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KHYBER PAKHTUNKHWA GOVERNANCE (KPG) PROJECT QUARTERLY REPORT

JUNE – SEPTEMBER 2015



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KHYBER PAKHTUNKHWA GOVERNANCE (KPG) PROJECT

QUARTERLY REPORT

JUNE-SEPTEMBER 2015

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1. PROJECT BACKGROUND

DAI was awarded a four-year \$22.6 million Khyber Pakhtunkhwa Governance (KPG) Project on 2 March 2015 to strengthen the ability of local state institutions to deliver essential services in conflict-afflicted areas of the Khyber Pakhtunkhwa Province in Pakistan. KPG is designed as a quick and responsive mechanism for supporting transitional activities in the KP Province that reinforce stability, counter extremism, promote democratic advances, strengthen the ability of the provincial government to be responsive to citizen needs, and create opportunities for gender equality and women's empowerment thus bringing positive changes in attitude, perceptions and behavior about the quality of governance in the province. The KPG project activities are tied to the KP Government's seven objectives outlined in its Strategic Development Partnership Framework (SDPF). They are:

Objective 1: Economic growth and job creation by promoting and facilitating partnership between the public and private sector through more efficient government processes and procedures.

Objective 2: Peace building and rule of law through reforms in security and the justice system.

Objective 3: Tangible progress in pro-poor sectors, especially health and education.

Objective 4: Improved participation and bringing the state closer to the citizen.

Objective 5: Improved transparency and accountability.

Objective 6: Enhanced fiscal space for economic and social development.

Objective 7: Gender equity.

KPG will deliver project results by developing complementary packages of assistance that reinforce both the supply and demand side of governance through four main instruments: Grants Under Contract (GUC), programmatic short-term technical assistance (STTA), Direct Distribution of Goods and Services (DDGS), and training.

2. HIGHLIGHTS FROM THE PERIOD

Highlights of the second quarterly reporting period of the project are primarily operational in nature as the project is in its startup phase and as yet has still to acquire the NOC and subsequent permission to work from GoP. The quarter was also categorized by the heat of summer and major religious rituals and festivals. The month of July was characterized by the impact of the holy month of Ramadan, with its associated slow pace of work in Government Offices, followed by the holy festival of Eid-ul-Fitr, and its extended holiday. The month of August was characterized by the impact of the summer monsoon and associated hot and humid weather. The main highlights from the quarter are as follows:

- The lease on the new Islamabad office located at House 5a, Street 56, Sector F7/4 was finalized and project management staff worked hard to operationalize the office in time to relocate by the second week of July 2015.
- The new Islamabad office was operationalized on the 13th July 2015 with all staff relocating from the temporary office at the DAI-AWWAZ Project. Further upgradation work was carried out during August and September.
- The NOC application to work in Khyber Pakhtunkhwa (KP) Province which was submitted to the EAD on 22nd April 2015 is in progress. A letter from EAD requesting the NOC is presently with MOI. The KPG project team is in regular contact with EAD and other actors in the process trying hard to obtain the NOC as early as possible. In addition to this, a parallel approach was initiated by the Project Management Team in starting the process to acquire an MOU with the KP P&D Department which will allow for project activities to begin until such time as the NOC is ready.
- Recruitment of all five key project positions was completed during June with the induction of the DCOP and Director Finance and Grants. Other positions have also been filled notably the Director M&E, Finance Manager as well as administration, procurement and financial staff.
- An EOI was sent on 30th June 2015 to 21 well-known Pakistani organization in the private and NGO sectors for conducting Perception Surveys for the project. Following the deadline for submission on the 15th July 2015, ten organizations responded with EOI's. The process of assessment and shortlisting was undertaken after EiD and at the time of writing a shortlist of six was determined of which five will be chosen after reference checks. The five organizations shortlisted will be invited to submit a full RFP at a later date.
- On Thursday September 10, 2015 a half-day consultation workshop was held at the Islamabad project office with nine donor funded programs/projects working in KP within the Governance sector. The key objective of this consultation was to identify GoKP priority areas in governance reforms that can be supported by the KPG Project while providing complementarity to and avoiding duplication with other donor funded programs and projects in the province.

