	\$0	\$0	\$0	0%
SECURITY	\$0	\$0	\$0	0%
INDIRECT	\$909,369	\$75,855	\$114,976	13%
TOTAL ESTIMATED	\$29,170,984	\$609,700	\$862,465	3%
FIXED FEE	\$954,045	\$22,195	\$31,396	3%
TOTAL CLIN 2 COSTS	\$30,125,029	\$631,895	\$893,861	3%

CLIN 0003				
DIRECT LABOR	\$327,443	\$21,162	\$40,845	12%
FRINGE	\$26,266	\$7,258	\$10,928	42%
SUBCONTRACTS/ GUC	\$3,044,100	\$127,616	\$127,616	4%
ALLOWANCES	\$54,548	\$17,818	\$22,833	42%
ODCS	\$172,181	\$4,955	\$6,109	4%
ACTIVITY COSTS	\$0	\$0	\$0	0%
SECURITY	\$0	\$0	\$0	0%
INDIRECT	\$251,790	\$18,156	\$26,827	11%
TOTAL ESTIMATED	\$3,876,328	\$196,963	\$235,158	6%
FIXED FEE	\$141,257	\$7,170	\$8,560	6%
TOTAL CLIN 3 COSTS	\$4,017,585	\$204,133	\$243,718	6%

Management CLIN				
DIRECT LABOR	\$1,767,687	\$294,712	\$409,956	23%
FRINGE	\$306,920	\$69,521	\$104,701	34%
SUBCONTRACTS/ GUC	\$0	\$0	\$0	0%
ALLOWANCES	\$524,163	\$111,004	\$145,102	28%
ODCS	\$1,333,224	\$470,520	\$795,682	60%
ACTIVITY COSTS	\$0	\$0	\$0	0%
SECURITY	\$0	\$0	\$0	0%
INDIRECT	\$972,091	\$193,478	\$296,670	31%
TOTAL ESTIMATED	\$4,904,085	\$1,139,236	\$1,752,111	36%
FIXED FEE	\$286,312	\$41,471	\$63,781	22%
TOTAL MGT CLIN COSTS	\$5,190,397	\$1,180,707	\$1,815,891	35%

Security CLIN				
DIRECT LABOR	\$0		\$0	0%
FRINGE	\$0		\$0	0%
SUBCONTRACTS/ GUC	\$0		\$0	0%
ALLOWANCES	\$0		\$0	0%
ODCS	\$0		\$0	0%
ACTIVITY COSTS	\$0		\$0	0%
SECURITY	\$892,885	\$184,235	\$242,430	27%
INDIRECT	\$13,393	\$2,764	\$3,636	27%
TOTAL ESTIMATED	\$906,278	\$186,999	\$246,066	27%
FIXED FEE	\$27,591	\$6,807	\$8,957	32%
TOTAL SEC CLIN COSTS	\$933,869	\$193,806	\$255,024	27%

TOTAL ALL CLINS				
DIRECT LABOR	\$3,614,170	\$550,882	\$866,426	24%
FRINGE	\$539,834	\$120,357	\$187,834	35%
SUBCONTRACTS/ GUC	\$36,262,984	\$520,755	\$581,886	2%
ALLOWANCES	\$1,000,063	\$241,783	\$319,662	32%
ODCS	\$2,203,585	\$492,530	\$838,436	38%
ACTIVITY COSTS	\$407,000	\$101,354	\$101,354	25%
SECURITY	\$892,885	\$184,235	\$242,430	27%
INDIRECT	\$2,781,684	\$381,169	\$571,186	21%
TOTAL ESTIMATED	\$47,702,204	\$2,593,067	\$3,709,215	8%
FIXED FEE	\$1,730,974	\$94,394	\$135,024	8%
TOTAL ALL CLINS	\$49,433,178	\$2,687,461	\$3,844,239	8%

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