



2016 ANNUAL PERFORMANCE ASSESSMENT REPORT OF THE 5-YEAR ROLLING FISCAL PERFORMANCE IMPROVEMENT PLAN

Afghanistan Building
More efficient and effective public services;
Stronger fiscal discipline; and
Strategic fiscal policy

VOLUME II ATTACHMENTS

Final Report

Independent Validation Team
Ministry of Finance
Kabul, Afghanistan

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ACRONYMS

ACD	Afghanistan Custom Department	MOD	Ministry of Defence
AD	Administration Department	MOE	Ministry of Education
AEITI	Afghanistan Extractives Industries Transparency	MoE	Ministry of Education
AFMIS	Afghanistan Financial Management	MoF	Minister for Finance
AMD	Aid Management Directorate	MOF	Ministry of Finance
ANCA	Afghan National Customs Academy	MOI	Ministry of Interior
ANDF	Afghanistan National and Development Framework	MoJ	Ministry of Justice
ANPDF	Afghanistan National Peace and Development Framework	NPA	National Procurement Authority
ARD	Afghanistan Revenue Department	NPP	National Priority Programs
ARTF	Afghanistan Reconstruction Fund	NTA	National Technical Assistance
BD	Budget Department	OoCS	Office of Chief of Staff
BRT	Business Retail Tax	OoM	Office of the Minister
CBR	Capacity Building for Results	PD	Property Department
CD	Customs Department	PEFA	Public Expenditure and Financial Accountability
CSC	Civil Service Commission	PFM	Public Financial Management
CSO	Central Statistics Office	PICDG	Programs Implementation and Coordination General Directorate
DAB	Da Afghanistan Bank	PMT	Performance Management Team
EITI	Extractives Industries Transparency Initiative	RD	Revenues Department
FPIP	Fiscal Performance Improvement Plan	RIMU	Project Implementation Management Unit
HEC	High Economic Council	RRD	Revenue Reconciliation Database
HR	Human Resources	RTAS	Revenue Trend Analysis System
HRD	Human Resources Department	SAO	Supreme Audit Office
IDLG	Independent Directorate of Local Governance	SBPS	State Budget Planning System
JCMB	Joint	SMAF	Self-Reliance through Mutual Accountability Framework
KPI	Key performance Indicator	SMP	Staff Managed Program
MAIL	Ministry of Agriculture Irrigation and Livestock	SOED	State-Owned Enterprise Department
MARGD	Monitoring, Analysis and Reporting General Directorate	TA	Technical Assistance
MEW	Ministry of Energy and Water	USAID	United States Agency for International Development
MFPD	Macroeconomic and Fiscal Performance Department		
MoCIT	Ministry of Communication and Information Technology		

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ATTACHMENTS

ATTACHMENT A: LEAGUE TABLES OF TEAM PERFORMANCE

Table 1. 2016 Annual League Table: Directorate General – Raw Performance

Rank	Agency Level Grouping	Raw Weighted Grade (TQE)	Raw Weighted Score (TQE)	Standardised Grade	Std Deviation
1	National Procurement Authority (NPA)	A	0.88	A+	2.53
2	Treasury Department	B	0.72	A+	1.08
3	Revenues Department	B	0.67	B+	0.49
4	Customs Department	B	0.66	A	0.52
5	AEITI	B	0.66	B+	0.45
6	Macro-Fiscal Performance Department	B	0.65	B+	0.39
7	Office of the Minister	B	0.64	B+	0.30
8	Property Department	B	0.63	B	0.18
9	Aid Management Directorate	B	0.60	B	-0.02
10	Human Resources Department	C+	0.59	B	-0.17
11	Insurance Department	C+	0.58	C+	-0.28
12	Admin Department	C+	0.58	C+	-0.29
13	Reform Implementation Management Unit	C+	0.56	C+	-0.44
14	Internal Audit Department	C+	0.56	C+	-0.46
15	Monitoring, Analysis and Reporting	C+	0.56	C+	-0.47
16	Budget Department	C	0.50	C	-0.94
17	Programs Implementation and Coordination	D+	0.49	D+	-1.10
18	SOE Department	D+	0.48	D+	-1.12
19	Revenue Planning Department	n/a	n/a	n/a	n/a

Timelines (T), Quality (Q) and Effectiveness (E) grades weighted as 20%, 30% and 50% respectively. TA, Risk and Impact not included in this league table. Raw scores are the weighted average grades. Standardized grades are scores adjusted to fit a normal distribution. NB. Revenue Planning Dept. was abolished in 1395-2016 with functions merged with MFPD, ARD and ACD.

Table 2. 2016 Annual League Table: Directorate – Raw Performance

Rank	Agency Level Grouping	Raw Weighted Grade (TQE)	Raw Weighted Score (TQE)	Standardised Grade	Std Deviation
1	National Procurement Authority (NPA)	A	0.88	A+	2.53
2	TD: Payments	A	0.80	A+	1.80
3	RD: Office of the DG (Revenue)	B+	0.77	A+	1.52
4	TD: Treasury Systems Development	B	0.74	A+	1.20
5	RD: Large Taxpayers Office	B	0.72	A+	1.04
6	CD: Law Enforcement	B	0.72	A+	1.01
7	CD: Customs Support and Development	B	0.71	A+	0.92
8	RD: Medium Taxpayers Office	B	0.69	A	0.80
9	AD: IT	B	0.69	A	0.75
10	RD: Revenue Services and Support	B	0.69	A	0.73
11	MFPD: Admin and Reporting Unit	B	0.68	A	0.71
12	RD: Legal	B	0.68	A	0.70
13	OoM: Legal Board	B	0.67	A	0.56
14	HRD: Organizational Development	B	0.67	A	0.54
15	RD: Non-Tax Revenue	B	0.66	A	0.53
16	OoCS: Chief of Staff Operations	B	0.66	B+	0.49
17	PD: Registration and Resolution Directorate	B	0.66	B+	0.47
18	CD: Operations	B	0.66	B+	0.46
19	MFPD: Performance Management Team	B	0.66	B+	0.45
20	AEITI Secretariat	B	0.66	B+	0.45
21	CD: Monitoring & Prev'g Customs Violations	B	0.65	B+	0.40
22	MFPD: Fiscal Directorate	B	0.64	B+	0.34
23	HRD: Recruitment Development	B	0.63	B+	0.24
24	OoM: Communications and Public Relations	B	0.63	B+	0.24
25	TD: Accounting	B	0.63	B+	0.23
26	PD: Capital Properties (Kabul) Directorate	B	0.63	B+	0.22
27	RD: Small Taxpayers Office	B	0.63	B	0.18
28	OoCS: Archive Office	B	0.63	B	0.17
29	AD: MoF Project Implementation Unit	B	0.62	B	0.15
30	OoM: Office of the Chief of Staff	B	0.62	B	0.13

Rank	Agency Level Grouping	Raw Weighted Grade (TQE)	Raw Weighted Score (TQE)	Standardised Grade	Std Deviation
31	MFPD: Macroeconomic Unit	B	0.62	B	0.13
32	RD: Technical and Provincial Liaison	B	0.61	B	0.03
33	AMD: Aid Management	B	0.60	B	-0.02
34	IAD: Office of the DG	C+	0.59	B	-0.13
35	OoCS: Correspondence Office	C+	0.59	B	-0.14
36	CD: Customs Technical Affairs	C+	0.59	B	-0.16
37	PD: Provincial Property Directorate	C+	0.59	B	-0.17
38	HRD: Performance Appraisal & Records	C+	0.59	B	-0.19
39	OoCS: Protocol Office	C+	0.59	B	-0.20
40	ID: Insurance Affairs	C+	0.58	C+	-0.23
41	MARGD: Analysis and Reporting	C+	0.58	C+	-0.29
42	HRD: Training & Development	C+	0.57	C+	-0.31
43	RIMU	C+	0.56	C+	-0.44
44	IAD: Budget and Treasury Audit	C+	0.55	C+	-0.50
45	RD: Appeals	C	0.55	C+	-0.52
46	IAD: Compliance & IT Audit & Fraud Invest'n	C	0.55	C+	-0.55
47	AD: Gender Unit	C	0.55	C+	-0.56
48	IAD: Customs and Revenue Audit	C	0.55	C+	-0.56
49	IAD: Budgetary Audit and Capacity Devt.	C	0.55	C+	-0.57
50	BD: Budget Policy	C	0.54	C+	-0.57
51	MARGD: Directorate of Program Monitoring	C	0.54	C	-0.66
52	HRD: Employee Relations	C	0.53	C	-0.75
53	PICGD: Coordination of NPPs	C	0.51	C	-0.90
54	PICGD: Directorate for Policy Research	C	0.51	C	-0.93
55	OoCS: Translation Board	C	0.50	C	-0.98
56	SD: Policy & Coordination	D+	0.50	C	-0.99
57	SD: Financial Monitoring SoEs	D+	0.50	C	-1.00
58	AD: Procurement and General Services	D+	0.50	D+	-1.02
59	AD: Auctions and Disposals Unit	D+	0.49	D+	-1.04
60	SD: Financial Monitoring SoCs	D+	0.49	D+	-1.07
61	AD: Finance and Accounting	D+	0.49	D+	-1.08
62	BD: Budget Execution	D+	0.45	D	-1.48
63	SD: Divestiture of SPE's & Est. of New SOE/Cs	D+	0.43	D	-1.59
64	OoCS: Non-Allocated Advisor Pool	n/a	n/a	n/a	n/a
65	RPD: Revenue Analysis and Forecasting	n/a	n/a	n/a	n/a
66	RPD: M&E of Revenue Targets	n/a	n/a	n/a	n/a

Timelines (T), Quality (Q) and Effectiveness (E) grades weighted as 20%, 30% and 50% respectively. TA, Risk and Impact not included in this league table. Raw scores are the weighted average grades. Standardized grades are scores adjusted to fit a normal distribution. NB. Revenue Planning Dept. was abolished in 1395-2016 with functions merged with MFPD, ARD and ACD.

Table 3. 2016 “Best and Fairest” League Table: Directorate Generals

Rank	Agency Level Grouping	X Grade	X Score	X Grade Std	X Score Std
1	National Procurement Authority	A	0.85	A+	2.59
2	Revenues Department	B	0.68	A+	0.83
3	Treasury Department	B	0.65	A	0.53
4	Customs Department	B	0.64	B+	0.45
5	AEITI	B	0.61	B	0.14
6	Office of the Minister	B	0.61	B	0.13
7	Macro-Fiscal Performance Department	B	0.61	B	0.09
8	Aid Management Directorate	B	0.61	B	0.07
9	Admin Department	B	0.60	B	0.04
10	Property Department	C+	0.59	B	-0.06
11	Insurance Department	C+	0.59	B	-0.07
12	Human Resources Department	C+	0.58	C+	-0.22
13	Monitoring, Analysis and Reporting	C+	0.56	C+	-0.39
14	Internal Audit Department	C	0.54	C+	-0.60
15	Programs Implementation and Coordination	C	0.52	C	-0.78
16	Reform Implementation Management Unit	C	0.52	C	-0.79
17	Budget Department	C	0.51	C	-0.90
18	SOE Department	D+	0.50	D+	-1.05
19	Revenue Planning Department	n/a	n/a	n/a	n/a

In this table, the X Score is the adjusted score, which is the raw performance score (the weighted average for Timeliness, Quality and Effectiveness grades) adjusted for TA, Risk and Impact. Standardized grades (std) are raw scores adjusted to fit a normal distribution.

Table 4. 2016 “Best and Fairest” League Table: Directorates

Rank	Agency Level Grouping	X Grade	X Score	X Grade Std	X Score Std
1	National Procurement Authority (NPA)	A	0.85	A+	2.59
2	RD: Office of the DG (Revenue)	B	0.73	A+	1.40
3	RD: Large Taxpayers Office	B	0.72	A+	1.27
4	AD: IT	B	0.71	A+	1.19
5	TD: Payments	B	0.71	A+	1.16
6	RD: Revenue Services and Support	B	0.70	A+	1.07
7	RD: Medium Taxpayers Office	B	0.70	A+	1.05
8	RD: Legal	B	0.70	A+	1.04
9	CD: Law Enforcement	B	0.69	A+	0.92
10	TD: Treasury Systems Development	B	0.68	A	0.80
11	CD: Monitoring & Prev'g Customs Violations	B	0.67	A	0.72
12	AD: MoF Project Implementation Unit	B	0.66	A	0.68
13	CD: Customs Support and Development	B	0.66	A	0.64
14	RD: Non-Tax Revenue	B	0.66	A	0.61
15	CD: Operations	B	0.65	A	0.58
16	RD: Small Taxpayers Office	B	0.65	A	0.51
17	OoM: Legal Board	B	0.64	B+	0.45
18	RD: Technical and Provincial Liaison	B	0.64	B+	0.42
19	HRD: Organizational Development	B	0.63	B+	0.35
20	OoCS: Chief of Staff Operations	B	0.63	B+	0.33
21	MFPD: Fiscal Directorate	B	0.62	B+	0.21
22	AEITI Secretariat	B	0.61	B	0.14
23	MFPD: Admin and Reporting Unit	B	0.61	B	0.14
24	HRD: Recruitment Development	B	0.61	B	0.13
25	AMD: Aid Management	B	0.61	B	0.07
26	MFPD: Performance Management Team	B	0.60	B	0.04
27	PD: Registration and Resolution Directorate	B	0.60	B	0.03
28	OoM: Communications and Public Relations	B	0.60	B	0.01
29	PD: Capital Properties (Kabul) Directorate	C+	0.60	B	-0.01
30	OoCS: Archive Office	C+	0.60	B	-0.02
31	OoM: Office of the Chief of Staff	C+	0.60	B	-0.02
32	RD: Appeals	C+	0.59	B	-0.07
33	HRD: Performance Appraisal & Record Keeping	C+	0.59	B	-0.07
34	ID: Insurance Affairs	C+	0.59	B	-0.08
35	MFPD: Macroeconomic Unit	C+	0.59	B	-0.13

Rank	Agency Level Grouping	X Grade	X Score	X Grade Std	X Score Std
36	OoCS: Correspondence Office	C+	0.58	B	-0.16
37	IAD: Office of the DG	C+	0.58	B	-0.18
38	CD: Customs Technical Affairs	C+	0.58	C+	-0.20
39	PD: Provincial Property Directorate	C+	0.58	C+	-0.23
40	MARGD: Analysis and Reporting	C+	0.57	C+	-0.26
41	HRD: Training & Development	C+	0.57	C+	-0.35
42	TD: Accounting	C+	0.56	C+	-0.37
43	OoCS: Protocol Office	C+	0.56	C+	-0.45
44	MARGD: Directorate of Program Monitoring	C+	0.55	C+	-0.51
45	BD: Budget Policy	C	0.54	C+	-0.58
46	PICGD: Coordination of NPPs	C	0.54	C	-0.63
47	AD: Procurement and General Services	C	0.54	C	-0.65
48	IAD: Budget and Treasury Audit	C	0.54	C	-0.65
49	IAD: Customs and Revenue Audit	C	0.53	C	-0.70
50	IAD: Compliance & IT Audit & Fraud Invest'n	C	0.53	C	-0.72
51	AD: Gender Unit	C	0.53	C	-0.74
52	IAD: Budgetary Audit and Capacity Dev't	C	0.53	C	-0.76
53	RIMU	C	0.52	C	-0.79
54	HRD: Employee Relations	C	0.52	C	-0.84
55	PICGD: Directorate for Policy Research	C	0.52	C	-0.84
56	SD: Financial Monitoring SoEs	C	0.52	C	-0.85
57	AD: Finance and Accounting	C	0.52	C	-0.86
58	AD: Auctions and Disposals Unit	C	0.51	C	-0.89
59	SD: Policy & Coordination	C	0.51	C	-0.92
60	SD: Financial Monitoring SoCs	D+	0.49	D+	-1.19
61	SD: Divestiture of SPE's & Est. of New SOE/Cs	D+	0.48	D+	-1.26
62	OoCS: Translation Board	D+	0.47	D+	-1.34
63	BD: Budget Execution	D+	0.47	D+	-1.38
64	OoCS: Non-Allocated Advisor Pool	n/a	n/a	n/a	n/a
65	RPD: Revenue Analysis and Forecasting	n/a	n/a	n/a	n/a
66	RPD: M&E of Revenue Targets	n/a	n/a	n/a	n/a

In this table, the X Score is the adjusted score, which is the raw performance score (the weighted average for Timeliness, Quality and Effectiveness grades) adjusted for TA, Risk and Impact. Standardized grades are scores (std) are raw scores adjusted to fit a normal distribution.

Table 5. 2016 Annual League Baseline League Table Data: Directorate Generals

	X GRADE	X SCORE	X NORM GRADE	X NORM SCORE	P GRADE	P SCORE	P NORM GRADE	P NORM SCORE	RAW TIME	RAW TIME SCORE	RAW QUALITY	RAW QUALITY SCORE	RAW EFFECT	RAW EFFECT SCORE
18.0 National Procurement Authority (NPA)	A	0.85	A+	2.59	A	0.85	A+	2.60	A	85.91	A	86.82	A	87.73
3.0 Revenues Department	B	0.68	A+	0.83	B	0.65	A	0.59	B	64.97	B	64.36	B	70.61
4.0 Treasury Department	B	0.65	A	0.53	B	0.65	A	0.75	B	67.78	B	65.83	B	72.78
2.0 Customs Department	B	0.64	B+	0.45	B	0.63	A	0.55	B	62.69	B	62.31	B	69.91
19.0 AEITI	B	0.61	B	0.14	C+	0.60	B+	0.23	B	62.50	B	62.50	B	72.50
1.0 Office of the Minister	B	0.61	B	0.13	C+	0.59	B	0.15	B	65.24	B	64.05	B	68.33
16.0 Macro-Fiscal Performance Department	B	0.61	B	0.09	C+	0.59	B	0.17	C+	59.88	C+	59.50	B	64.00
17.0 Aid Management Directorate	B	0.61	B	0.07	C+	0.57	B	-0.04	B	60.00	C+	59.44	B	61.11
6.0 Admin Department	B	0.60	B	0.04	C+	0.57	B	-0.05	C+	56.45	C	52.63	C+	57.37
8.0 Property Department	C+	0.59	B	-0.06	C+	0.58	B	0.03	B	61.82	B	62.27	B	67.73
10.0 Insurance Department	C+	0.59	B	-0.07	C+	0.57	B	-0.06	C+	55.38	C+	55.00	B	60.38
9.0 Human Resources Department	C+	0.58	C+	-0.22	C+	0.57	B	0.01	C+	59.31	C+	56.72	C+	59.48
13.0 Monitoring, Analysis and Reporting General Directorate	C+	0.56	C+	-0.39	C	0.53	C+	-0.43	C+	55.00	C	52.50	C+	57.50
11.0 Internal Audit Department	C	0.54	C+	-0.60	C	0.52	C+	-0.51	C	54.39	C	54.39	C+	56.93
12.0 Programs Implementation and Coord	C	0.52	C	-0.78	D+	0.47	C	-0.96	C	51.00	C	50.00	C	51.33
14.0 (RIMU)	C	0.52	C	-0.79	C	0.50	C	-0.66	C	57.50	C	53.33	C+	56.67
5.0 Budget Department	C	0.51	C	-0.90	D+	0.46	D+	-1.03	C	50.46	D+	48.92	D+	49.50
7.0 SOE Department	D+	0.50	D+	-1.05	D+	0.45	D+	-1.12	D+	47.20	D+	47.40	D+	49.60
15.0 Revenue Planning Department	-	-	-	-	-	-	-	-	-	-	-	-	-	-

X= Adjusted score before standardization = impact + risk + performance (weighted). P = performance score = timeliness + effectiveness and TA adj (weighted).