3. START UP STATUS

- The lease on the new Islamabad office located at House 5a, Street 56, Sector F7/4 was finalized and project management staff worked hard to operationalize the office in time to relocate by the second week of July 2015. The new Islamabad office was operationalized on the 13th July 2015 with all staff relocating from the temporary office at the DAI-AWWAZ Project. Further upgradation work was carried out during August and September.
- Recruitment of all five key project positions was completed during June with the induction of the Mr. Adnan Sher (DCOP) and Mr. Ilyas Khan (Director Finance and Grants). Other notable positions filled include Mr. Faheem Ahmed (Director M&E), Mr. Jehanzeb Javed (Finance Manager) as well as all key administration, procurement and financial staff. Staff for some of the remaining vacant positions have been identified and will be brought on board once we have the NOC/MOU to start project activities.
- All contractual deliverables have been submitted to USAID and feedback is awaited.
- Peshawar office selected and is anticipated to be operational by XX

SECURITY

Pakistan's operational environment presents a number of security threats which are multi-dimensional in nature and include geopolitical, national, and localized issues. Violence in border areas, terrorism, sectarianism, displacements due to natural disasters and military operations, and corruption and crime all present security risks.

To ensure that the project has the necessary security support systems in place at start-up and throughout implementation a Security Plan and Traveler Guide was drafted by DAI's Global Security Specialist and security procedures are in the process of being operationalized with the hiring of the KPG Security Manager, Mr. Muhammad Aqeel.

The security situation in the country remained a mix of stable and tense during the reporting period. However, the overall security situation in the country has improved noticeably mainly due to the impact of military Operation Zarb-e-Azb being undertaken in the Federally Administrated Tribal Areas (FATA). The militant attacks countrywide have dropped to six-year low after one year since the launch of the operation as per latest reports.

The security based risk level in Islamabad remains Moderate. It is expected that the city and the country will see widespread continuance of protests by diverse groups over religious/political issues, which could begin to increase in number over the next few weeks. Month on month statistics show decreases in nearly every category within Islamabad. Islamabad continues to suffer from street level crime. However this is largely confined to the city outskirts and suburban areas beyond Islamabad proper.

KP has retained its High risk rating for the reporting period. Military operations in the FATA have continued with numerous militants killed, while security forces remain the most likely target of aggression, recent events have shown that schools and public places are not off limits to this type of violence. Extreme caution should be used in this region.

In the settled areas, street violence continues to be a concern, as well as protests. The increase in military actions notwithstanding, the statistics collected from KPK have shown a nearly universal decrease in security related events.

The ongoing struggle with extremist groups elsewhere in the country could increase the possibility of retaliatory attacks on government or infrastructure targets in the capital although recent security installations around the capital are increasing the level of situational awareness held by local law enforcement. Although a real threat, large-scale acts of terror are less likely in the capital over time.

As the project has not yet started operations in KP, so these incidents have no direct impact on our project.

REGISTRATION AND ADMINISTRATIVE CLEARANCES

After careful consultation with legal counsel, USAID as well as relevant Government of Pakistan and KP provincial government authorities, KPG applied for a No Objection Certificate (NOC) to set up an office in Peshawar and undertake programmatic activities in KP province. As per the guidelines, DAI submitted the application on 24 April 2015 to the Economic Affairs Division (EAD), Government of Pakistan. A support letter from USAID was requested by the EAD which was submitted on 15 May 2015.

At time of reporting the request for a NOC which was submitted to the Economic Affairs Division (EAD) in line with standard guidelines is still pending. The matter is now with the Ministry of Interior, which has sent the application for security clearance. The KPG project team is in regular contact with EAD and other actors in the process trying hard to expedite the NOC approval process.

Further to this strategy the project has also begun pursuit of acquiring an MOU with the P&D Department in order to kick-start project activities until such time as the NOC is ready. The draft MOU is with the Additional Chief Secretary P&D KP for final approval,

Chief of Party Temur Aziz and Adnan Sher (DCOP) are following up with the concerned authorities regularly to track the application progress and respond to enquiries as required. Mr. Aziz will keep the COR apprised of progress and challenges.

HUMAN RESOURCES: STAFFING AND RECRUITMENT

During the reporting period recruitment of all five key project positions was completed with the induction of the DCOP and Director Finance and Grants. Other positions have also been filled notably the Director M&E, Finance Manager as well as administration, procurement and financial staff.

During the month of June the following personnel began their tenures with the project;

- Mr. Adnan Sher (Deputy Chief of Party) – 1st June 2015
- Mr. Muhammad Ilyas (Director - Grants & Finance) – 1st June 2015
- Mr. Muhamamd Ikram (IT specialist) – 1st June 2015
- Mr. Faheem Ahmed (Director M&E) – 15th June 2015
- Mr. Ammar Waseem (Procurement Manager) – 22nd June 2015
- Mr. Muhammad Nisar (Finance Officer) – 15th June 2015
- Mr. Javed Jahanzeb (Finance Manager) – 24th June 2014

- Mr. Jan Niaz (Driver) – 1st June 2015

During the month of July the following personnel began their tenures with the project;

- Muhammad Aqeel (Security Manager) - 6th July 2015
- Saqib Shah (Procurement Specialist) - 2nd July 2015
- Two support staff (cleaner) - 6th July 2015

With the hiring of the Deputy Chief of Party and Director Finance and Grants the project now has all the five key project personnel on-board. In total, 13 project staff members have joined KPG and further recruitment of essential staff is underway. Project Management has restricted itself to recruit only essential staff since the Peshawar office is still not operational as the NOC for initiation of activities is in process.

Other HR related matters that were completed during the reporting period include;

- Health and life insurance facility requisition for KPG staff was initiated and by mid-September the procurement process had been completed.
- Staff per diems has been set as per USAID/DAI policy guidelines.
- Interviews for the positions of PDO and Activity Manager have been conducted and candidates selected.

FACILITIES

The lease on the new Islamabad office located at House 5a, Street 56, Sector F7/4 was finalized and project management staff worked hard to operationalize the office in time to relocate by the second week of July 2015. The office was operationalized on the 13th July 2015 with all staff relocating from the temporary office at the DAI-AWWAZ Project. Further upgradation work was carried out during August and September.

Some of the upgrades carried out to bring the space up to standard include improving amenities such as installation of air conditioners; telecommunications networks (LAN, internet), new furniture, generators and blinds are being installed. Also a new server was installed and made functional with the technical input from DAI short term consultant Mr. Eric.

During the last month, with the possibility of acquiring an MOU to begin work in KP becoming more realistic, an office space was identified in University Town, Peshawar for project activities. The lease will be signed once an MOU materializes.

A request was submitted to our COR to allow KPG project to have first preference over the equipment, vehicles and furniture of two USAID funded projects that are scheduled to close down in September 2015, namely ASP-AiD and ASP-RSPN. The request was granted and an inventory was dispatched from the office of ASP-AiD containing a full list of all project assets. From this list all assets required by KPG were highlighted and the request was returned for action. It is envisaged that these assets will be acquired during the first half of October allowing the KPG Project to conserve project funds and finalize the fitting out of project offices.

PROCUREMENT

During the last quarter DAI developed a comprehensive policy and work instructions to guide the KPG team through all project procurements. These policies and work instructions are summarized within the submitted Procurement Plan that ensure adequate separation of duties oversight and approvals, and fair and open competition that are in line with DAI and USAID procurement policies and regulations. DAI also set up its online system for managing and tracking procurements which is mechanized through a customized project (Technical and Administrative Management Information System) TAMIS that monitors all procurement requisitions, bids, approvals, awards, grants and inventory, as well as identifies required documentation based on value and type of procurement. DAI has also initiated a competitive bidding process to procure office equipment and furniture and IT equipment.

During the reporting period the main procurement activities were related to project start up activities and included such things as the acquisition of the new office in Islamabad which has been rented and an advance of one year has been paid. Other major procurements were undertaken to operationalize the new office in Islamabad. These included the following procurements initiated in the quarter:

- Rental generators: RFQ floated on 19th June 2015. Work completed.
- LAN Cabling: Work has been completed in the property.
- Server: Evaluation completed. PO issued. Server delivered and installed.
- Air Conditioners (AC's): Work has been completed
- Window blinds: Work has been completed
- Health/Life Insurance for staff: RFP floated. Assessment completed. Policy started on 14th September 2015.
- Internet: Approval for PO given and issued to telecoms service provider Nayatel.
- Anti-Blast Film: HQ Security team approved and installation completed.
- Desktops/Printers: PO issued. Delivery completed.
- Mobile phones for staff were procured.
- RFQs for the stationery and Phone exchange (PABX) were floated.
- RFQ & RFP for the security guarding services and the CCTV and accessories were sent to home office for security review and once sanctioned was actioned and completed.
- Procurement department has reviewed the Project Record Map and Schedule of Authorities and will be following the given instructions.

The KPG team has finalized the procurement for office equipment and a request for GST exemptions has been submitted to USAID.

FINANCIAL MANAGEMENT

Following the recruitment of the Finance Manager and Finance Officer the project's finance team is almost complete. Field Expense Report, day to day expenses and other Finance related activities are being recorded as per DAI's Field Operational Manual's requirements. All the required checks and balances are being exercised to have a transparent and accountable mechanism for record keeping and also to manage the expenses of the project. All matters pertaining to local tax laws or GST exemption are being addressed by the Finance staff.

OPERATIONAL CHALLENGES AND REMEDIAL ACTIONS

The main outstanding issue concerning the project is the delay in obtaining the NOC which was submitted to the EAD on 22nd April 2015. Since then project management have been pulling out all stops to expedite the process to a successful conclusion. On 15th May USAID provided a support letter addressed to the EAD and during the last month the process has begun its journey through the Government machinery. A letter generated by EAD requesting the NOC is presently with the MOI. The KPG project team is in regular contact with EAD and other actors in the process trying hard to obtain the NOC as early as possible.