Table 6. 2016 Annual League Baseline League Table Data: Directorates

	X GRADE	X SCORE	X NORM GRADE	X NORM SCORE	P GRADE	P SCORE	P NORM GRADE	P NORM SCORE	RAW TIME	RAW TIME SCORE	RAW QUALITY	RAW QUALITY SCORE	RAW EFFECT	RAW EFFECT SCORE
18.1 National Procurement Authority (NPA)	A	0.85	A+	2.59	A	0.85	A+	2.60	A	85.91	A	86.82	A	87.73
3.1 RD: Office of the DG (Revenue)	B	0.73	A+	1.40	B	0.73	A+	1.47	B+	77.22	B	73.33	A	80.00
3.2 RD: Large Taxpayers Office	B	0.72	A+	1.27	B	0.70	A+	1.21	B	72.17	B	71.50	B	74.33
6.3 AD: IT	B	0.71	A+	1.19	B	0.69	A+	1.08	B	67.00	B	61.00	B	67.50
4.3 TD: Payments	B	0.71	A+	1.16	B	0.72	A+	1.42	B+	78.75	B	72.50	B+	78.75
3.9 RD: Revenue Services and Support	B	0.70	A+	1.07	B	0.67	A+	0.88	B	63.95	B	63.95	B	73.42
3.3 RD: Medium Taxpayers Office	B	0.70	A+	1.05	B	0.68	A+	0.97	B	69.80	B	68.60	B+	74.40
3.6 RD: Legal	B	0.70	A+	1.04	B	0.67	A+	0.90	B	63.75	B	62.19	B	70.31
2.2 CD: Law Enforcement	B	0.69	A+	0.92	B	0.67	A+	0.95	B	69.17	B	67.50	B	74.17
4.1 TD: Treasury Systems Development	B	0.68	A	0.80	B	0.66	A+	0.86	B	66.25	B	68.13	B+	75.63
2.5 CD: Monitoring and Prev'g Customs Violations	B	0.67	A	0.72	B	0.64	A	0.59	B	60.00	B	60.00	B	70.00
6.4 AD: MoF Project Implementation Unit	B	0.66	A	0.68	B	0.62	B+	0.47	B	62.50	C+	57.50	B	65.00

	X GRADE	X SCORE	X NORM GRADE	X NORM SCORE	P GRADE	P SCORE	P NORM GRADE	P NORM SCORE	RAW TIME	RAW TIME SCORE	RAW QUALITY	RAW QUALITY SCORE	RAW EFFECT	RAW EFFECT SCORE
2.1 CD: Customs Support and Development	B	0.66	A	0.64	B	0.66	A+	0.87	B	63.50	B	67.00	B+	75.00
3.7 RD: Non-Tax Revenue	B	0.66	A	0.61	B	0.62	B+	0.43	B	61.94	B	65.00	B	70.56
2.4 CD: Operations	B	0.65	A	0.58	B	0.62	B+	0.48	B	60.94	B	60.63	B	72.19
3.4 RD: Small Taxpayers Office	B	0.65	A	0.51	B	0.61	B+	0.35	C+	59.78	C+	58.70	B	67.17
1.2 OoM: Legal Board	B	0.64	B+	0.45	B	0.61	B+	0.37	B	70.29	B	67.94	B	71.76
3.8 RD: Technical and Provincial Liaison	B	0.64	B+	0.42	C+	0.59	B	0.14	C+	59.12	C+	57.65	B	64.12
9.3 HRD: Organizational Development	B	0.63	B+	0.35	B	0.65	A	0.72	B+	77.50	C+	57.50	B	67.50
1.1.1 OoCS: Chief of Staff Operations	B	0.63	B+	0.33	B	0.61	B+	0.33	B	61.00	B	60.00	B	70.00
16.1 MFPD: Fiscal Directorate	B	0.62	B+	0.21	C+	0.58	B	0.06	C+	58.89	B	61.11	B	66.39
19.1 AEITI Secretariat	B	0.61	B	0.14	C+	0.60	B+	0.23	B	62.50	B	62.50	B	72.50
16.3 MFPD: Admin and Reporting Unit	B	0.61	B	0.14	B	0.63	A	0.54	B	66.67	B	68.33	B	69.17
9.2 HRD: Recruitment Development	B	0.61	B	0.13	B	0.62	B+	0.42	B	61.25	B	63.75	B	63.75
17.1 AMD: Aid Management	B	0.61	B	0.07	C+	0.57	B	-0.04	B	60.00	C+	59.44	B	61.11
16.4 MFPD: Performance Management Team	B	0.60	B	0.04	B	0.60	B+	0.29	C+	57.86	B	62.86	B	69.29
8.2 PD: Registration and Resolution Directorate	B	0.60	B	0.03	C+	0.59	B	0.15	B	64.00	B	64.50	B	70.50
1.3 OoM: Communications and PR	B	0.60	B	0.01	C+	0.57	B	0.01	B	63.00	B	65.50	B	66.50
8.3 PD: Capital Properties (Kabul) Directorate	C+	0.60	B	-0.01	C+	0.59	B	0.12	B	61.25	B	61.25	B	68.75
1.1.3 OoCS: Archive Office	C+	0.60	B	-0.02	C+	0.58	B	0.07	B	61.67	B	61.67	B	63.33
1.1 OoM: Office of the Chief of Staff	C+	0.60	B	-0.02	C+	0.58	B	0.03	B	60.00	C+	59.17	B	65.56
3.5 RD: Appeals	C+	0.59	B	-0.07	C	0.54	C+	-0.32	C+	55.36	C+	55.36	B	60.00
9.4 HRD: Performance Appraisal & Record Keeping	C+	0.59	B	-0.07	C+	0.58	B	0.07	C+	58.33	C+	55.56	C+	57.78
10.1 ID: Insurance Affairs	C+	0.59	B	-0.08	C+	0.57	B	-0.03	C+	55.38	C+	55.00	B	60.38
16.2 MFPD: Macroeconomic Unit	C+	0.59	B	-0.13	C+	0.56	B	-0.13	C+	59.09	B	63.64	B	61.82
1.1.2 OoCS: Correspondence Office	C+	0.58	B	-0.16	C+	0.55	B	-0.19	C+	58.33	C+	58.33	B	60.00
11.1 IAD: Office of the DG	C+	0.58	B	-0.18	C+	0.56	B	-0.15	C+	57.08	C+	57.92	B	60.83
2.3 CD: Customs Technical Affairs	C+	0.58	C+	-0.20	C+	0.57	B	-0.04	C+	58.93	C+	56.79	B	60.00
8.1 PD: Provincial Property Directorate	C+	0.58	C+	-0.23	C	0.55	C+	-0.22	B	61.00	B	61.11	B	66.00
13.2 MARGD: Analysis and Reporting	C+	0.57	C+	-0.26	C	0.55	C+	-0.25	C+	55.00	C+	55.00	B	60.00
9.1 HRD: Training & Development	C+	0.57	C+	-0.35	C	0.55	C+	-0.23	C+	57.50	C+	55.00	B	60.00
4.2 TD: Accounting	C+	0.56	C+	-0.37	C+	0.57	B	-0.04	B	62.50	C+	58.33	B	65.00
1.1.5 OoCS: Protocol Office	C+	0.56	C+	-0.45	C+	0.56	B	-0.16	B	60.00	C+	55.00	B	60.00
13.1 MARGD: Directorate of Program Monitoring	C+	0.55	C+	-0.51	C	0.51	C	-0.61	C+	55.00	C	50.00	C+	55.00
5.2 BD: Budget Policy	C	0.54	C+	-0.58	C	0.50	C	-0.67	C	54.64	C	52.14	C	51.79
12.1 PICGD: Coordination of NPPs	C	0.54	C	-0.63	D+	0.49	C	-0.77	C	52.69	C	51.54	C	53.08
6.1 AD: Procurement and General Services	C	0.54	C	-0.65	D+	0.48	C	-0.90	C	50.00	D+	48.33	C	50.00
11.3 IAD: Budget and Treasury Audit	C	0.54	C	-0.65	C	0.51	C+	-0.57	C+	55.00	C	54.62	C+	55.38
11.4 IAD: Customs and Revenue Audit	C	0.53	C	-0.70	C	0.51	C	-0.63	C	53.85	C	53.85	C+	56.15
11.2 IAD: Compliance & IT Audit & Fraud Invest'n	C	0.53	C	-0.72	C	0.51	C	-0.61	C	53.08	C	53.08	C+	56.15
6.6 AD: Gender Unit	C	0.53	C	-0.74	D+	0.50	C	-0.72	C	52.00	C	54.00	C+	56.00
11.5 IAD: Budgetary Audit and Capacity Dev't	C	0.53	C	-0.76	C	0.51	C	-0.63	C	52.92	C	53.33	C+	55.83
14.1 RIMU	C	0.52	C	-0.79	C	0.50	C	-0.66	C	57.50	C	53.33	C+	56.67

	X GRADE	X SCORE	X NORM GRADE	X NORM SCORE	P GRADE	P SCORE	P NORM GRADE	P NORM SCORE	RAW TIME	RAW TIME SCORE	RAW QUALITY	RAW QUALITY SCORE	RAW EFFECT	RAW EFFECT SCORE
9.5 HRD: Employee Relations	C	0.52	C	-0.84	C	0.52	C+	-0.53	C+	55.83	C+	55.83	C+	55.83
12.2 PICGD: Directorate for Policy Research	C	0.52	C	-0.84	D+	0.48	C	-0.91	D+	40.00	D+	40.00	D+	40.00
7.3 SD: Financial Monitoring SoEs	C	0.52	C	-0.85	D+	0.47	D+	-1.01	D+	47.50	D+	48.33	C	51.67
6.2 AD: Finance and Accounting	C	0.52	C	-0.86	D+	0.48	C	-0.88	C	50.38	D+	48.08	C	50.38
6.5 AD: Auctions and Disposals Unit	C	0.51	C	-0.89	D+	0.48	C	-0.85	C	53.33	D+	40.00	C	53.33
7.1 SD: Policy & Coordination	C	0.51	C	-0.92	D+	0.47	D+	-1.01	C	50.00	D+	49.00	C	50.00
7.2 SD: Financial Monitoring SoCs	D+	0.49	D+	-1.19	D+	0.46	D+	-1.06	D+	46.43	D+	47.14	C	51.43
7.4 SD: Divesture of SPE ¹ and Est. of New SoE/Cs	D+	0.48	D+	-1.26	D+	0.41	D	-1.57	D+	42.50	D+	42.50	D+	42.50
1.1.4 OoCS: Translation Board	D+	0.47	D+	-1.34	D+	0.46	D+	-1.11	C	50.00	C	50.00	C	50.00
5.1 BD: Budget Execution	D+	0.47	D+	-1.38	D+	0.41	D	-1.57	D+	45.58	D+	45.17	D+	46.83
1.1.6 OoCS: Non-Allocated Advisor Pool	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15.1 RPD: Revenue Analysis and Forecasting	0	-	-	-	-	-	-	-	-	-	-	-	-	-
15.2 RPD: M&E of Revenue Targets	-	-	-	-	-	-	-	-	-	-	-	-	-	-

X= Adjusted score before standardization = impact + risk + performance (weighted). P = performance score = timeliness + effectiveness and TA adj (weighted).

ATTACHMENT B: METHODOLOGY

Box 4: Teams not Themes

Team Based Performance Management Matters - it reflects 5 core values:

- Strong Teams Deliver the Best Results
- Every Team and Every Team Member Matters
- Measuring, Rating and Ranking Performance Helps Teams Work Better and Deliver Better Results
- We Must Recognize Efforts of Hard Working Teams and Help Those Teams Who Need It The Most
- A Resilient and High Performing MoF will Help Realise a Long and Prosperous Future for Afghanistan and All its People

The methodology used to quantify team performance groups into two areas - engagement and measurement. Engagement based on applying a self-assessment process for the first stage of the performance assessment. This involved teams self-grading all the performance dimensions. Measurement developed to ensure key equity concerns, including minimizing the risk of inappropriate subjectivity when scoring team performance. This also means we need to capture that multiple dimensions of performance. The methodology builds on the approach used in Timor-Leste since 2013.

The engagement method reflects the requirement of the Minister that the leadership group values the objective, are engaged in the assessment, and lead the process. This resulted in a set of workshops and a two-stage self-assessment process followed by independent validation. The first stage involves teams under the Fiscal Performance Improvement Plan (FPIP) providing updates to the activity targets for 2016. The second stage involves FPIP teams scoring themselves against all the performance management dimensions.

The measurement methodology utilizes analytical techniques to assess technical and political feasibility of reform activities to ensure change efforts focus in the right areas. This involves adopting Jack Diamond's work, which, inter alia, meant assessing each reform activity for things like impact, risk of failure, ability to implement, authority to act, and acceptance of need. By using such techniques, teams prioritize reforms that are more likely to succeed and have a high impact for funding and oversight. This approach also it provides the analytical foundations for high quality performance and activity risk management.

Underpinning the measurement methodology is a high priority for establishing a team-based performance management culture. This started with integrating it in reform designs and the monitoring and evaluation systems. Here it is important to recognize that it is teams (organizational units) that implement change not themes (strategic/thematic groups or reform committees). Moreover, credibility of the verification system is essential, which means independent experts producing league tables of performance. By introducing team-based performance management helps: i) the PFM reform ship to be steered well; and ii) establish a healthy professional competitive spirit - where high performing teams are rewarded and underperforming teams better supported.

Introducing a team-based performance management culture is crucial. A functional performance management system will be self-correcting and self-improving. However, getting a performance culture established has proved elusive in the field of PFM reform programming with many costly failures around the world. That said, team based performance management is not new, and is well accepted as effective in helping to deliver quality results – in sporting, business or public service environments. What is also not news being that effective leaders

manage teams well, and they do that – at least in part - by holding team players to account for their performance based on a solid evidence base of data and statistics – again in sporting, business or public service environments. Nor is it news that Schick, Holmes and the World Bank highlighted, way back in the 1990’s, the importance of “fostering an environment that supports and demands performance”.

What is new is this mechanism to manage team performance in pursuit of successful PFM reform, driven in part by the work of Jack Diamond¹ and this implementation mechanism developed in Timor-Leste. Core features of the approach are that it rewards good performance, addresses poor performance and a credible and independent mechanism for assessing performance is utilized. Moreover, a key feature of the analytical approach to assessing performance is the use of Diamond’s approach to testing feasibility by quantifying impact and risk. But, rather than a one-off exercise to help prioritize and sequence reforms it is integrated within the performance management system.

The performance grading methodology drew on Diamond’s approach¹ to help assess viability of reform activities and to adjust performance scores to account for differences in the difficulty and importance of different activities. The following are some of the key features of Diamond’s approach to assessing viability of reforms that were adopted:

- Assess likely impact or importance of reform activities;
- *Assess risk of failure or difficulty* for each reform activity – in terms of:
 - number of organizations;
 - complexity;
 - time required;
 - scope;
 - behavior change required; and
 - visibility; and
 - management competency.

These two components are particularly important for reform programming and team-based performance management. Firstly, they allow an objective way to assess risk of failure of a reform option. Secondly, it allows reviews of high risk and high impact activities in a way that reduces the risk of failure (e.g. by splitting the activity into phases). Thirdly, it facilitates team based performance management by recognizing that some teams focus on more difficult and important work compared to other teams. It also provides a solid foundation to produce defensible league tables of reform performance during implementation.

The performance management approach integrates into the system to help prioritize reform activities, helping to ensure support only for the right reform activities – i.e. preferably low risk-high impact activities). In addition, grading of team performance can take into consideration the difficulty and importance of the reform work undertaken. Such an approach allows the ability to produce *risk and impact adjusted league tables*, which are critically important to driving a performance culture within an organization.

¹ Diamond, 2013, “[Good Practice Note on Sequencing PFM Reforms](#)”, PEFA Secretariat, Washing DC, USA.

The other core component of the performance management system is the way performance is actually assessed and quantified. The performance scoring approach adopted is one that scores each activity against three dimensions:

timeliness – was the activity done on time;

quality – was the activity done to a high or low quality; and

effectiveness – of effort and in dealing with problems.

While the first two dimension are most common and self-explanatory, the third dimension is the most important. It reveals that focusing on how teams manage problems while pursuing reform helps transform a team’s defense of achievements. In particular, it transforms the focus from teams trying to ‘spin’ stories about achievements, to trying to explain how they dealt with the problems – not just that they had problems as an excuse for poor performance. In other words, the system provides incentives to tell the truth about how reform is going in reality.

A third performance dimension quantified the amount of international Technical Assistance (TA) provided in support of the reform activity. This was tracked to ensure that teams staffed by Afghans are not disadvantaged compared to teams with significant levels of international TA. This complements the difficulty and importance dimensions to try to take into other account differences in the activities.

For the system to work three essential pre-conditions need to be place, which are starting to be established within Afghanistan’s MoF and external FPIP teams:

At least a set of annual action and time bounded reform activities grouped by teams /organizational unites – (ideally) backed directly by a 5-year sequenced action plan to achieve a long-term vision.

A set of medium term outcome targets drawing from a range of international performance measures for PFM system quality (e.g. PEFA, open budget, revenue watch, etc.) as well as some key country specific intermediate performance measures (like FMIS roll-out numbers); and

Credible and independent systems to assess and grade performance, which recognizes outstanding contributions and flags under-performing teams and is capable of providing recommendations to steering the PFM reform ship.

When such a system is operational, it provides a foundation to introduce advanced, performance-based incentives, including *performance pay*.

The timing of the performance assessment is twice per year. Once in the first half of the year – to ensure efforts to deliver reform by the end of the year are on track. Also, to ensure the continuing relevance of reform activities and validation for performance payments for the following year (as applicable to EU). Second in the latter half of the year to assess end-of-year progress (with time to spare to correct any major problems), but also to trigger and finalize the following year performance payments (related to any budget support-type operations) while also ensuring that the best estimates performance payments are included in the annual budget papers.

ATTACHMENT C: PARAMETER VALUES

This section documents the parameters used in the performance, risk and impact rating systems. Parameters used in the FPIP Team-based Performance Management System are the weights used for each performance measurement variable used in equations. For example, calculating performance scores requires combining four variables (timeliness, quality, effectiveness) in a way that produces a single performance score. The simplest method is to treat each variable equally, which implies providing equal weights. In other words, under the three-variable approach, each would contribute a third to the overall performance score.

The 2016 annual assessment used unequal weights – with some parameter values weighted significantly higher. Table 7 provides an overview of the parameters used as baselines for calculating performance, risk and impact and standardized scores. Sensitivity analysis assesses the sensitivity of ranking results to changes in parameter assumptions.