4. TECHNICAL IMPLEMENTATION

DELIVERABLES

DAI has submitted the following deliverables for USAID's review and approval:

- Initial Six-month Workplan
- Procurement Plan
- Grants under Contract Manual
- Activity Monitoring and Evaluation Plan
- Environmental Mitigation and Monitoring Plan
- Banding and Marking Plan

The deliverables submitted by DAI to USAID for review and approval have as yet still not been actioned. Project Management are actively following this up and hope to have some progress in the coming weeks. The deliverables in question include:

- EMME

The second six monthly Workplan which was due for submission during August was delayed by one month after agreement with COR in order for it to include tangible activities after stakeholder conference which will follow the acquisition of the NOC/MOU.

In addition to this the quarterly report for June/July/August which was due for submission in September has been delayed by one month in order for the quarters thereafter to fall in line with the fiscal year as requested by USAID. The second quarterly report will therefore detail activities for the four months from June to September and be due for submission by October end.

GRANTS

With the recruitment of the Director Grants and Finance activities in the Grants Section began in earnest. Updates of the KPG Grants section are as follows;

- Internal meetings held with key technical staff to design the layout of KPG RFA & Semi-Annual Program Statement.
- Internal meeting held with KPG IT section to plan & design KPG website (on-going)
- In a team process, discussed & design Assessment Tool for inventory & asset management for the pre-award assessment of the proposed KPG grantees. The assessment tool will be based on the scoring to provide the risk level of the grantees (on-going).
- KPG tailored Grants Evaluation tools are being designed for technical & financial evaluation i.e. every solicited or non-solicited grants application/proposal would be evaluated for its relevance, effectiveness, management plan, significance of the outputs, quality, creativity & innovation as well as for its financial risk assurance, cost sharing, disbursement plan etc. by the 3 members Grants Evaluation Committee

- Internal meetings held with KPG technical leads to fine tune various assessment tools for the pre-award stage of the grants management
- Internal meetings held to review the record keeping & documentation requirements of the KPG grants under contract, at Islamabad & Peshawar levels as per the KPG record map
- The process of grants management was integrated with the project schedule of authorities - PSOA that helped in specific role clarity as well as function identification to initiate, review and approve authorization limits of the individual staff.
- The preparatory activities involved in the launch, management & reporting of KPG grants under contract are in progress. Internal meetings with technical and operational project staff held in this regard.
- A coordination meeting with the Chief of Party of USAID's Small Grants & Ambassador Support Fund (SGASF) was held. The meeting was useful to gain knowledge on the some of the challenges in grants.
- The discussion on the synchronization of various documents templates to the DAI Pakistan (pvt) Ltd. was initiated with the internal stakeholders. This is to cover the legal, compliance & audit aspects of the grants management & administration.
- The review of KPG's project documents e.g. field operational manual, KPG grants manual, TAMIS based grants Module and project record map are in progress. Technical resources were mobilized to provide the required input on the customization and updates.
- The management & reporting requirements of the grants were reviewed and accordingly the Grants Module on TAMIS was updated with the input from the TAMIS administrator.

MONITORING AND EVALUATION

With the recruitment of the Director Monitoring and Evaluation the following activities were started under the M&E Section;

Baseline Survey

- In order to kick start the requirement to implement a baseline survey in each district that we work, and in absence of an NOC that will allow us to work openly, it was decided that we should start the process of identifying potential survey partners. At the end of June a letter was sent to 21 well-known Pakistani organisation in the private and NGO sectors inviting them to submit an Expression of Interest (EOI) for conducting Perception Surveys for the project. The invitation outlined a number of requirements that will allow KPG management to assess offerors capacity and ability to deliver on this important activity. The deadline for submission of completed EOI's was the 15th July 2015.
- In total, ten EOI's were received from the original 21 invitees. Following the Eid break an assessment was carried out which took into account the potential of respondents to carry out a perception survey in KP. Following this assessment each organisation was ranked in accordance to the score they attained. The top six organizations were then shortlisted and references obtained.
- The final shortlist of five was based on the assessment score and feedback from references. All successful and not successful organisations were informed of the decision in writing by the procurement team. The five successful organisations will be invited to submit a full RFP at a later date.

STAKEHOLDER ENGAGEMENT

On the 7th July 2015 an introductory meeting was held with the GoKP and the KPG Project. The objective of the meeting was to introduce the KPG Project to the GoKP. The KPG Project were represented by the COP, DCOP and the Director Good Governance whilst the GoKP was represented by Mr. Syed Zafar Ali Shah (Secretary), Mr. Zahir Shah (Chief Economist), Mr. Wasif (Chief of Foreign Aid) and Mr. Salman Khan (Donor Coordinator).

After a formal introduction of the participants, the Director Good Governance made a presentation on the KPG Project detailing the project duration, cost, objectives, thematic focus and planned interventions.

A list of potential project interventions was also shared with the participants, which was developed through discussions and consultations with a variety of stakeholders. This included IT based management systems, strategic communications and strengthening internal resource mobilization of the Provincial Government, strengthening of local governments and provincial commissions, and promotion of micro and small enterprises.

It was decided that P&D Department will review the list of potential interventions and provide KPG a list of GoKP priority areas for future support. The P&D Department also agreed to facilitate KPG in obtaining a “No Objection Certificate” for establishing an office in Peshawar and carrying out project activities in districts to be selected with mutual consent.

In order to identify potential areas of support to the Government of Khyber Pakhtunkhwa (GoKP) governance reform initiatives, the Khyber Pakhtunkhwa Governance (KPG) Project held a half-day consultation workshop on Thursday September 10, 2015 at 10:00hrs in its Islamabad project office. The key objective of this consultation was to identify GoKP priority areas in governance reforms that can be supported by the KPG Project while providing complementarity to, and avoiding duplication with, other donor funded programs and projects in the province. Besides KPG, nine donor funded programs/projects participated in the workshop. The workshop report can be found in annex 1.

A meeting of the relevant development partners, Government of Khyber Pakhtunkhwa was held on September 16, 2015 at Local Governance School, LG&RDD, Hayatabad Peshawar to discuss LG Training Plans. The minutes of the meeting can be found in annex 2.

Due to the absence of the NOC no further progress was made with regard Stakeholder engagement after the Stakeholder mapping exercise carried out in the first quarter.

CHALLENGES AND PROPOSED REMEDIAL ACTIONS

- KPG is not able to initiate programmatic activities in KP province until the No Objection Certificate is received. The team will explore options for undertaking activities with stakeholders in Islamabad.
- Delays in acquiring GST exemption for various procurements are hampering project activities. This may become a cause for delaying project activities once in kind grants start being awarded.

5. COMING UP

- Follow-up activities to obtain NOC/MOU.
- Operationalizing new Islamabad office and locating Peshawar office.
- Planning for stakeholder conference.

ANNEX 1: STAKEHOLDERS CONSULTATION – DONOR FUNDED PROJECTS

Khyber Pakhtunkhwa Governance Project Stakeholders' Consultation – Donor Funded Projects

In order to identify potential areas of support to the Government of Khyber Pakhtunkhwa (GoKP) governance reform initiatives, the Khyber Pakhtunkhwa Governance (KPG) Project held a half-day consultation workshop on Thursday September 10, 2015 at 10:00hrs in its Islamabad project office. The key objective of this consultation was to identify GoKP priority areas in governance reforms that can be supported by the KPG Project while providing complementarity to, and avoiding duplication with, other donor funded programs and projects in the province. Besides KPG, nine donor funded programs/projects participated in the workshop (see Annex – 1 for list of participants).



The workshop started with a welcome note and an introduction of the participants. A detail presentation about the KPG Project background, objectives, potential areas of intervention,

potential partners and indicative activities was given which was followed by short presentations by different programs/projects supporting governance reforms initiatives in KP Province.

During the presentations, some areas were identified where these projects could complement or add value to each other's work. In addition, some key interventions were identified that have potential for collaboration and/or replication in the KPG Project target districts. Followings are some potential areas:

- GiZ Support to Good Governance Program (SGGP) and DfID Sub National Governance (SNG) Project have worked with the Department of Local Government and the Local Governance School to develop rules of business for local governments and training material for local government functionaries. SGGP has also trained master trainers from across the province that will be responsible to provide training to local government functionaries in each district. KPG can use these master trainers to provide training to local government functionaries in its target districts.
- Lack of management and implementation capacity of the Local Governance School was identified as a major area that needs attention and serious consideration. It was suggested that a policy dialogue between the Government of KP and donors/donor funded projects may help create this capacity. Once that is achieved, donor projects can work in collaboration to strengthen the School.
- GIZ is also working on strengthening local civil service (Local Council Service) through working with the Local Council Board. In addition, SGGP is working in close coordination with the Local Government Department on public relations for a more effective knowledge sharing and to support dialogue platforms. There is also a component of strengthening of the Provincial Bureau of Statistics which will feed into the decision making process of Provincial Finance Commission award. GIZ is also working with the Provincial Revenue Authority for improving province own source revenues and focusing on enforcement and audit. These are additional areas where KPG cooperation and collaboration could be useful.
- The World Bank Governance Global Practice (GSP) and SNG are supporting the Provincial Government in developing and implementing a service delivery performance management system. The KPG Project can collaborate to further strengthen the system and add value by introducing service delivery improvement models.