Table 7. Baseline Parameters in Performance Management System

Variable	Weight
Performance Score Parameters	
$p = (p1 \times \text{time} + p2 \times \text{quality} + p3 \times \text{Effectiveness}) \times (1 - p4 \times \text{TA} / \text{TA Max})$	
Timeliness	0.20
Quality	0.30
Effectiveness	0.50
TA/TA max	0.20
Risk Score Parameters	
$r = r1 \times \text{complexity} + r2 \times \text{change} + r3 \times \text{organisations} + r4 \times \text{time} + r5 (1 - \text{visibility}) + r6 \times (1 - \text{competencies})$	
Complexity and Scope	0.15
Behaviour Change	0.15
No. of Organisations	0.15
Time required	0.15
100-Visibility	0.25
100-Competencies	0.15
Risk, Impact, TA adjust Score	
$X = X1 \times \text{impact} + X2 \times \text{risk} + X3 \times \text{P score}$	
impact	0.10
r	0.10
p	0.80

Performance score (p): Why effectiveness is weighted more

We believe that effectiveness in solving problems should have the highest weight, because it is the core for delivery of timely and high quality results. We believe that focusing on problem solving incentives truth telling, given that poor ‘timeliness’ and ‘quality’ scores can be mitigated by high scores for dealing with the problems that caused delays and quality problems. Once problem solving is consistently applied, a move to a greater focus (and higher weightings) on timeliness and quality should then occur.

Effectiveness is also about the impact of the work conducted. Discussion on this is also important beyond elements raised in timeliness and quality criteria.

We believe that quality should rate slightly higher than timeliness (for the general case) because quality usually matters more than minor slippages in deadlines.

We also believe in a significant weight for TA however, this also means that it is essential that TA percentage estimates are as accurate as possible. Systems enhancements plan to quantify TA contribution to activities more directly. This involves assigning individual staff and TA to the activity.

Risk (r): Why visibility is weighted more

We believe in promoting highly visible reforms, as it is consistent with current government policy to build and demonstrate legitimacy. Visible reforms that are those that are: i) easy to demonstrate the results; ii) have the backing of government leaders, members of parliament, donors, and/or civil society; and iii) wanted by Afghan citizens. Delivering on these reforms builds the legitimacy of the Government. This has a self-reinforcing impact, which will help keep momentum up for the long and hard reform road ahead.

Impact (i) - Risk (r):

We weighted the impact and risk components equally. That said we apply standard risk aversion theory when providing recommendations to decision makers. That is that higher risks require higher impacts. Decision makers can change the weighting if they are less or more risk averse. Not valuing risk the same as impact, could have unintended consequences such as teams adopting easier actions in attempts to game the system.

Translating normalized scores to grades

Table 13 presents parameters used for grading. We adjusted some of the thresholds for translating scores to grades as a motivational and system protection strategy.

Table 8. Grading Parameters

Grade	Raw Scores	Standardised Scores (S.D)
D	-	<-1.4
D+	40	-1.4
C	50	-1
C+	55	-0.6
B	60	-0.2
B+	75	0.2
A	80	0.5
A+	90	>0.8

Dealing with database inconsistencies and human error

Database integrity checks enable identification of inconsistencies in the scores. Some were found for certain entities and were corrected by validators.

ATTACHMENT D: SENSITIVITY ANALYSIS

This section documents results of sensitivity analysis by changing the values of parameters used for collating performance scores.

Table 9. One-Way Sensitivity Analysis Results – parameters

Parameter	No of Rank Changes	Avg	Std. Dev	Sensitivity Analysis Parameters – increments of 0.01
Risk	146	1.46	1.77	Impact 0.1, p adjusting
Impact	126	1.26	1.34	Risk 0.1, p adjusting
TA	98	0.98	1.28	0.1 increments (0 to 1) TA only (0 to 1)
Visibility	30	0.3	0.77	0.1 increments (0 to 1)) - others equal weight but complexity locked at 0.15
Complexity	24	0.24	0.65	others equal weight but visibility locked in at 0.25
Timeliness	44	0.44	0.88	Quality 0.25, Problem solving adjusting
Quality	18	0.18	0.64	Timeliness 0.25, Problem solving adjusting