- GSP has supported the establishment of Public Private Partnership Unit and the Right to Public Services Commission at the provincial level and service delivery centres at the district level. KPG can further support in strengthening the Unit and the Commission and provide additional support to the service delivery centres in target districts to transform these centres into facilitation centres for a number of key services.
- USAID Small Grants and Ambassador's Fund Program, EU District Governance and Community Development (DGCD) Program and SNG use grants, civil society organizations and government institutions to help improve services delivery at the local level. Their experience and lessons learned in grant-making and monitoring would strengthen KPG grant delivery mechanisms. Similarly, their work has resulted in mobilization of 7000 CBOs and their networks in Malakand, which could be adopted as partners in future, in case KPG decides to work there.
- The decision to allocate 30% of the ADP funds to the Local Governments (Rs. 8.5 bn for districts, Rs. 8.5 bn for tehsils and Rs. 7.5 bn for village and neighborhood councils) to be disbursed in the current financial year for utilization of community development program would put enormous pressure on the new councils formed under the LG Ordinance. Capacity building initiatives will be required to meet this new challenge. SNG has taken an initiative on their training in financial management and planning.
- The AusAID Citizens Empowerment for Social Services Delivery (CESSD) Project has successfully used social accountability tools and supported social services committees and networks in education, health and water supply and sanitation sectors in eleven districts of KP. Since the project is coming to an end, it will be very useful not only for KPG but other projects to learn from CESSD experiences and where feasible, replicate or further support these interventions in their target districts. It was also discussed that some of the interventions that were planned but could not be implemented due to budget and time constraints can be taken on by KPG, should the project have budget availability.
- GiZ is supporting the Provincial Government in revising/updating its technical and vocational education curricula and building staff capacities of training institutes across the province. The Multi Donor Trust Fund (MDTF) through the Small and Medium Enterprise Development

Authority (SMEDA) is providing matching grants, up-gradation support, business development services and common facility centers to micro, small and medium enterprises. USAID has helped the Provincial Government establish a Technical Education and Vocational Training Authority (TEVTA) to provide an institutional mechanism to accelerate skills development and employment generation in the province. All these efforts offer an opportunity for KPG to support the KP Government in stimulating economic growth and job creation especially for women and youth.

- SNG is supporting the Provincial Finance Department in strengthening the public financial management systems whereas SGGP is assisting the Provincial Revenue Authority in revenue forecasting, broadening sales tax base, audit and enforcement. Both these efforts are aimed at enhancing fiscal space thus creating much needed resources to improve services delivery. Some of the areas where SNG has been focusing on include preparation of budget call circular and budget preparation for local governments as well as output based budgeting for the provincial government. In addition, SNG has been working on a performance management framework both at provincial and district levels whereby KPIs for different departments have been introduced. KPG can work with both the Finance Department and Revenue Authority to further strengthen and complement these efforts.

Before closing the workshop, KPG Project thanked all the participants for their time and valuable input. The participants appreciated the KPG Project efforts to bring together all relevant projects supporting KP governance reforms. It was suggested that such meetings should be held regularly on at least quarterly basis to further enhance cooperation and collaboration among the donor funded programs/projects.

List of Participants

1. Saeed Siddique, Chief of Party, USAID Small Grants and Ambassador's Fund Program
2. Khalid Khan, Provincial Team Leader, DfID Sub National Governance Program
3. Shakeel Kakakhel, Team Leader, DfID Rule of Law and Peace Support Program
4. Catherine Froehling, Head of Governance Program, German Development Cooperation (GiZ)
5. Adi Walker, Principal Advisor, GiZ Support to Development Planning Project
6. Brian Fawcett, Team Leader, EU District Governance and Community Development Program
7. Cory Leblanc, Project Manager, Citizens Empowerment for Social Services Delivery Project
8. Amanullah Khan, representing UNDP Decentralization and Local Governance Program
9. Sher Shah, Senior Public Sector Specialist, World Bank Governance Global Practice