Figure 1. One-Way Sensitivity Analysis: Timeliness



Figure 2. One-Way Sensitivity Analysis: Quality

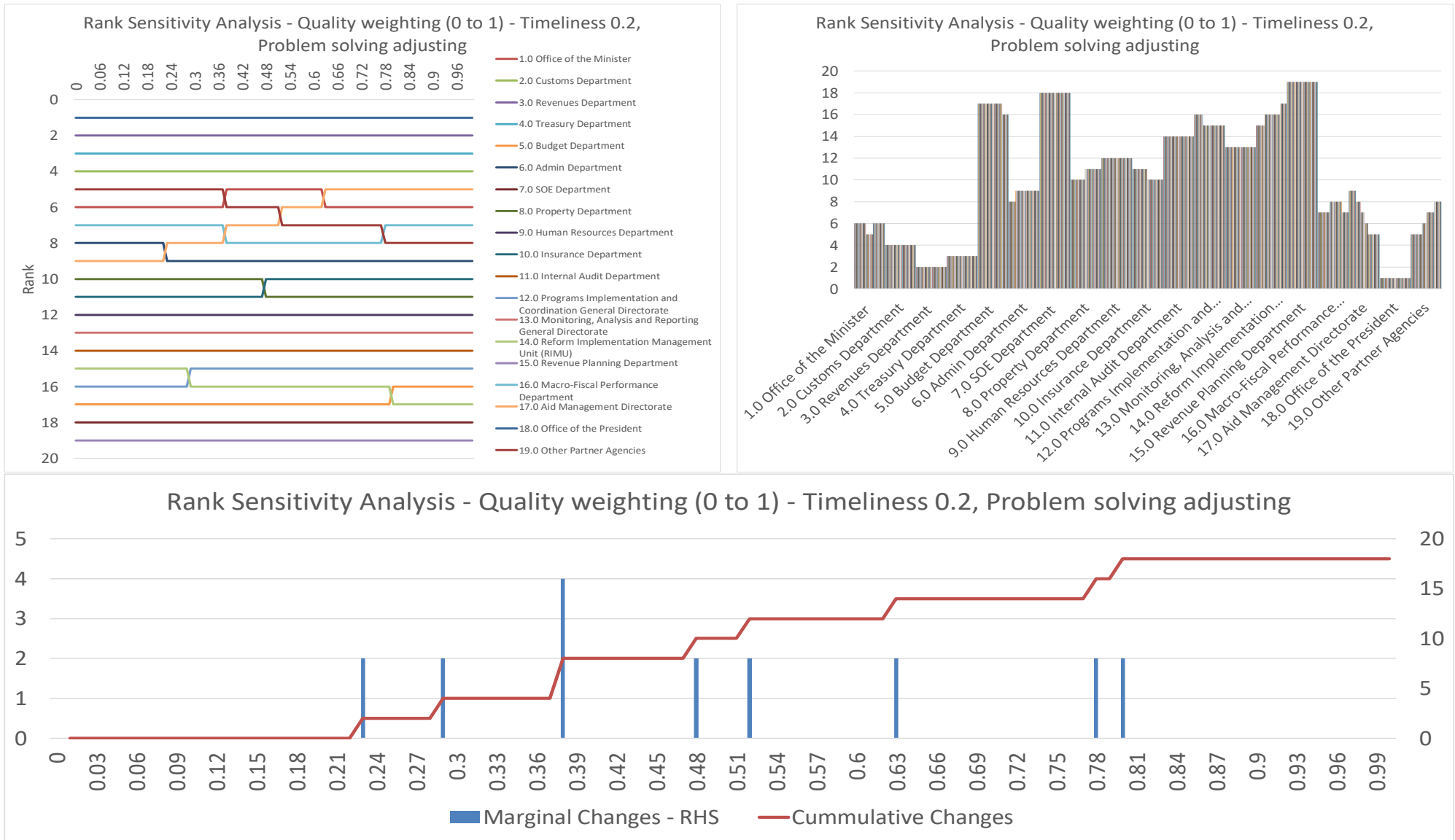


Figure 3. One-Way Sensitivity Analysis: TA

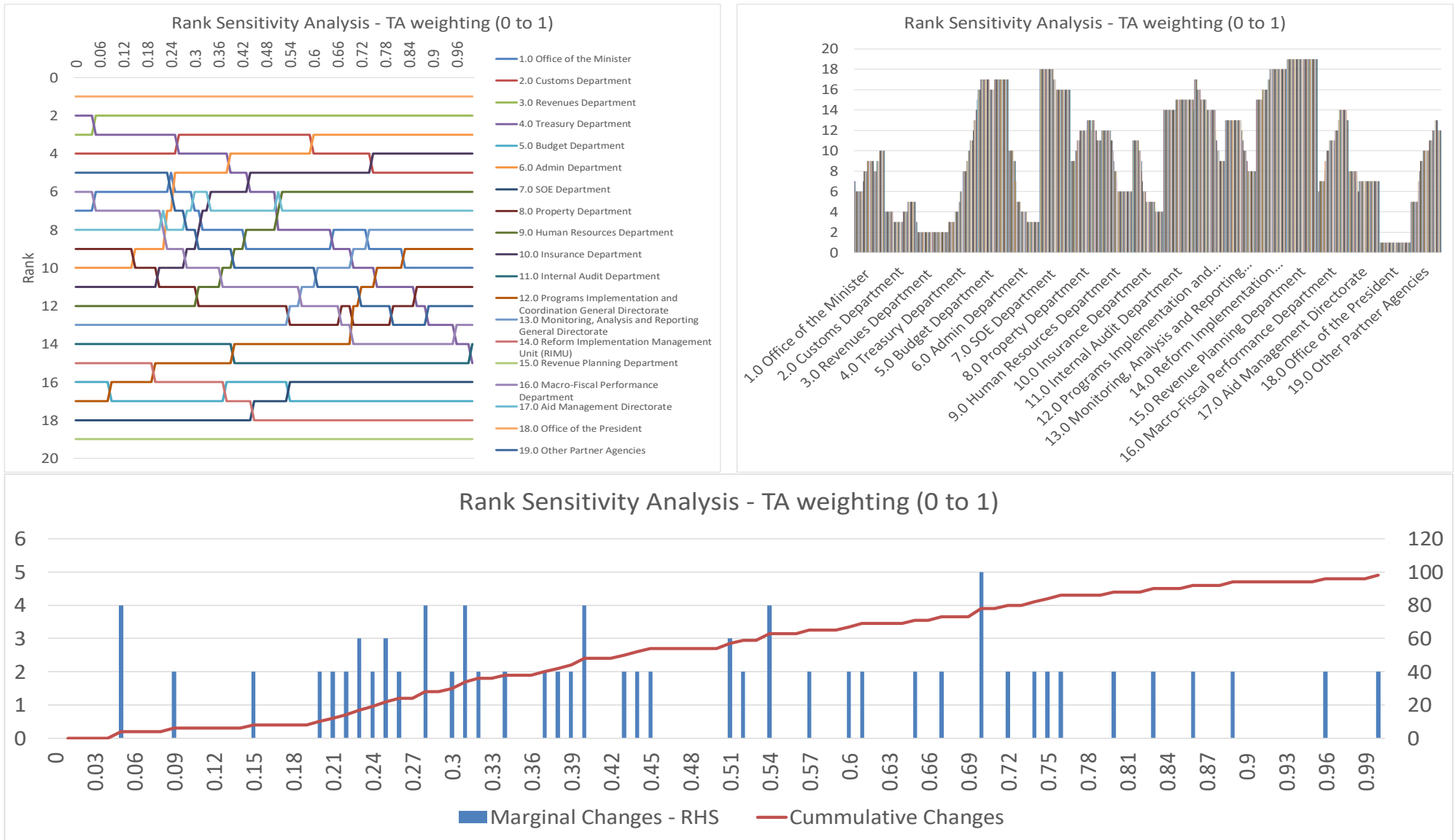


Figure 4. One-Way Sensitivity Analysis: Visibility

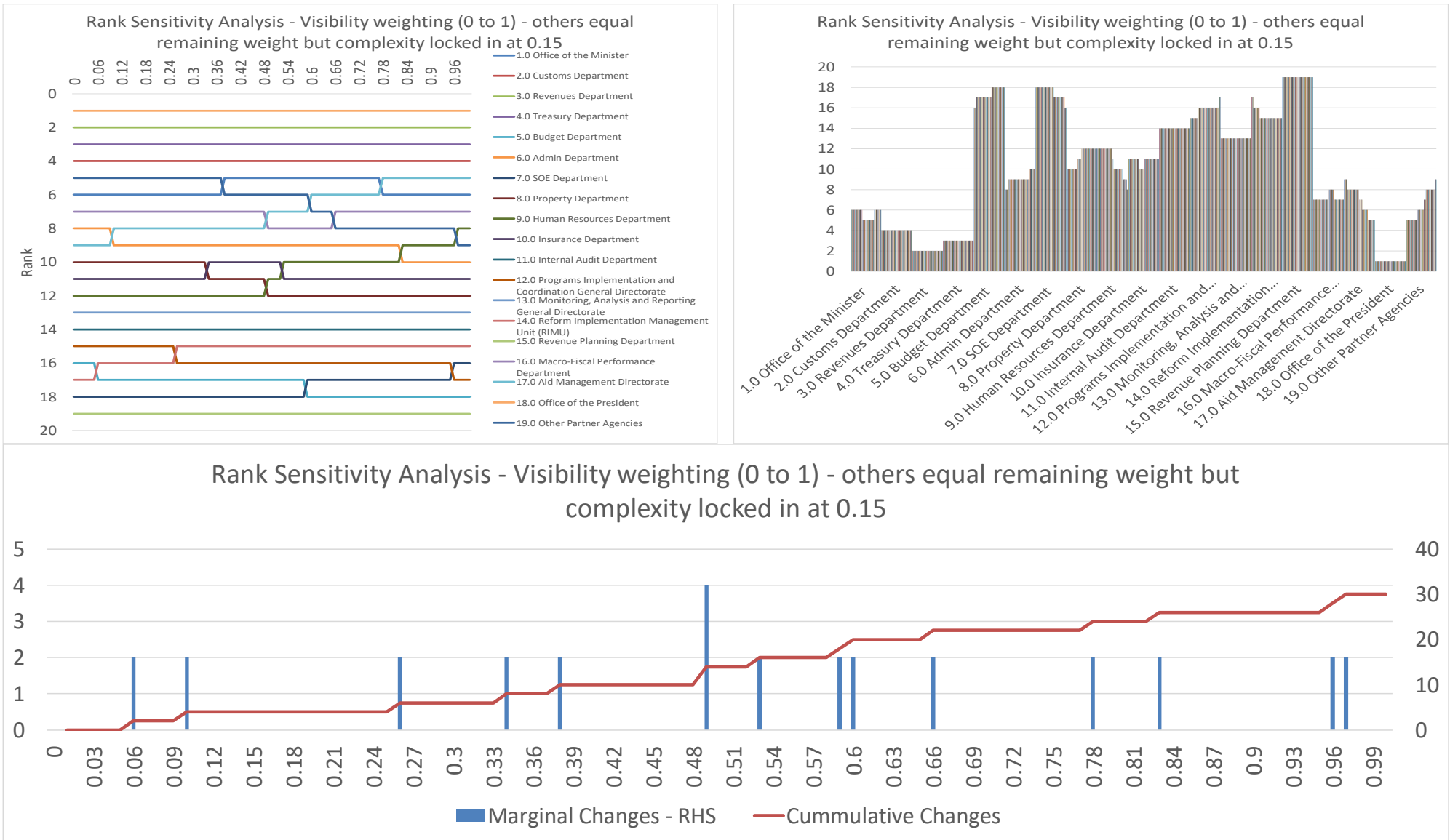


Figure 5. One-Way Sensitivity Analysis: Complexity

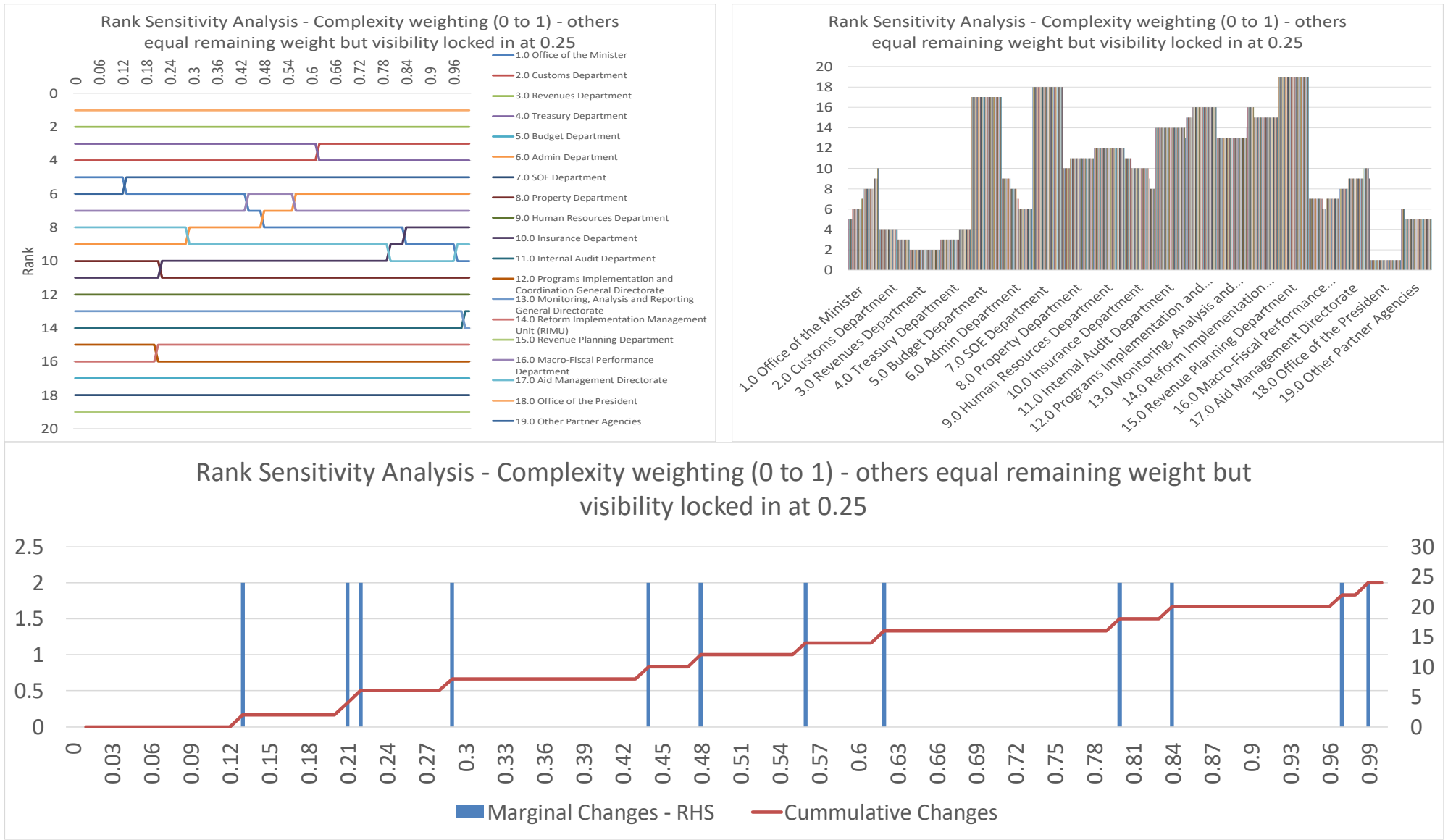


Figure 6. One-Way Sensitivity Analysis: Impact

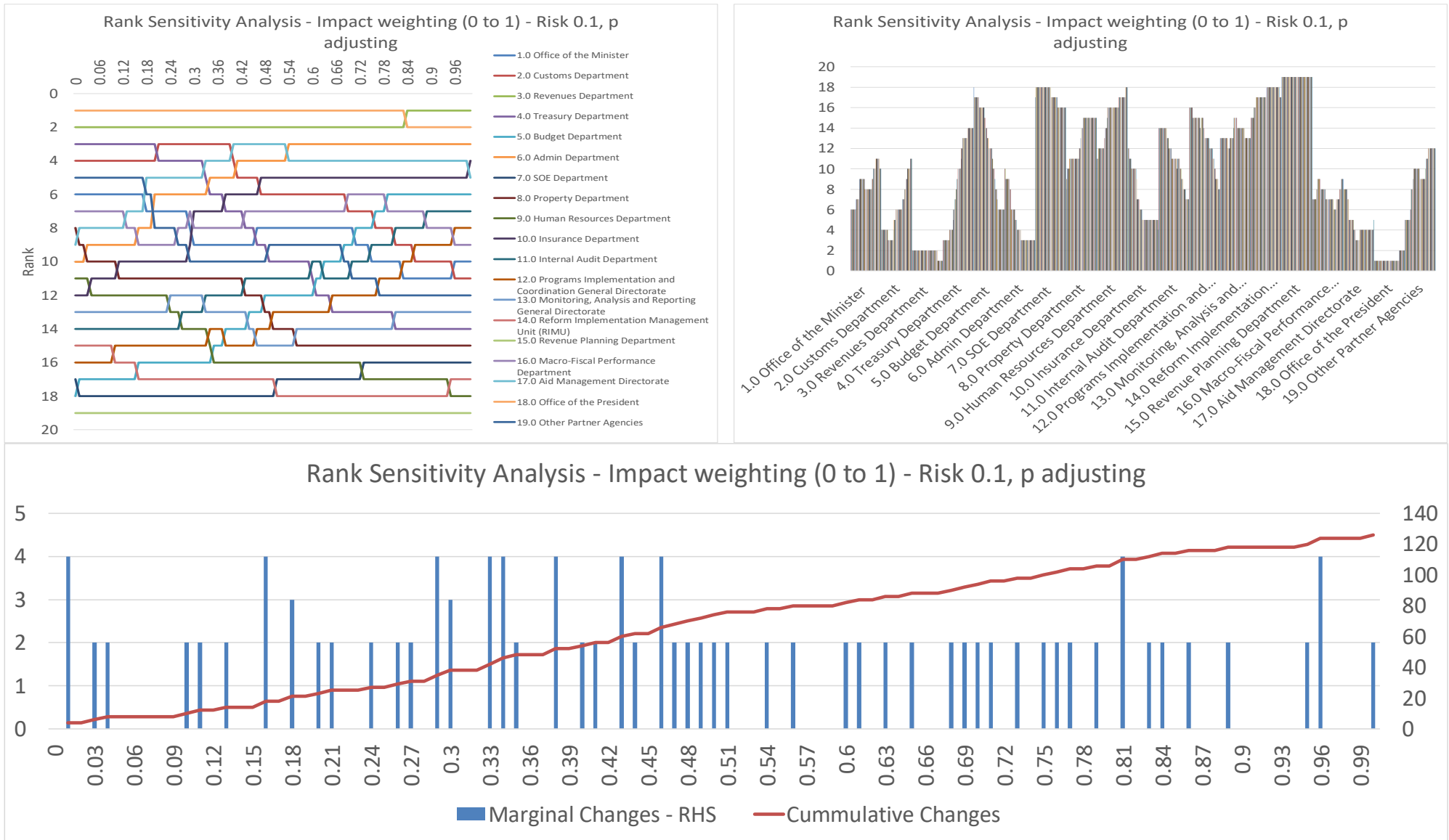
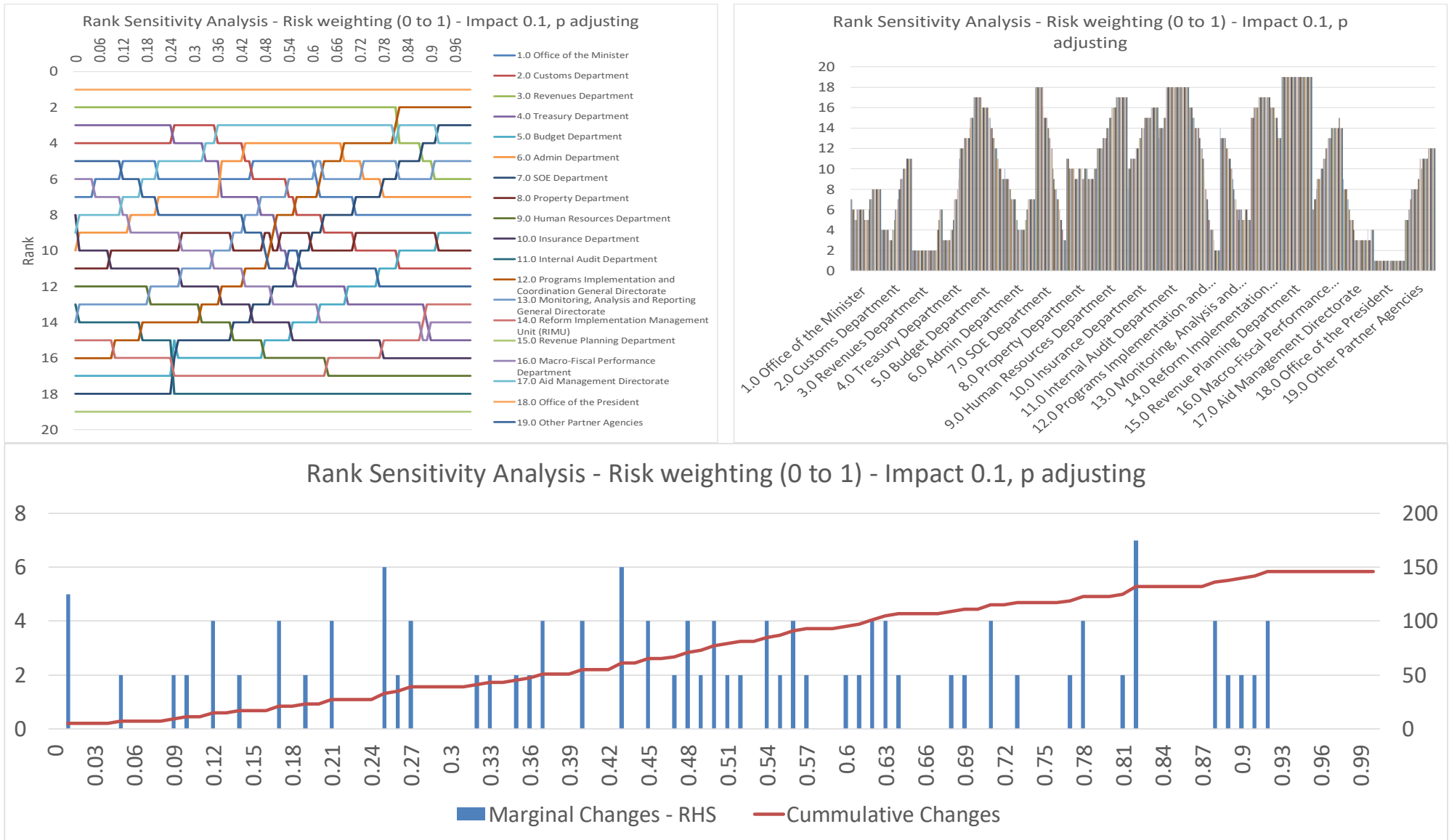


Figure 7. One-Way Sensitivity Analysis: Risk



ATTACHMENT E: PERFORMANCE, RISK-IMPACT HEAT MAP

Table 10. Heat Map

Team	X NORM SCORE	P NORM SCORE	X SCORE	P SCORE	RAW TIME SCORE	RAW QUALITY SCORE	RAW EFFECTS CORE	Impact	Risk	Complexity	Behavior change	No. of Organisations	Time required	Visibility	Mgt Competency	TA	No. of Scored KPIs
1.0 Office of the Minister	0.13	0.15	0.61	0.59	65.24	64.05	68.33	0.81	0.63	62.10	79.03	78.23	82.26	67.74	37.10	0.31	58
1.1 OoM: Office of the CoS	-0.02	0.03	0.60	0.58	60.00	59.17	65.56	0.77	0.61	50.00	75.00	79.76	79.76	60.71	42.86	0.37	24
1.1.1 OoCS: CoS Operations	0.33	0.33	0.63	0.61	61.00	60.00	70.00	0.83	0.63	46.88	90.63	87.50	100.00	75.00	46.88	0.40	11
1.1.2 OoCS: Correspondence	-0.16	-0.19	0.58	0.55	58.33	58.33	60.00	0.83	0.62	43.75	81.25	87.50	68.75	50.00	50.00	0.34	3
1.1.3 OoCS: Archive Office	-0.02	0.07	0.60	0.58	61.67	61.67	63.33	0.75	0.59	60.00	65.00	75.00	60.00	55.00	45.00	0.36	3
1.1.4 OoCS: Translation Board	-1.34	-1.11	0.47	0.46	50.00	50.00	50.00	0.50	0.59	50.00	50.00	58.33	75.00	50.00	25.00	0.45	1
1.1.5 OoCS: Protocol Office	-0.45	-0.16	0.56	0.56	60.00	55.00	60.00	0.50	0.61	50.00	50.00	75.00	75.00	50.00	25.00	0.25	1
1.1.6 OoCS: Non-Allo Advisor																	
1.2 OoM: Legal Board	0.45	0.37	0.64	0.61	70.29	67.94	71.76	0.88	0.71	95.83	95.83	91.67	95.83	87.50	25.00	0.43	21
1.3 OoM: Com's and PR	0.01	0.01	0.60	0.57	63.00	65.50	66.50	0.83	0.59	80.00	80.00	50.00	75.00	80.00	25.00	0.14	9
2.0 Customs Department	0.45	0.55	0.64	0.63	62.69	62.31	69.91	0.80	0.58	75.00	72.37	76.32	75.00	73.68	59.21	0.26	70
2.1 CD: Customs Sup & Dev	0.64	0.87	0.66	0.66	63.50	67.00	75.00	0.75	0.54	67.86	71.43	75.00	57.14	67.86	64.29	0.31	11
2.2 CD: Law Enforcement	0.92	0.95	0.69	0.67	69.17	67.50	74.17	0.88	0.61	87.50	75.00	87.50	100.00	87.50	62.50	0.30	14
2.3 CD: Customs Technical Aff	-0.20	-0.04	0.58	0.57	58.93	56.79	60.00	0.65	0.61	55.00	45.00	75.00	80.00	50.00	35.00	0.18	19
2.4 CD: Operations	0.58	0.48	0.65	0.62	60.94	60.63	72.19	1.00	0.56	100.00	100.00	75.00	75.00	100.00	75.00	0.25	19
2.5 CD: Mon & Prev'g Violat's	0.72	0.59	0.67	0.64	60.00	60.00	70.00	1.00	0.60	100.00	100.00	75.00	100.00	100.00	75.00	0.25	2
3.0 Revenues Department	0.83	0.59	0.68	0.65	64.97	64.36	70.61	0.99	0.63	98.86	100.00	75.38	99.62	96.59	57.58	0.18	238
3.1 RD: Office of the DG (Rev)	1.40	1.47	0.73	0.73	77.22	73.33	80.00	0.89	0.64	90.63	100.00	90.63	100.00	96.88	59.38	0.28	14
3.2 RD: LTO	1.27	1.21	0.72	0.70	72.17	71.50	74.33	1.00	0.61	100.00	100.00	70.00	100.00	100.00	62.50	0.14	38
3.3 RD: MTO	1.05	0.97	0.70	0.68	69.80	68.60	74.40	1.00	0.61	100.00	100.00	69.44	100.00	100.00	63.89	0.13	33
3.4 RD: STO	0.51	0.35	0.65	0.61	59.78	58.70	67.17	1.00	0.61	100.00	100.00	69.44	100.00	100.00	63.89	0.13	31
3.5 RD: Appeals	-0.07	-0.32	0.59	0.54	55.36	55.36	60.00	1.00	0.62	100.00	100.00	65.00	100.00	100.00	50.00	0.10	18
3.6 RD: Legal	1.04	0.90	0.70	0.67	63.75	62.19	70.31	1.00	0.65	100.00	100.00	80.00	100.00	100.00	50.00	0.11	21
3.7 RD: Non-Tax Revenue	0.61	0.43	0.66	0.62	61.94	65.00	70.56	1.00	0.64	100.00	100.00	75.00	100.00	100.00	50.00	0.35	25
3.8 RD: Technical and PL	0.42	0.14	0.64	0.59	59.12	57.65	64.12	1.00	0.70	100.00	100.00	62.50	95.83	66.67	50.00	0.19	23
3.9 RD: RSS	1.07	0.88	0.70	0.67	63.95	63.95	73.42	1.00	0.66	100.00	100.00	100.00	100.00	100.00	58.33	0.13	22
4.0 Treasury Department	0.53	0.75	0.65	0.65	67.78	65.83	72.78	0.75	0.54	58.33	58.33	95.83	91.67	79.17	79.17	0.44	27
4.1 TD: Treasury Systems Dev	0.80	0.86	0.68	0.66	66.25	68.13	75.63	0.88	0.58	75.00	75.00	100.00	100.00	87.50	87.50	0.42	10
4.2 TD: Accounting	-0.37	-0.04	0.56	0.57	62.50	58.33	65.00	0.50	0.59	37.50	37.50	87.50	100.00	50.00	50.00	0.44	8
4.3 TD: Payments	1.16	1.42	0.71	0.72	78.75	72.50	78.75	0.88	0.45	62.50	62.50	100.00	75.00	100.00	100.00	0.44	6
5.0 Budget Department	-0.90	-1.03	0.51	0.46	50.46	48.92	49.50	0.80	0.60	79.69	75.00	93.75	71.88	76.56	59.38	0.40	33
5.1 BD: Budget Execution	-1.38	-1.57	0.47	0.41	45.58	45.17	46.83	0.88	0.54	58.33	66.67	83.33	66.67	75.00	54.17	0.42	15
5.2 BD: Budget Policy	-0.58	-0.67	0.54	0.50	54.64	52.14	51.79	0.75	0.63	92.50	80.00	100.00	75.00	77.50	62.50	0.39	16
6.0 Admin Department	0.04	-0.05	0.60	0.57	56.45	52.63	57.37	0.88	0.62	86.57	80.56	79.63	75.46	71.76	56.48	0.14	56
6.1 AD: Procurement and General Services	-0.65	-0.90	0.54	0.48	50.00	48.33	50.00	0.83	0.72	75.00	91.67	75.00	100.00	58.33	33.33	0.18	6
6.2 AD: Finance & Accounting	-0.86	-0.88	0.52	0.48	50.38	48.08	50.38	0.83	0.57	83.33	80.56	62.50	65.28	65.28	72.22	0.15	19
6.3 AD: IT	1.19	1.08	0.71	0.69	67.00	61.00	67.50	1.00	0.64	100.00	100.00	75.00	100.00	100.00	50.00	0.05	12
6.4 AD: MoF PIU	0.68	0.47	0.66	0.62	62.50	57.50	65.00	1.00	0.65	90.63	71.88	95.31	71.88	67.19	48.44	0.27	4
6.5 AD: Auctions & Disposals	-0.89	-0.85	0.51	0.48	53.33	40.00	53.33	0.67	0.61	70.00	55.00	100.00	50.00	50.00	50.00	0.06	3
6.6 AD: Gender Unit	-0.74	-0.72	0.53	0.50	52.00	54.00	56.00	0.75	0.56	50.00	100.00	100.00	100.00	100.00	75.00	0.45	6
7.0 SOE Department	-1.05	-1.12	0.50	0.45	47.20	47.40	49.60	0.68	0.68	55.26	76.32	90.79	85.53	35.53	64.47	0.31	47
7.1 SD: Policy & Coordination	-0.92	-1.01	0.51	0.47	50.00	49.00	50.00	0.88	0.53	50.00	87.50	75.00	100.00	75.00	100.00	0.65	12