	GiZ	TEVT curriculum development and training of technical education faculty
Economic Growth and Job Creation	JICA	Capacity building of teachers of technical and vocational training centres
	MDTF through Small and Medium Enterprise Development Authority	Matching grants, up-gradation support, business development services and common facility centers for SMEs
	EU Support through Technical Upgradation & Skill Development Company	Technical training/ placement and entrepreneurship development of school drop-out youth
	World Bank Governance Global Practice	Operationalization of Public Private Partnership Unit
	Pakistan Poverty Alleviation Fund, SME Bank, Bank of Khyber	Credit to micro and small enterprises
	Pro-poor Service Delivery and Improved Citizen Participation	GiZ Support to Good Governance Program
GiZ Support to Development Planning		Development planning of village councils
AusAID Citizens Empowerment for Social Services Delivery Project		Institutional development of LGS, awareness raising, accountability tools and support to social services committees
DfID Sub National Governance Program		Support to developing institutional mechanisms for governance reforms, development planning, PFM, performance monitoring system, LG rules of business and training material
MDTF Governance Support Project		Citizen report cards
EU District Governance and		Capacity building and budgetary support to district administration to

	Community Development Project	improve service delivery
	USAID Small Grants and Ambassador's Fund Program	Support to education sector through civil society organizations
	World Bank Governance Global Practice	Strengthening Provincial Monitoring and Evaluation Directorate, Service Delivery Performance Management Cell, e-Citizen Grievance Redressal Centre, establishment of Right to Public Service Commission, support to land records computerization and service delivery centres
Peace Building and Rule of Law	DfID Rule of Law and Peace Support Program (Aitebaar)	Capacity building in investigation, gender sensitive and community policing, establishment of model police stations, public awareness about rights, support to individuals and communities throughout criminal justice system
	DfID Voice and Accountability Program (Aawaz)	Conflict resolution and political participation activities
	World Bank Governance Global Practice	Support to KP Judicial Academy and Provincial Ombudsman Office, establishment of e-Citizen Grievance Redressal Centres in Peshawar High Court
	UNDP Rule of Law	Support to KP Judicial Academy
Transparency and Accountability	World Bank Governance Global Practice	Strengthening, restructuring and re-organization of provincial anti-corruption establishment
Enhanced Fiscal Space	GiZ Support to Good Governance Program	Strengthening Revenue Authority in revenue forecasting, broadening sales tax base, audit and enforcement
Gender Equality and Women Empowerment	GiZ Support to Good Governance Program	Preventing violence against women

ANNEX 2: WORKING GROUP MEETING REGARDING LG TRAINING PLANS

Minutes of the 1st Working Group Meeting, regarding LG Training Plans
at Local Governance School Peshawar, dated September 16, 2015

A meeting of the relevant development partners, Government of Khyber Pakhtunkhwa was held on September 16, 2015 at Local Governance School, LG&RDD, Hayatabad Peshawar. List of participants is attached. Meeting discussed the following agenda;

Agenda:

1. Opening remarks by LGE&RDD and update on establishment of local governments in KP;
2. Formation of Working Group-composition and Terms of Reference;
3. Presentation by each development partner on their core area of interventions
4. Discussion led by LGE&RDD on developing synergies and future course of action.

The Director Local Governance School (LGS) gave a comprehensive briefing on the local government transition in Khyber Pakhtunkhwa with special reference to the legal framework, institutional set up and training priorities for the newly inducted elected local governments. He also shared LGS approach to the training needs and informed the participants about the progress made so far towards development of training materials (both for trainers and trainees) and Training of Trainers (TOT) conducted by the LGS in partnership with the GIZ-SGGP in KP. He informed the meeting that due to convening this 1st working group meeting on short notice, representative of GIZ could not join. Hope they will be available for subsequent meetings and consultations. He also informed the forum about his department MOU signed with UNDP for technical support to LG&RDD in LG transition.

Director LGS highlighted the areas for training and technical cooperation and sought suggestions and proposals from the development partners to play their role at this important juncture of local government transition. It was also informed that because of the multiple training events, scheduled to be conducted in all the districts of KP, there is urgent need for the local government department and its development partners to form a coordination working group at operational level under the Strategic Development Partnership Framework (SDPF) to avoid duplication and wastage of time and resources and to develop synergies for better results. Such forum will be reporting to and seeking guidance from Sectoral Coordination Committee (SCC) on need basis.

Taking part in the discussion, the representatives of the development partners appreciated the idea of such a working group and agreed in principle that Local Governance School, should take a lead role in this endeavor. Each organization also shared the broader technical areas of their working and assured full cooperation to facilitate the government in conducting timely trainings of local councilors and government officials within their domain and resources. They also appreciated the training calendar prepared by the LGS and expressed the hope that this matrix will help the development partners come up with clear commitment for support and cooperation.

After detailed discussion on different aspects of the training plans and role and mandate of the working group, the following decisions were made and action points were agreed.