7.2 SD: Financial Mon SoCs	-1.19	-1.06	0.49	0.46	46.43	47.14	51.43	0.46	0.71	41.67	50.00	95.83	100.00	25.00	37.50	0.30	13
7.3 SD: Financial Mon SoEs	-0.85	-1.01	0.52	0.47	47.50	48.33	51.67	0.75	0.70	70.00	100.00	95.00	75.00	25.00	100.00	0.32	26
7.4 SD: SPs and SoEs	-1.26	-1.57	0.48	0.41	42.50	42.50	42.50	0.75	0.77	62.50	81.25	93.75	75.00	25.00	25.00	0.30	8
8.0 Property Department	-0.06	0.03	0.59	0.58	61.82	62.27	67.73	0.78	0.61	75.00	64.47	94.74	100.00	85.53	52.63	0.48	49
8.1 PD: Provincial Property	-0.23	-0.22	0.58	0.55	61.00	61.11	66.00	0.79	0.58	69.79	63.54	85.42	89.58	80.21	52.08	0.42	15
8.2 PD: Reg'n and Resolution	0.03	0.15	0.60	0.59	64.00	64.50	70.50	0.79	0.59	62.50	54.17	95.83	100.00	87.50	41.67	0.56	14
8.3 PD: Capital Props (Kabul)	-0.01	0.12	0.60	0.59	61.25	61.25	68.75	0.75	0.61	78.57	67.86	92.86	100.00	85.71	57.14	0.44	17
9.0 HR Department	-0.22	0.01	0.58	0.57	59.31	56.72	59.48	0.67	0.52	55.77	53.85	53.85	44.23	51.92	40.38	0.12	46
9.1 HRD: Training & Dev	-0.35	-0.23	0.57	0.55	57.50	55.00	60.00	0.75	0.53	50.00	58.33	50.00	58.33	50.00	50.00	0.22	11
9.2 HRD: Recruitment Dev	0.13	0.42	0.61	0.62	61.25	63.75	63.75	0.75	0.44	50.00	62.50	50.00	37.50	75.00	50.00	0.13	6
9.3 HRD: Org Development	0.35	0.72	0.63	0.65	77.50	57.50	67.50	0.63	0.52	62.50	37.50	50.00	50.00	50.00	37.50	0.13	4
9.4 HRD: Perform App	-0.07	0.07	0.59	0.58	58.33	55.56	57.78	0.75	0.54	50.00	58.33	66.67	33.33	50.00	33.33	0.05	11
9.5 HRD: Employee Relations	-0.84	-0.53	0.52	0.52	55.83	55.83	55.83	0.50	0.56	66.67	50.00	50.00	41.67	41.67	33.33	0.08	9
10.0 Insurance Department	-0.07	-0.06	0.59	0.57	55.38	55.00	60.38	0.84	0.49	64.47	92.11	53.95	60.53	92.11	59.21	0.03	17
10.1 ID: Insurance Affairs	-0.08	-0.03	0.59	0.57	55.38	55.00	60.38	0.82	0.49	64.47	92.11	53.95	60.53	92.11	59.21	0.03	12
11.0 Internal Audit	-0.60	-0.51	0.54	0.52	54.39	54.39	56.93	0.84	0.44	68.97	58.19	64.66	35.78	70.26	83.62	0.35	62
11.1 IAD: Office of the DG	-0.18	-0.15	0.58	0.56	57.08	57.92	60.83	0.88	0.50	75.00	64.58	66.67	62.50	72.92	83.33	0.30	13
11.2 IAD: Comp & IT Audit	-0.72	-0.61	0.53	0.51	53.08	53.08	56.15	0.80	0.45	71.43	57.14	55.36	32.14	64.29	78.57	0.35	13
11.3 IAD: Bud & Treas Audit	-0.65	-0.57	0.54	0.51	55.00	54.62	55.38	0.85	0.44	61.54	57.69	63.46	26.92	61.54	80.77	0.38	10
11.4 IAD: Cust & Rev Audit	-0.70	-0.63	0.53	0.51	53.85	53.85	56.15	0.85	0.44	61.54	57.69	63.46	26.92	61.54	80.77	0.38	10
11.5 IAD: Audit and Cap Dev	-0.76	-0.63	0.53	0.51	52.92	53.33	55.83	0.81	0.41	66.67	54.17	68.75	27.08	75.00	87.50	0.36	12
12.0 PICDG	-0.78	-0.96	0.52	0.47	51.00	50.00	51.33	0.80	0.67	75.00	65.00	100.00	100.00	65.00	50.00	0.16	19
12.1 PICGD: NPPs	-0.63	-0.77	0.54	0.49	52.69	51.54	53.08	0.81	0.65	75.00	56.25	100.00	100.00	68.75	50.00	0.18	15
12.2 PICGD: Policy Research	-0.84	-0.91	0.52	0.48	40.00	40.00	40.00	0.75	0.76	75.00	100.00	100.00	100.00	50.00	50.00	-	10
13.0 MARCDG	-0.39	-0.43	0.56	0.53	55.00	52.50	57.50	0.75	0.66	75.00	50.00	100.00	100.00	62.50	50.00	0.25	4
13.1 MARGD: Program Mon	-0.51	-0.61	0.55	0.51	55.00	50.00	55.00	0.75	0.69	75.00	50.00	100.00	100.00	50.00	50.00	0.25	1
13.2 MARGD: Analysis & Rep	-0.26	-0.25	0.57	0.55	55.00	55.00	60.00	0.75	0.63	75.00	50.00	100.00	100.00	75.00	50.00	0.25	1
14.0 Reform Implementation Management Unit (RIMU)	-0.79	-0.66	0.52	0.50	57.50	53.33	56.67	0.72	0.54	39.06	31.25	92.19	65.63	46.88	57.81	0.50	7
14.1 RIMU	-0.79	-0.66	0.52	0.50	57.50	53.33	56.67	0.72	0.54	39.06	31.25	92.19	65.63	46.88	57.81	0.50	6
15.0 Revenue Planning																	
16.0 MFPD	0.09	0.17	0.61	0.59	59.88	59.50	64.00	0.82	0.54	70.83	65.28	91.67	61.11	77.78	63.89	0.50	54
16.1 MFPD: Fiscal Directorate	0.21	0.06	0.62	0.58	58.89	61.11	66.39	1.00	0.58	100.00	93.75	100.00	68.75	100.00	78.13	0.31	22
16.2 MFPD: Macroeconomic	-0.13	-0.13	0.59	0.56	59.09	63.64	61.82	0.88	0.53	100.00	37.50	100.00	62.50	100.00	50.00	0.50	13
16.3 MFPD: Admin and Rep	0.14	0.54	0.61	0.63	66.67	68.33	69.17	0.75	0.43	37.50	37.50	75.00	62.50	62.50	87.50	0.45	7
16.4 MFPD: PMT	0.04	0.29	0.60	0.60	57.86	62.86	69.29	0.67	0.54	33.33	45.83	83.33	50.00	45.83	41.67	0.40	8
17.0 AMD	0.07	-0.04	0.61	0.57	60.00	59.44	61.11	0.86	0.65	69.44	69.44	77.78	86.11	58.33	36.11	0.29	10
17.1 AMD: Aid Management	0.07	-0.04	0.61	0.57	60.00	59.44	61.11	0.86	0.65	69.44	69.44	77.78	86.11	58.33	36.11	0.29	9
18.0 Office of the President	2.59	2.60	0.85	0.85	85.91	86.82	87.73	0.96	0.74	100.00	100.00	100.00	100.00	75.00	50.00	0.20	28
18.1 NPA	2.59	2.60	0.85	0.85	85.91	86.82	87.73	0.96	0.74	100.00	100.00	100.00	100.00	75.00	50.00	0.20	27
19.0 Other Partner Agencies	0.14	0.23	0.61	0.60	62.50	62.50	72.50	0.79	0.55	92.86	85.71	100.00	60.71	89.29	89.29	0.53	18
19.1 AEITI Secretariat	0.14	0.23	0.61	0.60	62.50	62.50	72.50	0.79	0.55	92.86	85.71	100.00	60.71	89.29	89.29	0.53	17

ATTACHMENT F: CHANGES IN PERFORMANCE SINCE MID-YEAR

Figure 8. Most-Improved Directorate General Level Teams from Mid-year

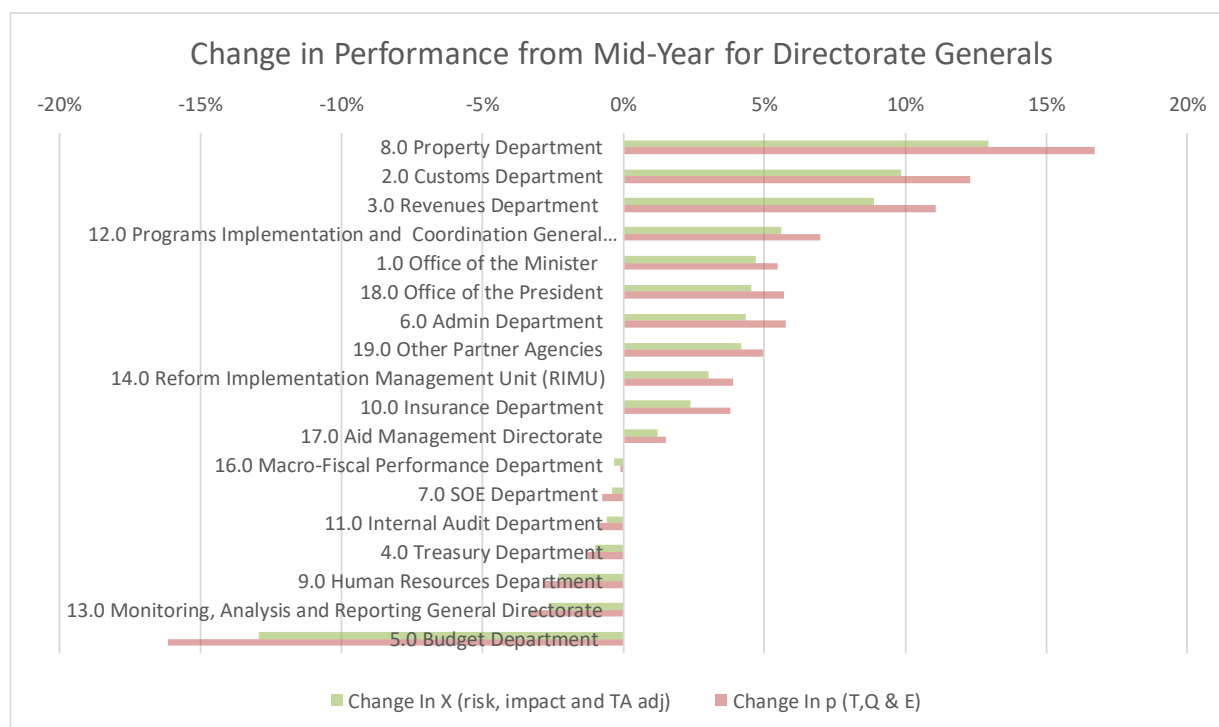


Table 11. Most-Improved Directorate General Level Teams from Mid-year

DG	Change in X (risk, impact & TA adj)	Change In p (T, Q & E)
8.0 Property Department	13%	17%
2.0 Customs Department	10%	12%
3.0 Revenues Department	9%	11%
12.0 Programs Implementation and Coordination General Directorate	6%	7%
1.0 Office of the Minister	5%	5%
18.0 Office of the President	5%	6%
6.0 Admin Department	4%	6%
19.0 Other Partner Agencies	4%	5%
14.0 Reform Implementation Management Unit (RIMU)	3%	4%
10.0 Insurance Department	2%	4%
17.0 Aid Management Directorate	1%	2%
16.0 Macro-Fiscal Performance Department	0%	0%
7.0 SOE Department	0%	-1%
11.0 Internal Audit Department	-1%	-1%
4.0 Treasury Department	-1%	-1%
9.0 Human Resources Department	-2%	-3%
13.0 Monitoring, Analysis and Reporting General Directorate	-3%	-3%
5.0 Budget Department	-13%	-16%
15.0 Revenue Planning Department (dissolved during 1395/2016)		

Figure 9. Most-Improved Directorate Level Teams from Mid-year

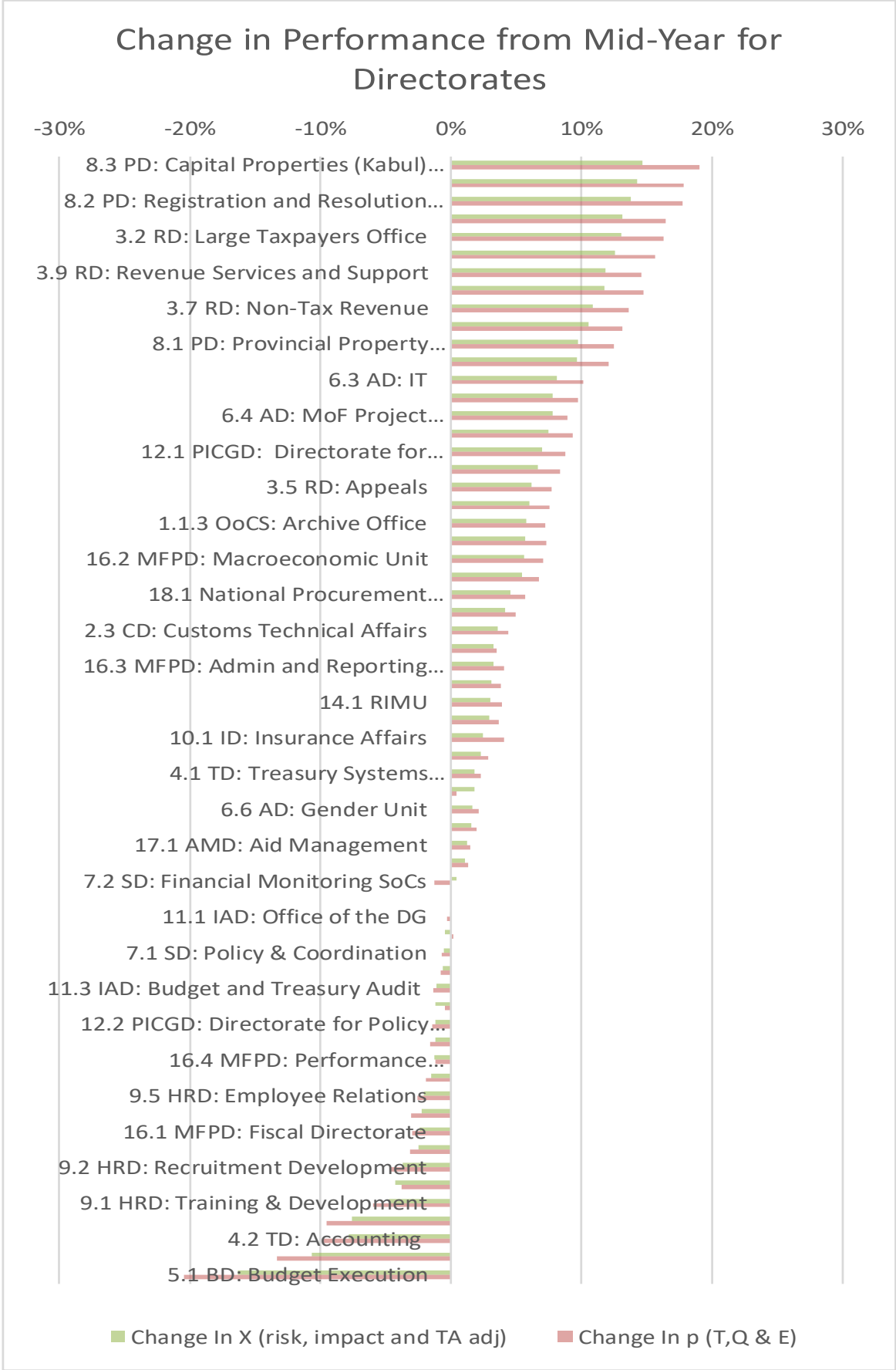


Table 12. Most-Improved Directorate Level Teams from Mid-year

Dir	Change in X (risk, impact & TA adj)	Change In p (T, Q & E)
8.3 PD: Capital Properties (Kabul) Directorate	15%	19%
3.1 RD: Office of the DG (Revenue)	14%	18%
8.2 PD: Registration and Resolution Directorate	14%	18%
2.2 CD: Law Enforcement	13%	16%
3.2 RD: Large Taxpayers Office	13%	16%
2.1 CD: Customs Support and Development	13%	16%
3.9 RD: Revenue Services and Support	12%	15%
2.5 CD: Department of Monitoring and Preventing Customs Violations	12%	15%
3.7 RD: Non-Tax Revenue	11%	14%
2.4 CD: Operations	11%	13%
8.1 PD: Provincial Property Directorate	10%	12%
3.6 RD: Legal	10%	12%
6.3 AD: IT	8%	10%
6.1 AD: Procurement and General Services	8%	10%
6.4 AD: MoF Project Implementation Unit	8%	9%
1.3 OoM: Communications and Public Relations Directorate	7%	9%
12.1 PICGD: Directorate for Coordination of National Priority Programs	7%	9%
3.3 RD: Medium Taxpayers Office	7%	8%
3.5 RD: Appeals	6%	8%
6.5 AD: Auctions and Disposals Unit	6%	8%
1.1.3 OoCS: Archive Office	6%	7%
3.8 RD: Technical and Provincial Liaison	6%	7%
16.2 MFPD: Macroeconomic Unit	6%	7%
1.2 OoM: Legal Board	5%	7%
18.1 National Procurement Authority (NPA)	5%	6%
19.1 AEITI Secretariat	4%	5%
2.3 CD: Customs Technical Affairs	4%	4%
1.1 OoM: Office of the Chief of Staff	3%	3%
16.3 MFPD: Admin and Reporting Unit	3%	4%
3.4 RD: Small Taxpayers Office	3%	4%
14.1 RIMU	3%	4%
4.3 TD: Payments	3%	4%
10.1 ID: Insurance Affairs	2%	4%
13.2 MARGD: Directorate for Analysis and Reporting	2%	3%
4.1 TD: Treasury Systems Development	2%	2%
1.1.1 OoCS: Chief of Staff Operations	2%	0%
6.6 AD: Gender Unit	2%	2%
11.5 IAD: Budgetary Audit and Capacity Development (line ministries)	2%	2%
17.1 AMD: Aid Management	1%	2%
9.4 HRD: Performance Appraisal & Record Keeping	1%	1%
7.2 SD: Financial Monitoring SoCs	0%	-1%
1.1.4 OoCS: Translation Board	0%	0%
11.1 IAD: Office of the DG	0%	0%
6.2 AD: Finance and Accounting	0%	0%
7.1 SD: Policy & Coordination	-1%	-1%
7.3 SD: Financial Monitoring SoEs	-1%	-1%
11.3 IAD: Budget and Treasury Audit	-1%	-1%
1.1.2 OoCS: Correspondence Office	-1%	0%
12.2 PICGD: Directorate for Policy Research	-1%	-1%
7.4 SD: Divesture of State Profitable Entities and Establishment of New State-Owned Enterprises and Corporations	-1%	-2%
16.4 MFPD: Performance Management Team	-1%	-1%
11.4 IAD: Customs and Revenue Audit	-2%	-2%
9.5 HRD: Employee Relations	-2%	-3%
11.2 IAD: Compliance and IT Audit and Fraud Investigation	-2%	-3%
16.1 MFPD: Fiscal Directorate	-2%	-3%
9.3 HRD: Organizational Development	-2%	-3%
9.2 HRD: Recruitment Development	-4%	-5%
1.1.5 OoCS: Protocol Office	-4%	-4%
9.1 HRD: Training & Development	-5%	-6%
13.1 MARGD: Directorate of Program Monitoring	-8%	-10%
4.2 TD: Accounting	-8%	-10%
5.2 BD: Budget Policy	-11%	-13%
5.1 BD: Budget Execution	-16%	-20%
1.1.6 OoCS: Non-Allocated Advisor Pool – Did not participate in 1395/2016		
15.1 RPD: Revenue Analysis and Forecasting & 15.2 RPD: Monitoring and Evaluation of Revenue Targets Dissolved in 1395/2016		

ATTACHMENT G: STAFFING AND TECHNICAL ASSISTANCE DATA

This attachment provides the preliminary results of a review of staffing and technical assistance data sources from Human Resources Department, Internal Audit and the Reform Implementation Management Unit.

Figure 10. Source Data Review: National and International Consultants

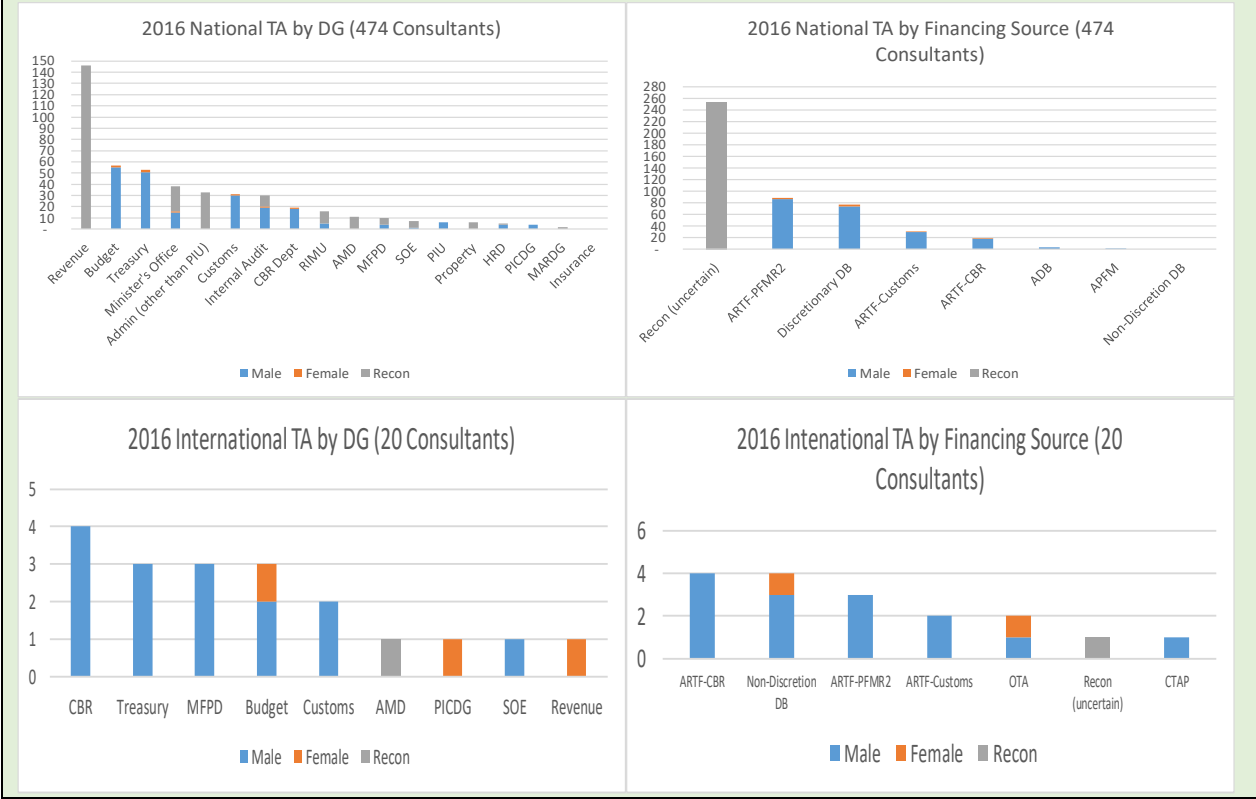


Table 13. National Consultants Preliminary Data

2016 National TA by DG	Male	Female	Recon	Total	Male Share of National TA	Female Share of National TA	Recon Share of National TA	Share of National TA
Revenue			146	146	0%	0%	57%	31%
Budget	55	2	-	57	26%	25%	0%	12%
Treasury	51	2		53	24%	25%	0%	11%
Minister's Office	15	1	22	38	7%	13%	9%	8%
Admin (excl. PIU & CBR)			33	33	0%	0%	13%	7%
Customs	30	1		31	14%	13%	0%	7%
Internal Audit	19	1	10	30	9%	13%	4%	6%
CBR	18	1		19	8%	13%	0%	4%
RIMU	5	-	11	16	2%	0%	4%	3%
AMD			11	11	0%	0%	4%	2%
MFPD	4	-	6	10	2%	0%	2%	2%
SOE	1	-	6	7	0%	0%	2%	1%
PIU	6	-		6	3%	0%	0%	1%
Property			6	6	0%	0%	2%	1%
HRD	4	-	1	5	2%	0%	0%	1%
PICDG	4	-		4	2%	0%	0%	1%
MARDG			2	2	0%	0%	1%	0%
Insurance			-	-	0%	0%	0%	0%
MoF Total	212	8	254	474	100%	100%	100%	100%
2016 National TA by Financing Source								
Other	-	-	254	254	0%	0%	100%	54%
ARTF-PFMR2	86	3		89	41%	38%		19%
Discretionary DB	74	3		77	35%	38%		16%
ARTF-Customs	30	1		31	14%	13%		7%
ARTF-CBR	18	1		19	8%	13%		4%
ADB	3	-		3	1%	0%		1%
USAID-APFM	1	-		1	0%	0%		0%
Non-Discretionary Development Budget	-	-		-	0%	0%		0%
MoF Total	212	8	254	474	100%	100%	100%	100%

Table 14. International Consultants Preliminary Data

2016 National TA by DG	Male	Female	Recon	Total	Male Share of National TA	Female Share of National TA	Recon Share of National TA	Share of National TA
CBR	4	0		4	25%	0%		20%
Treasury	3	0		3	19%	0%		15%
MFPD	3	0		3	19%	0%		15%
Budget	2	1		3	13%	33%		15%
Customs	2	0		2	13%	0%		10%
AMD			1	1	0%	0%	100%	5%
PICDG	0	1		1	0%	33%		5%
SOE	1	0		1	6%	0%		5%
Revenue	0	1		1	0%	33%	0%	5%
Internal Audit	0	0		0	0%	0%		0%
Minister's Office	1	0		1	6%	0%		5%
HRD	0	0		0	0%	0%		0%
RIMU	0	0		0	0%	0%		0%
PIU	0	0		0	0%	0%		0%
Other	0	0		0	0%	0%		0%
Total	16	3	1	20	100%	100%	100%	100%
2016 International TA by Financing Source								
ARTF-CBR	4	0		4	25%	0%		20%
Non-Discretionary DB	3	1		4	19%	33%		20%
ARTF-PFMR2	3	0		3	19%	0%		15%
ARTF-Customs	2	0		2	13%	0%		10%
OTA	1	1		2				
Other	0	0	1	1	0%	0%	100%	5%
CTAP	1	0		1	6%	0%		5%
Discretionary DB	0	0		0	0%	0%		0%
ADB	0	0		0	0%	0%		0%
USAID-APFM	2	1		3	13%	33%		15%
Total	16	3	1	20	94%	67%	100%	90%

ATTACHMENT H: LEGACY AND UPGRADED PEFA – PRELIMINARY RESULTS

This attachment provides the preliminary results of a Rapid Internal Review (RIR) of legacy and upgrade PEFA, including a review of prior assessments.

Figure 11. Legacy PEFA Results: 2005, 2008, 2016 (RIR) and Aspirational

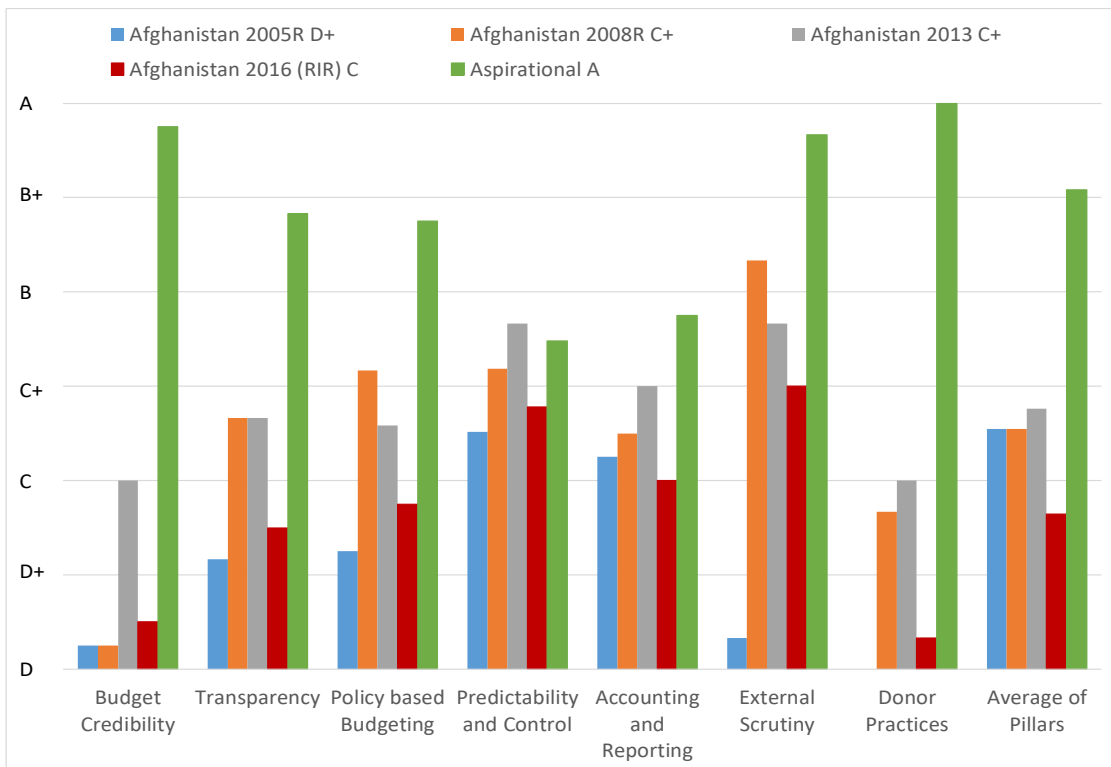
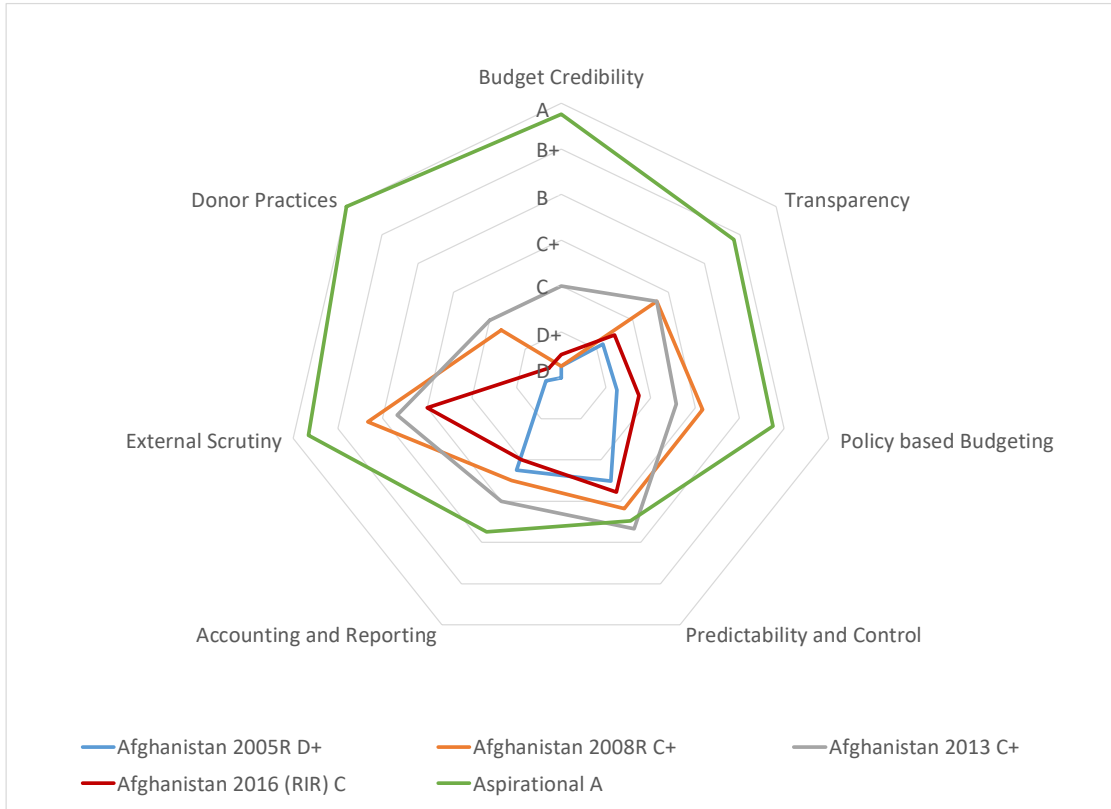


Figure 12. Preliminary Upgraded PEFA Results: 2016 (RIR) and Aspirational

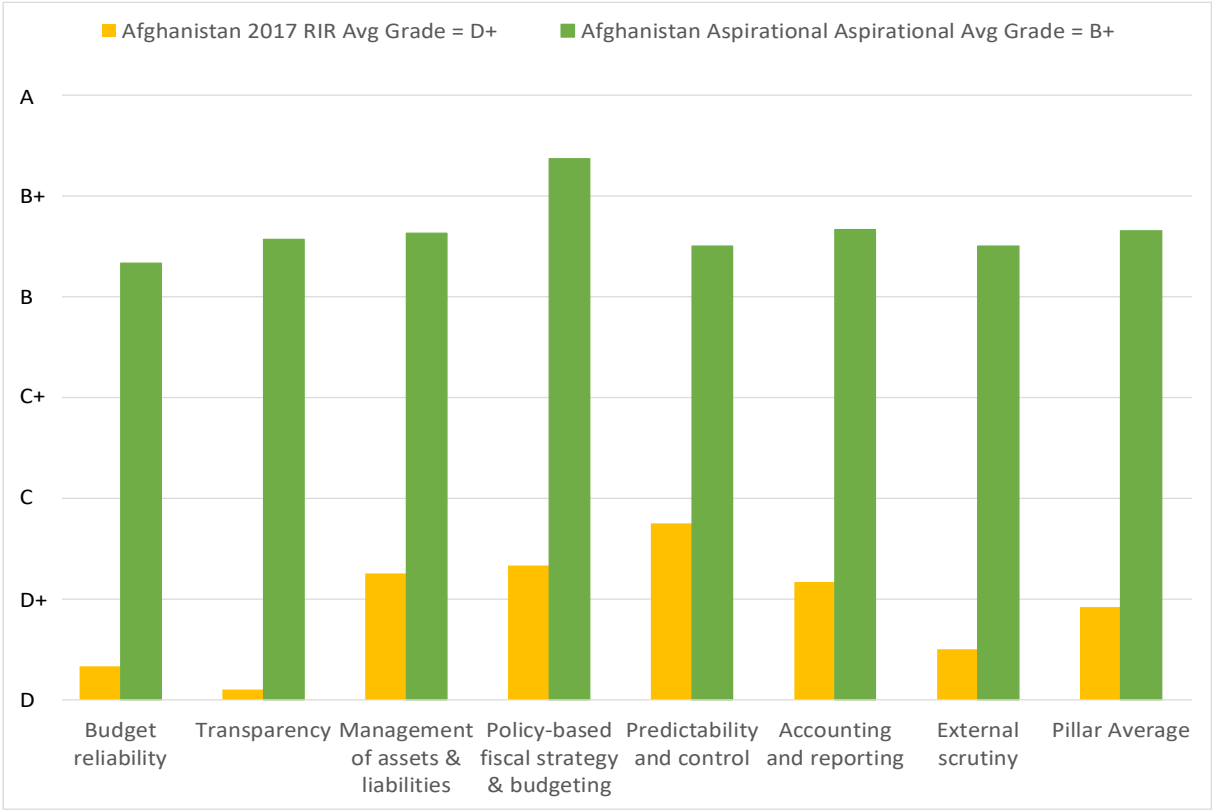
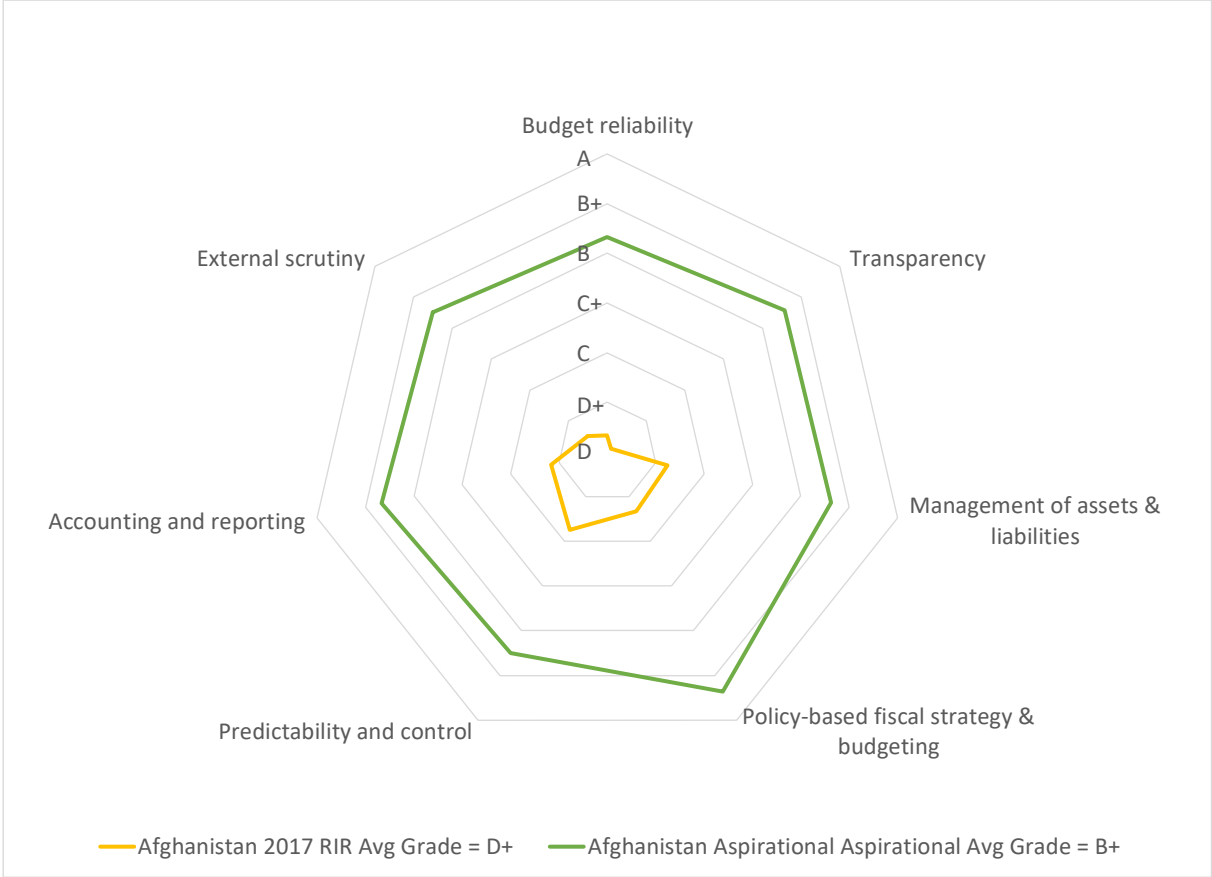


Table 15. Legacy 2016 PEFA Results and Comments

	Indicator	2005R	2008R	2013	2016 (RIR)	Aspirational	2016 Comments
	A. PFM-OUT-TURNS: Credibility of the budget						
PI-1	Aggregate expenditure out-turn compared to original approved budget	D	D	C	D	B	
	(i) The difference between actual primary [sector] expenditure and the originally budgeted primary expenditure (i.e. excluding debt service charges, but also excluding externally financed project expenditure).	D	D	C	D	B	Should be D Under clarified rules of what is in what is out (donors on budget are included). 2013 should be adjusted down for trend analysis.
PI-2	Composition of expenditure out-turn compared to original approved budget	D	D	D+	D	B+	
	(i) Extent of the variance in expenditure composition during the last three years, excluding contingency items	D	D	D	D	B	No change - but also as above.
	(ii) The average amount of expenditure actually charged to the contingency vote over the last three years.	D	D	A	D	A	Contingency reserve operations are becoming more opaque including due to more contingency funds that are not disclosed in the budget.
PI-3	Aggregate revenue out-turn compared to original approved budget	D	D	C	C	A	
	(i) Actual domestic [sector specific non-tax] revenue collection compared to domestic revenue estimates in the original, approved budget.	D	D	C	C	A	Same at best - needs calculation
PI-4	Stock and monitoring of expenditure payment arrears	D+	D+	C+	D	A	
	(i) Stock of expenditure payment arrears (as a % of actual total expenditure for the corresponding fiscal year) & any recent change in the stock.	C	C	A	D	A	Plenty of evidence that expenditure arrears are significant.
	(ii) Availability of data for monitoring the stock of expenditure payment arrears	D	D	C	D	A	Invoices aren't tracked. No arrears survey undertaken recently.
	B. KEY CROSS-CUTTING ISSUES: Comprehensiveness and Transparency	D+	C+	C+	D+	A	
PI-5	Classification of the budget	C	C	C	C	A	
	(i) The classification system used for formulation, execution and reporting of the central {SN} government's budget [for the sector].	C	C	C	C	A	No change - but also as above. Some progress on COFOG, but not being used. Treasury transaction at activity level is not reported as it's too inaccurate.
PI-6	Comprehensiveness of information included in budget documentation	C	B	C	C	A	