Decisions and Action Points:

1. Director LGS will circulate the proposed training calendar for local councilors to all the development partners to enable them book the slots and events for themselves to run the training events in partnership with LGS in their project districts. **(Action by Director LGS).**

2. It was also agreed in principle that instead of developing and running parallel training modules for local councilors and Nazimeen, development partners shall use the existing training material developed by the LGS with slight adjustment in training delivery session plan where deemed necessary to accommodate any additional topic or theme relevant to the functions of the local councilors and important from the view point of development partners. However, such adjustment shall be subject to prior consultation and approval of the LGS. **(Action by All Development partners and Director LGS).**

3. Team Leader SNG-KP will develop a draft on the composition and Terms of Reference (ToR's) of the LGS-Working Group which will be finalized and notified in consultation with the development partners; **(Action by Team Leader SNG-KP).**

4. Representative of SRSP-CDLD (EU) Malakand re-affirmed his commitment of August 21, 2015 for sponsoring all the training events (at three tiers) in six out of seven districts of Malakand Division under the mandate of their EU project and hoped the MOU to this effect will be finalised very soon. **(Action by SRSP-CDLD-EU Malakand).**

5. In response to Local Government Department' request, the SNG will sponsor and organize the Provincial level event namely "Orientation and Training workshop for District Nazimeen of KP" scheduled for Oct 5-6, 2015 for which all necessary preparation have been made in consultation with LG&RDD. SNG also assured for sponsoring the 3-days training workshops for the members of district councils in the SNG focus districts; **(Action by Team Leader SNG-KP).**

6. Mr. Brian Fawcht, Team Leader, Human Dynamics (DG, LD) Malakand project assured full cooperation to the LGS and formally requested Director LGS to support their team in development of suitable training material on theme around "community participation" in the light of new Local Government Act, 2013 and relevant rules and regulations. Director LGS will intimate a date and time for this purpose soon. **(Action by Director LGS).**

7. EVA-BHN will support the LG Department in its interventions including district government training especially focusing on bringing the 'voice' of communities to the policy and decision makers. It was also suggested to include CBM and GRM

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modules into the LG Training Manual. Both EVA-BHN and LGS team would set together to finalize its modality subject to concurrence by the donor agency. **(Action by Director LGS and Team Leader EVA-BHN).**

8. Mr. Javed Hassan Director KP Governance Project (USAID) will inform the Director LGS in next few days regarding the approval and signing of their proposed MOU between the Government of KP and USAID. He expressed willing to contribute to the local councilors training calendar of LGS and other training needs of local government department. **(Action by Director KP-Governance Project).**

9. Local Governance School, shall acknowledge the contribution of each development partner in all its publications and official communication related to the training activities. **(Action by Director LGS).**

10. Development partners requested for permanent faculty and management for the Local Governance School to ensure that it leads the training process for local governments in a systematic and sustainable manner. **(Action by Secretary LG&RDD).**

11. All Development partners shall make efforts to utilize the services of Master trainers and trainers of Local Governance School (trained through GIZ programme), in the district level workshops and events with uniform rates of remuneration. However, the development partners may supplement such events through additional resource persons and experts. Director LGS will forward a list of such trainers and uniform rates of remuneration to the development partners. **(Action by Director LGS).**

12. It was also agreed, that SNG will develop an outline for the training module for district government officials on the basis of new Local Government Act, 2013 and budget rules and P&D guidelines. This will be shared with all the development partners through the working group forum for review and refinement. Once finalized, the LGS will notify it as the official training module for training of local government officials. **(Team Leader SNG-KP)**

Meeting ended with vote of thanks.

List of Participants/ Attendance Sheet

Event title/ Subject: 1st Working Group Meeting for Capacity Building of Local Governments in KP

Date: 16th September, 2015 S. No **Name of Mr./Ms.** **Designation** **Department/ Organization** **E-Mail** **Contact No.**

1.	Said Rehman	Director	LGS		
2.	Khalid Hussain	Programme Manager	SRSP DGCD-CDLD		
3.	Riaz Khan	Communication Expert	UNDP		
4.	Daudzai Waqar Akhtar	Capacity Development Expert	UNDP		
5.	Khalid Mehmood	Provincial Team Leader	DFID EVA-BHN Khyber Pakhtunkhwa		
6.	Maqsood Jan	CDLD-Advisor	HD-EU		
7.	Brian Fawcht	Team Leader CDLC TA	HD-EU		
8.	Khalid Khan	Team Leader	SNG-KP		
9.	Javeed Hassan	Director (G)	KPGP (USAID)		
10.	Usman Khan	Research Analyst	SNG-KP		
11.	Nizam uddin	Communication Specialist	SNG-KP		
12.	Ms.Nida Hameed	Financial Consultant			SNG-KP
13.	Ayesha Sadaf	Junior Consultant			SNG-KP
14.	Riaz Ahmad	Training Coordinator	LGS-LG&RDD		

15.	Naseer Ahmad Khan	Training Officer	LGS- LG&RDD	
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