	Indicator	2005R	2008R	2013	2016 (RIR)	Aspirational	2016 Comments
	(i) Share of the listed information in the budget documentation most recently issued by the central {SN} government {sector Minister}	C	B	C	C	A	No change - but also as above.
PI-7	Extent of unreported government operations	D+	B+	B+	D+	A	
	(i) The level of extra-budgetary expenditure (other than donor funded projects) which is unreported i.e. not included in fiscal reports.	B	B	B	D	A	New PEFA clarifies extra-budgetary units referring to IMF GFS definitions. This clearly reveals previous scores appear overly generous. The debate had been going on since 2005. Very poor reporting at general government sector level. Changed 2013 NR from B - consider move back to D
	(ii) Income /expenditure information on donor-funded {sector} projects which is included in fiscal reports.	D	A	A	A	A	No change - but quality of budget estimates is poor at best.
PI-8	Transparency of inter-governmental fiscal relations	D	D	C	D	B+	
	(i) Transparent and rules based systems in the horizontal allocation among SN governments of unconditional and conditional transfers from central government (both budgeted and actual allocations);	D	D	D	D	B	This should strictly not be scored as governors and municipalities are not elected yet, so do not constitute sub-national expenditure as defined under GFS and SNG PEF guidance. It was N/Ad in 2013 on basis of no SNG but then said there was on for PI9.
	(ii) Timeliness of reliable information to SN governments on their allocations from central government for the coming year;	D	D	D	D	B	This should strictly not be scored as A as governors and municipalities are not elected yet, so do not constitute sub-national expenditure as defined under GFS and SNG PEF guidance.
	(iii) Extent to which consolidated fiscal data (at least on revenue and expenditure) is collected and reported for general government according to sectoral categories.	D	D	A	D	A	Consolidated fiscal data is not produced on ex-ante basis - required by PEFA (dual currency budget). Consider 2013 move back to D. PEFA 2016 goes even harder - requiring annual audited financial statements.
PI-9	Oversight of aggregate fiscal risk from other public sector entities	D	D+	D+	D	A	
	(i) Extent of central government monitoring of AGAs and PEs.	D	D	D	D	A	
	(ii) Extent of central government monitoring of SN government's fiscal position	D	A	A	D	A	This should strictly not be scored as A as governors and municipalities are not elected yet, so do not constitute sub-national expenditure as defined under GFS and SNG PEF guidance. Claim that SNGs can't generate fiscal liabilities on their own to earn an A also appears false. Dual currency budgets mean that ex-ante reporting is not happening, making in-year reporting problematic. Should consider scoring D.
PI-10	Public access to key fiscal information	C	B	B	B	A	

	Indicator	2005R	2008R	2013	2016 (RIR)	Aspirational	2016 Comments
	(i) Number of the listed elements of public access to information that is fulfilled	C	B	B	B	A	
	C. BUDGET CYCLE	C	B	B	C+	A	
	C(i) Policy based Budgeting	D+	B	C+	C	A	
PI-11	Orderliness and participation in the annual budget process	C	B	C+	C	A	
	(i) Existence of and adherence to a fixed budget calendar;	C	B	B	B	A	Six weeks given in 2016/1395, but may not be actioned on.
	(ii) Clarity/ comprehensiveness of and political involvement in the guidance on the preparation of budget submissions (budget circular or equivalent);	C	B	C	C	A	Serious issues on quality of BCC, including non-compliance with the Law on formation of the budget committee, which has been devolved to DM and DG. Consider D
	(iii) Timely budget approval by the legislature or similarly mandated body {or Sector Minister} (within the last three years);	C	C	C	D	B	Still at least 2 late passage of the budget after commencement of the new year. Likely to be D on basis of last three years, never passed prior to new year (i.e. does not satisfy C). 2013 should be rescored on same basis. New PEFA makes it clear that is what was meant.
PI-12	Multi-year perspective in fiscal planning, expenditure policy and budgeting	D	C+	C+	D+	A	
	(i) Preparation of multi -year fiscal forecasts and functional allocations	D	C	C	D	A	Forward estimates are produced but not produced on a rolling basis. They do not form any function in the budget setting. Poor quality forecasts are undertaken (e.g. 14.5% across the board growth against last year's budget occurred in 2017/1396)
	(ii) Scope and frequency of debt sustainability analysis	C	A	A	A	A	Done by IMF and increasingly by MFPD.
	(iii) Existence of sector strategies with multi-year costing of recurrent and investment expenditure;	D	B	C	D	A	Not enough of the sector strategy costings that are done split future recurrent and capital, do it under a single currency, and costings remain inconsistent with the low quality forward estimates that are produced, or close to current funding levels.
	(iv) Linkages between investment budgets and forward expenditure estimates.	D	D	D	D	A	Still not linkage
	C(ii) Predictability and Control in Budget Execution	C+	B	B	C+	A	
PI-13	Transparency of taxpayer obligations and liabilities	D+	C	C+	B	A	
	(i) Clarity and comprehensiveness of tax liabilities	C	C	C	C	A	No change
	(ii) Taxpayer access to information on tax liabilities and administrative procedures.	C	C	B	B	A	No change

	Indicator	2005R	2008R	2013	2016 (RIR)	Aspirational	2016 Comments
	(iii) Existence and functioning of a tax appeals mechanism.	D	C	C	B	B	Might be pushing to a B - as there has been good progress shown on outreach to educate staff and taxpayers on the objection and appeals process.
PI-14	Effectiveness of measures for taxpayer registration and tax assessment	D+	C	C+	B	A	
	(i) Controls in the taxpayer registration system.	C	C	B	B	A	No change. Linkages are getting better. 2013 was probably still a C as the linkages are only now really happening.
	(ii) Effectiveness of penalties for non-compliance with registration and declaration obligations	D	C	C	B	A	Penalties are a now being issues routinely and are being effective. Improvements could be made with sanction regime.
	(iii) Planning and monitoring of tax audit and fraud investigation programs.	D	C	C	B	A	Probably pushing to A B with audit plans in place and risk criteria being used - including for self-assessment
PI-15	Effectiveness in collection of tax payments	D+	D+	D+	C+	A	
	(i) Collection ratio for gross tax arrears, being the percentage of tax arrears at the beginning of a fiscal year, which was collected during that fiscal year (average of the last two fiscal years).	D	D	D	B	A	Many improvements delivered on tax arrears calculation and follow up. High rates for debt collection. Need calculations. At least C. Could be B.
	(ii) Effectiveness of transfer of tax collections to the Treasury by the revenue administration.	B	B	A	A	A	No change
	(iii) Frequency of complete accounts reconciliation between tax assessments, collections, arrears records and receipts by the Treasury.	D	D	D	C	A	Big improvements in reconciliation systems. Many are at least quarterly, but may not be for all taxes, arrears tec.
PI-16	Predictability in the availability of funds for commitment of expenditures	D+	B+	B+	D+	A	
	(i) Extent to which cash flows are forecast and monitored.	D	A	A	A	A	No change
	(ii) Reliability and horizon of periodic in-year information to MDAs on ceilings for expenditure commitment	B	B	B	D	A	The allotment system is not working. It takes at least 2 months to get the first allotment out. Information is not reliable and a major fiduciary risk. New cash was committed by budget when the Treasury had run out - in two of the past two year. Commitment control is not functioning. Purchasing module is setting the right conditions.
	(iii) Frequency and transparency of adjustments to budget allocations, which are decided above the level of management of MDAs.	B	B	B	C	A	Significant budgets occur in a non-transparently way.
PI-17	Recording and management of cash balances, debt and guarantees	C+	B+	B+	B+	A	

	Indicator	2005R	2008R	2013	2016 (RIR)	Aspirational	2016 Comments
	(i) Quality of debt data recording and reporting	D	B	A	A	A	No debt report published since 1393. Monthly reconciliation in the past is questionable so integrity should be back to B. Could be C due to non-publication.
	(ii) Extent of consolidation of the government's cash balances	C	B	B	B	A	No change
	(iii) Systems for contracting loans and issuance of guarantees.	A	A	B	B	A	No change Claims that budget authorizes limits to borrowing needs to be checked. Wording was just that financing sources is disclosed.
PI-18	Effectiveness of payroll controls	C	C+	B	D+	A	
	(i) Degree of integration and reconciliation between personnel records and payroll data.	C	B	B	D	A	The three lists aren't being reconciled. MoF own agency reports indicate major problems. Major problems also with ghost workers. FMIS is used to batch payroll transactions rather than record each and every payment made to every employee, meaning only way to check accuracy is via manual paper records between time and attendance, ministry agency own accounting system and then AFMIS and payroll reports sent to the central bank that disaggregates payroll expenditure transfers.
	(ii) Timeliness of changes to personnel records and the payroll	C	B	B	C	A	Personnel records and payroll are updated at least quarterly but there are routine retroactive adjustments with systems breaking down to ensure adjustments are actually done. Many reported problems with payroll. Significant delays for any movement in personnel. C or D.
	(iii) Internal controls of changes to personnel records and the payroll.	C	B	B	C	A	Controls exist (e.g. VPP) but are not sufficient or implemented well enough across government to ensure integrity of the payroll data. Controls of changes to records are deficient and facilitate payment errors. Very overly generous scoring in 2013. Could be D as common knowledge of systemic ghost worker problems in various ministries, with very opaque reporting on staffing establishments, fillings, movements, demographics etc. No State of the Civil Service Report produced.
	(iv) Existence of payroll audits to identify control weaknesses and/or ghost workers.	C	C	B	D	A	2013 PEFA claimed Verified Payroll Program (VPP) as evidence of payroll audit - it is not a payroll audit, it is payroll control system. Some partial payroll audits or staff surveys have been undertaken in the past, though these were partial. Could be C or D.
PI-19	Competition, value for money and controls in procurement	D+	C+	B+	A	A	
i and ii	(i) Transparency, comprehensiveness and competition in the legal and regulatory framework	D	C	A	A	A	No change

	Indicator	2005R	2008R	2013	2016 (RIR)	Aspirational	2016 Comments
i and ii	(ii) Use of competitive procurement methods	B	B	B	A	A	No change, but might be higher. Was not calculated in 2013 report. Calculations were not disclosed.
	(iii) Public access to complete, reliable and timely procurement information	D	C	A	A	A	Still A, but 2013 was probable overly generous as didn't report on all the different procurement requirements - just opportunities. Nothing on complaints and procurement plans.
iii	iv) Existence of an independent administrative procurement complaints system.	D	B	B	A	A	Still A now as systems much better, but 2013 was probable overly generous as didn't report. Likely to be A now with private sector membership of appeals board and no restrictive fees (small fee refundable).
PI-20	Effectiveness of internal controls for non-salary expenditure	C	C+	C+	D+	B+	
	(i) Effectiveness of expenditure commitment controls.	C	B	A	D	A	Commitment control systems (budget allotment) that are in place are very weak and are routinely violated. Allotments used to support auction based budgeting. Last two years, GoIRA ran out of cash from broken commitment control systems. Previous scores were overly generous.
	(ii) Comprehensiveness, relevance and understanding of other internal control rules/ procedures	C	C	B	C	A	Other internal control rules and procedures consist of a basic set of rules for processing and recording transactions, which are understood by those directly involved in their application. Some rules and procedures may be excessive, while controls may be deficient in areas of minor importance
	(iii) Degree of compliance with rules for processing and recording transactions	C	C	C	C	B	No change
PI-21	Effectiveness of internal audit	C	C	C	D+	A	
	(i) Coverage and quality of the internal audit function.	C	C	C	D	A	2013 erred on saying IA was in place in other LMs because MoF IA did a review of them. IA in other ministries are the exception not the norm.
	(ii) Frequency and distribution of reports	C	C	C	D	A	Lack of IA in LMs seriously compromising.
	(iii) Extent of management response to internal audit findings	C	C	C	C	A	IA recommendations are generally ignored. MoF recommendations remain in place for many years. C give for MoF response only. Should be D
	C(iii) Accounting, Recording and Reporting	C+	C+	C+	C	A	
PI-22	Timeliness and regularity of accounts reconciliation	C+	B	B	B	A	
	(i) Regularity of bank reconciliations	C	B	B	B	A	No change - but major quality questions on bank reconciliations due to problems of lack of use of sub-accounts for spending agencies, and widespread use of batching transactions, and

	Indicator	2005R	2008R	2013	2016 (RIR)	Aspirational	2016 Comments
							multiple accounting systems being used by line agencies under no standardized system.
	(ii) Regularity of reconciliation and clearance of suspense accounts and advances.	B	B	B	B	A	No change
PI-23	Availability of information on resources received by service delivery units	D	D	C	D	A	
	(i) Collection and processing of information to demonstrate the resources that were actually received (in cash and kind) by the most common front-line service delivery units (focus on primary schools and primary health clinics) in relation to the overall resources made available to the sector(s), irrespective of which level of government is responsible for the operation and funding of those units.	D	D	C	D	A	Ad hoc poorly runs surveys have been conducted. Same problem with multiple accounting systems being run without standards for reporting to AFMIS (other than CoA and copying Treasury form formats). New PEFA does better on this.
PI-24	Quality and timeliness of in-year budget reports	C	C+	C+	C+	A	
	(i) Scope of {sector} reports in terms of coverage and compatibility with budget estimates	C	C	C	C	A	Really D. Poor comparison between original budget papers and qatia and financial statements. Reports against original budget not routine, often against revised budget. Reports against expenditures and allotments, not commitments.
	(ii) Timeliness of the issue of reports	C	A	A	A	A	No change
	(iii) Quality of information	C	A	A	B	A	Really C. There are some concerns about the accuracy of information, which may not always be highlighted in the reports, but this does not fundamentally undermine their basic usefulness. Refer different accounting systems issue and batching transactions problems.
PI-25	Quality and timeliness of annual financial statements	D+	C+	C+	D+	A	
	(i) Completeness of the financial statements	D	B	A	C	A	Really D. Statements aren't consolidated - just two different reports for operational and budget - in different currencies. Prior years, overly generous.
	(ii) Timeliness of submission of the financial statements	C	B	A	A	A	No change
	(iii) Accounting standards used	D	C	C	D	A	Really D. No public-sector accounting standards (private sector standards are starting to emerge). Claims of IPSAS compliance is not verified. Just on consolidation is enough for non-compliance let alone the non-mandatory standards that MoF has not formed a published view on. GFS cash2011 is clearly not compliant. There is consistency, but the consistency is allowing poor disclosures and poor auditing to continue as audit will have to change if national auditing standards are set up (SAO

	Indicator	2005R	2008R	2013	2016 (RIR)	Aspirational	2016 Comments
							rules only require to audit on basis of historical accounting practices).
	C(iv) External Scrutiny and Audit	D	B+	B	C+	B+	
PI-26	Scope, nature and follow-up of external audit	D+	C	C+	C+	A	
	(i) Scope/nature of audit performed (incl. adherence to auditing standards).	D	C	C	C	A	No change applied
	(ii) Timeliness of submission of audit reports to legislature.	C	C	B	B	A	No change applied
	(iii) Evidence of follow up on audit recommendations.	C	C	C	C	A	No change applied
PI-27	Legislative scrutiny of the annual budget law	D	B+	B+	C+	B+	
	(i) Scope of the legislature's scrutiny.	D	A	B	B	B	No change applied
	(ii) Extent to which the legislature's procedures are well-established and respected.	D	B	A	A	A	No change applied
	(iii) Adequacy of time for the legislature to provide a response to budget proposals.	D	B	B	B	A	No change applied
	(iv) Rules for in-year amendments to the budget without ex-ante approval by the legislature.	D	A	B	C	A	Clear rules exist, but they allow extensive administrative reallocation as well as expansion of total expenditure.
PI-28	Legislative scrutiny of external audit reports	D	C+	C+	C+	B	
	(i) Timeliness of examination of audit reports by the legislature (for reports received within the last three years).	D	B	C	C	B	No change applied
	(ii) Extent of hearings on key findings undertaken by the legislature.	D	C	C	C	B	No change applied
	(iii) Issuance of recommended actions by the legislature and implementation by the executive.	D	B	B	B	B	No change applied
	D. DONOR PRACTICES	D	C	C	D	A	
D-1	Predictability of Direct Budget Support	D	B+	B+	D+	A	
	(i) Annual deviation of actual budget support from the forecast provided by the donor agencies at least six weeks prior to the government submitting its budget proposals to the legislature (or equivalent approving body).	D	B	B	B	A	No change applied - needs calculation
	(ii) In-year timeliness of donor disbursements (compliance with aggregate quarterly estimates)	D	A	A	D	A	Cannot be A as overbudgeting problem in development budget is out of control.

	Indicator	2005R	2008R	2013	2016 (RIR)	Aspirational	2016 Comments
D-2	Financial information provided by donors for budgeting and reporting on project and program aid	D	D	D+	D	A	
	(i) Completeness and timeliness of budget estimates by donors for project support.	D	D	A	D	A	Cannot be A as the MoF are using Donor classification systems including currency, making consolidation problematic. 2013 claim that ad-hoc discussion constitute routine provision of data in line with budget cycle is not credible.
	(ii) Frequency and coverage of reporting by donors on actual donor flows for project support.	D	D	D	D	A	No change applied
D-3	Proportion of aid that is managed by use of national procedures	D	D	D	D	A	
	(i) Overall proportion of aid funds to central government that are managed through national procedures (procurement, payment/ accounting, audit and reporting)	D	D	D	D	A	No change applied

Table 16. Upgraded PEFA for 2016 – Preliminary Results from Rapid Internal Review

No.	Description	Grade	Grade Meaning	Comment
	I. Budget reliability	D		
PI-1	Aggregate expenditure out-turn	D		
	(i) Aggregate expenditure outturn	D	Performance is less than required for a C score.	New methodology makes it clear that on budget donor projects/grants are to be included
PI-2	Expenditure composition outturn	D		
	(i) Expenditure composition outturn by function	D	Performance is less than required for a C score.	No function and same as under 2013. Function tables developed but not used.
	(ii) Expenditure composition outturn by economic type	D	Performance is less than required for a C score.	Same as under 2013
	(iii) Expenditure from contingency reserves.	D	Performance is less than required for a C score.	Disclosure of all contingency reserves a constraint.
PI-3	Revenue outturn	D+		
	(i) Aggregate revenue outturn	C	Actual revenue was between 92% and 116% of budgeted revenue in at least two of the last three years.	Same as under 2013
	(ii) Revenue composition outturn	D	Performance is less than required for a C score.	Weak composition. E.g. 14.5% across the board forecast of revenue in 1397/2017.
	II. Transparency of public finances	D		
PI-4	Budget Classification	D		
	(i) Budget Classification	D	Performance is less than required for a C score.	No function in budget - clear requirement under 2016 PEFA
PI-5	Budget Documentation	D		
	(i) Budget Documentation	D	Performance is less than required for a C score.	No fiscal deficit due to dual currencies for development an operating. No previous year budget outturn. No aggregated budget data.
PI-6	Central government operations outside financial reports	D		
	(i) Expenditure outside financial reports	D	Performance is less than required for a C score.	Extra-budgetary units are significant. Prior PEFA calculations appear inaccurate.
	(ii) Revenue outside financial reports	D	Performance is less than required for a C score.	New PEFA includes donor - off budget activities.
	(iii) Financial reports of extra-budgetary units	D	Performance is less than required for a C score.	Poor disclosures
PI-7	Transfers to subnational governments	D		
	(i) System for allocating transfers	D	Performance is less than required for a C score.	Strictly no SNG since not elected. Prior PEFA's included for transfers and excluded for oversight. Rated here for clarity. No clear rules bases system for horizontal (provincial/non-sectoral) transfers).

No.	Description	Grade	Grade Meaning	Comment
	(ii) Timeliness of information on transfers	D	Performance is less than required for a C score.	Same as under 2013
PI-8	Performance information for service delivery	D		
	(i) Performance plans for service delivery	D	Performance is less than required for a C score.	Information is published annually on the activities to be performed under the policies or programs is not published for the majority of ministries nor is there a working framework of performance indicators relating to the outputs or outcomes of the majority of ministries is in place.
	(ii) Performance achieved for service delivery	D	Performance is less than required for a C score.	Information is published generally annually on the activities performed for less than the majority of ministries. Quality is a major concern.
	(iii) Resources received by service delivery units	D	Performance is less than required for a C score.	Same as under 2013 (Afghanistan 2008 used as 2013 appears overly generous).
	(iv) Performance evaluation for service delivery	C	Independent evaluations of the efficiency and effectiveness of service delivery have been carried out and published for some ministries at least once within the last three years.	World Bank, ADB and partners' evaluations have been undertaken on only a few ministries. Many have not been published.
PI-9	Public access to fiscal information	D		
	(i) Public access to fiscal information	D	Performance is less than required for a C score. (Basic elements: 1. Annual executive budget proposal documentation. 2. Enacted budget. 3. In-year budget execution reports. 4 Annual budget execution report. 5. Audited annual financial report. Additional elements: 6. Prebudget statement. 7. Other external audit reports. 8. Summary of the budget proposal. 9. Macroeconomic forecasts.)	Only 3 of the 5 Basic elements : 1. Annual executive budget proposal documentation. YES. 2. Enacted budget. NO - later than 2 weeks. 3. In-year budget execution reports. YES 4 Annual budget execution report. YES 5. Audited annual financial report. NO - not produced together - poor financial statements not published with Auditors report. Annual government report does not have auditor's opinion. Additional elements : 6. Prebudget statement. Yes - but not really a statement. 7. Other external audit reports. Not routinely. 8. Summary of the budget proposal. Yes. 9. Macroeconomic forecasts. Yes, but not used in budget setting.
	III. Management of assets and liabilities	D+		
PI-10	Fiscal risk reporting	D+		
	(i) Monitoring of public corporations	C	Government receives financial reports from most public corporations within nine months of the end of the fiscal year.	Some basic reporting is provided by most public corporations. Could be D
	(ii) Monitoring of sub-national government (SNG)	D	Performance is less than required for a C score.	No audited financial statements. Previous PEFA excluded scoring as not SNG or not able to incur liabilities under the law, though significant arrears at province are believed to be commonplace.
	(iii) Contingent liabilities and other fiscal risks	D	Performance is less than required for a C score.	No contingent liabilities are monitored, quantified, or disclosed
PI-11	Public investment management	D+		

No.	Description	Grade	Grade Meaning	Comment
	(i) Economic analysis of investment proposals	C	Economic analyses are conducted to assess some major investment projects.	No guidelines. No independent review. Some economic analysis is done by MFPD and spending agencies. WB does some economic analysis for ARTF projects only. Quality is a major concern.
	(ii) Investment project selection	D	Performance is less than required for a C score.	No prioritization process followed and not criteria developed or published.
	(iii) Investment project costing	D	Performance is less than required for a C score.	Generally only basis capital or recurrent costing performed. Not both. Citizens' Charter is an exception, but wasn't published or included in budget papers. Hence projections of the total capital cost of major investment projects, together with the capital costs for the forthcoming budget year, are done but are not clearly specified in the budget documents.
	(iv) Investment project monitoring	C	The total cost and physical progress of major investment projects are monitored by the implementing government unit. Information on implementation of major investment projects is prepared annually.	No standard rules for project monitoring in place. Some percentage progress is done on major and minor projects, but systems are weak.
PI-12	Public asset management	C		
	(i) Financial asset monitoring	C	The government maintains a record of its holdings in major categories of financial assets.	Fair market value systems not in place. Accounting standards not formally adopted. Publication of information is inadequate.
	(ii) Nonfinancial asset monitoring	C	The government maintains a register of its holdings of fixed assets, and collects partial information on their usage and age.	Fixed asset register is highly limited, with lack of data on age and usage and not published. A register of land is in place but its completeness is uncertain. Information maintained might be less than partial, thereby requiring a D score.
	(iii) Transparency of asset disposal	C	Procedures and rules for the transfer or disposal of nonfinancial assets are established. Partial information on transfers and disposals is included in budget documents, financial reports, or other reports.	Rules for asset disposal are effectively absent with no requirement to disclose to the legislature. No publishing in budget documents. Some information is included in internal reports. Information maintained might be less than partial, thereby requiring a D score.
PI-13	Debt management	D+		
	(i) Recording and reporting of debt and guarantees	C	Domestic and foreign debt and guaranteed debt records are updated annually. Reconciliations are performed annually. Areas where reconciliation requires additional information to be complete are acknowledged as part of documentation of records.	Not reconciled monthly as rely on donors. Lack of comprehensive statistical reports. Reconciliation systems need further analysis.
	(ii) Approval of debt and guarantees	C	Primary legislation grants authorization to borrow, issue new debt, and issue loan guarantees on behalf of the central government to entities specifically included in the legislation. Documented policies and procedures provide guidance for undertaking borrowing and other debt-related transactions and	Budget authorizations on borrowing limits claimed need to be reviewed. Guarantees appear opaque and not disclosed in budget papers. Debt rules are weak. Potential D score.

No.	Description	Grade	Grade Meaning	Comment
			issuing loan guarantees to one or several entities. These transactions are reported to and monitored by a single responsible entity.	
	(iii) Debt management strategy	D	Performance is less than required for a C score.	No real debt management strategy, as have been precluded due to lack of trust in government and systems.
	IV. Policy-based fiscal strategy and budgeting	D+		
PI-14	Macroeconomic and fiscal forecasting	C+		
	(i) Macroeconomic forecasts	C	The government prepares forecasts of key macroeconomic indicators for the budget year and the two following fiscal years.	Basic macro-fiscal forecasting is performance by MFPD but it is not generally not used in budget or fiscal setting.
	(ii) Fiscal forecasts	C	The government prepares forecasts of revenue, expenditure and the budget balance for the budget year and the two following fiscal years.	Fiscal forecasts are prepared for main fiscal indicators for three forward year estimates, but are not aggregated. Forecasts have been attempted to be done on a policy basis, but have not been used in budget setting and published levels are low quality.
	(iii) Macro-fiscal sensitivity analysis	B	The government prepares, for internal use, a range of fiscal forecast scenarios based on alternative macroeconomic assumptions. The budget documents include discussion of forecast sensitivities.	Some sensitivity analysis is undertaken. For internal and external used. Range of sensitivity analysis is narrow.
PI-15	Fiscal strategy	D+		
	(i) Fiscal impact of policy proposals	C	The government prepares estimates of the fiscal impact of all proposed changes in revenue and expenditure policy for the budget year.	Poor policy impact rules and systems. Many allocations are based on discretion of Budget. Citizen's charter did multi-year fiscal impact. No multi-year new policy impact disclosures to the legislature.
	(ii) Fiscal strategy adoption	C	The government has prepared for its internal use a current fiscal strategy that includes qualitative objectives for fiscal policy.	Fiscal strategy produced but not formally submitted to legislature (see FSP). ANPDF produced. Budget Committee routinely ignores FSP. ANPDF is a once in 5-year exercise. Requirement is annual.
	(iii) Reporting on fiscal outcomes	D	Performance is less than required for a C score.	Reporting on progress against the fiscal strategy is not done. Some reporting on ANPD is planned. FSP progress is not reported on.
PI-16	Medium term perspective in expenditure budgeting	D		
	(i) Medium-term expenditure estimates	D	Performance is less than required for a C score.	The annual budget presents estimated expenditure for the budget year and the two following fiscal years allocated by administrative or economic classification - only for the operational (and discretionary development) budget. Now by administrative as well as economic. Reconciliation of new budget year figures of medium term estimates with annual approved budgets reveals significant differences.

No.	Description	Grade	Grade Meaning	Comment
	(ii) Medium-term expenditure ceilings	D	Performance is less than required for a C score.	Expenditure ceilings were approved by HEC, but were subsequently ignored by BC. Included in 2nd BCC rather than first.
	(iii) Alignment of strategic plans and medium-term budgets	D	Performance is less than required for a C score.	Medium term plans that are in place of poor alignment with annual budget estimates.
	(iv) Consistency of budgets with previous year estimates	D	Performance is less than required for a C score.	No explanation of changes to expenditure estimates between 2nd year of the last budget and the first year of the current medium term budget.
PI-17	Budget preparation process	C+		
	(i) Budget calendar	B	A clear annual budget calendar exists and is largely adhered to. The calendar allows budgetary units at least four weeks from receipt of the budget circular. Most budgetary units are able to complete their detailed estimates on time.	Most to some units complete on time - timeliness and scope needs to be properly reviewed. 6 weeks is now provided according to BD.
	(ii) Guidance on budget preparation	C	A budget circular or circulars are issued to budgetary units, including ceilings for administrative or functional areas. Total budget expenditure is covered for the full fiscal year. The budget estimates are reviewed and approved by Cabinet after they have been completed in every detail by budgetary units.	Only partial budget is covered. Ceilings not provided on non-discretionary. Ceilings ignored routinely. HEC approved ceilings but were ignored by BC.
	(iii) Budget submission to the legislature	C	The executive has submitted the annual budget proposal to the legislature at least one month before the start of the fiscal year in two of the last three years.	Submitted 45 days not 2 months prior. Generally, only on basis capital or recurrent costing performed. Not both. Citizens' Charter is an exception, but wasn't published or included in budget papers. Hence projections of the total capital cost of major investment projects, together with the capita
PI-18	Legislative scrutiny of budgets	D+		
	(i) Scope of budget scrutiny	C	The legislature's review covers details of expenditure and revenue.	Fiscal policies not reviewed as their not disclosed properly.
	(ii) Legislative procedures for budget scrutiny	D	Performance is less than required for a C score.	The legislature's procedures to review budget proposals are not approved by the legislature in advance of budget hearings.
	(iii) Timing of budget approval	C	The legislature has approved the annual budget within one month of the start of the year in two or more of the last three fiscal years.	Generally, approves after start of fiscal year.
	(iv) Rules for budget adjustments by the executive	C	Clear rules exist which may be adhered to in some instances or they may allow extensive administrative reallocation as well as expansion of total expenditure.	Significant discretion by BD. Rules are not clear internal adjustments. Total expansion never happens due to systemic overbudgeting problem. Allotments system not working as commitment control or as a warrant system.
	V. Predictability and control in budget execution	C		

No.	Description	Grade	Grade Meaning	Comment
PI-19	Revenue administration	C+		
	(i) Rights and obligations for revenue measures	B	Entities collecting the majority of revenues provide payers with access to comprehensive and up-to-date information on the main revenue obligation areas and on rights including, as a minimum, redress processes and procedures.	Redress information could be improved.
	(ii) Revenue risk management	C	Entities collecting the majority of revenues use approaches that are partly structured and systematic for assessing and prioritizing compliance risks for some revenue streams.	No structured approach yet on assessing risk. Good progress has been initiated.
	(iii) Revenue audit and investigation	C	Entities collecting the majority of government revenue undertake audits and fraud investigations using a compliance improvement plan and complete the majority of planned audits and investigations.	Almost a B.
	(iv) Revenue arrears monitoring	B	The stock of revenue arrears at the end of the last completed fiscal year is below 20 percent of the total revenue collection of the year and the revenue arrears older than 12 months are less than 50 percent of total revenue arrears for the year.	Might be C.
PI-20	Accounting for revenues	B+		
	(i) Information on revenue collections	B	A central agency obtains revenue data at least monthly from entities collecting most central government revenue. This information is broken down by revenue type and is consolidated into a report.	B appropriate.
	(ii) Transfer of revenue collections	A	Entities collecting most central government revenue transfer the collections directly into accounts controlled by the Treasury, or transfer the collections daily to the Treasury and other designated agencies.	Same as 2013.
	(iii) Revenue accounts reconciliation	B	Entities collecting most central government revenue undertake complete reconciliation of assessments, collections, arrears, and transfers to Treasury and other designated agencies at least half-yearly within eight weeks of the end of the half-year.	Scrapes through to a B. Might be C.
PI-21	Predictability of in-year resource allocation	C		

No.	Description	Grade	Grade Meaning	Comment
	(i) Consolidation of cash balances	C	Most cash balances are consolidated on a monthly basis.	Literal single account problem exists. Lack of sub-accounts for robust warrant/allotment, sweeping, and bank reconciliation system are compromising the integrity of the accounting system. Provincial sub-accounts are in place and are swept as required for cash purposes, when allotment controls fail near the end of the year.
	(ii) Cash forecasting and monitoring	B	A cash flow forecast is prepared for the fiscal year and is updated at least quarterly on the basis of actual cash inflows and outflows.	Treasury routinely update their cash forecast, but competition from Budget through allotment system, significantly compromises the effectiveness of cash management. Could be a B due to the lack of a single owner of cash management systems.
	(iii) Information on commitment ceilings	D	Performance is less than required for a C score.	Ceilings are not reliable - allotments are effectively implicitly revoked routinely. It routinely takes 2 months to get allotment authorities approved. Budget allotment has compromised take up of proper commitment controls.
	(iv) Significance of in-year budget adjustments	C	Significant in-year budget adjustments to budget allocations are frequent, and are partially transparent.	Significant adjustments happen to the budget routinely and opaquely. Significant discretion assumed by Budget through allotment controls, carryover invoice processing, and lack of transparency around secondary spending units.
PI-22	Expenditure arrears	D		
	(i) Stock of expenditure arrears	D	Performance is less than required for a C score.	Plenty of evidence that expenditure arrears are significant. These are obligations that have not been recorded on the system.
	(ii) Expenditure arrears monitoring	D	Performance is less than required for a C score.	GoIRA's data recording and reporting system is unable to analyze payments, legal and contractual payment deadlines, and invoices, including suspensions and rejections. Arrears cannot be calculated unless special surveys are undertaken, which are not. Expenditure arrears reports are not produced.
PI-23	Payroll controls	D+		
	(i) Integration of payroll and personnel records	D	Performance is less than required for a C score.	The three lists aren't being reconciled. MoF own agency reports indicate major problems. Major problems also with ghost workers. FMIS is used to batch payroll transactions rather than record each and every payment made to every employee, meaning only way to check accuracy is via manual paper records between time and attendance, ministry agency own accounting system and then AFMIS and payroll reports sent to the central bank that disaggregates payroll expenditure transfers.
	(ii) Management of payroll changes	C	Personnel records and payroll are updated at least quarterly and require some retroactive adjustments.	Personnel records and payroll are updated at least quarterly but there are routine retroactive adjustments with systems breaking down to ensure adjustments are actually done. Many reported problems with payroll. Significant delays for any movement in personnel. C or D.
	(iii) Internal control of payroll	C	Sufficient controls exist to ensure integrity of the payroll data of greatest importance.	Controls exist (e.g. VPP) but are not sufficient or implemented well enough across government to ensure integrity of the payroll data. Controls of changes to records are deficient and facilitate payment errors. Very overly generous

No.	Description	Grade	Grade Meaning	Comment
				scoring in 2013. Could be D as common knowledge of systemic ghost worker problems in various ministries, with very opaque reporting on staffing establishments, fillings, movements, demographics etc. No State of the Civil Service Report produced.
	(iv) Payroll audit	D	Performance is less than required for a C score.	2013 PEFA claimed Verified Payroll Program (VPP) as evidence of payroll audit - it is not a payroll audit, it is payroll control system. Some partial payroll audits or staff surveys have been undertaken in the past, though these were partial. Could be C or D.
PI-24	Procurement	B+		
	(i) Procurement monitoring	A	Databases or records are maintained for contracts including data on what has been procured, value of procurement and who has been awarded contracts. The data are accurate and complete for all procurement methods for goods, services and works.	For 2016 system has improved significantly. Data for all major contracts going through the NPA are kept on database. See http://www.ppu.gov.af/Beta/English/ProcuringEntities/AC.aspx
	(ii) Procurement methods	A	The total value of contracts awarded through competitive methods in the last completed fiscal year represents 80% or more of total value of contracts	Same as 2013 - B under 2011 PEFA is an A in 2016 PEFA (greater than 80% by value).
	(iii) Public access to procurement information	C	At least three of the key procurement information elements are complete and reliable for government units representing the majority of procurement operations and are made available to the public. (Key procurement information to be made available to the public comprises: (1) legal and regulatory framework for procurement; (2) government procurement plans; (3) bidding opportunities; (4) contract awards (purpose, contractor and value); (5) data on resolution of procurement complaints; (6) annual procurement statistics)	Status of procurement information to be made available to the public comprises: (1) legal and regulatory framework for procurement; YES - new amendments ratified by H.E President of Islamic Republic of Afghanistan through legislative decree no. (75) Dated October 7, 2015 not yet published in English. (2) government procurement plans; NO - Some are, not all but new system is building new processes for the new module including plans for compliance with OCDS (3) bidding opportunities; YES (4) contract awards (purpose, contractor and value) YES; (5) data on resolution of procurement complaints; YES, in Annual report number of complaints and status, debarments also provided on website. (6) annual procurement statistics No
	(iv) Procurement complaints management	B	The procurement complaint system meets criterion (1), and three of the other criteria. (Complaints should be reviewed by a body which: (1) is not involved in any capacity in procurement transactions or in the process leading to contract award decisions; (2) does not charge fees that prohibit access by concerned parties; (3) follows processes for submission and resolution of complaints that are clearly defined and publicly available; (4) exercises the authority to suspend the procurement process; (5) issues decisions within the timeframe specified in	Score is A but at risk of D if Admin review compromised by impartiality appearance problems. The procurement complaint system quality criterion status: Complaints should be reviewed by a body which: (1) is not involved in any capacity in procurement transactions or in the process leading to contract award decisions; Qualified YES - Manual requires impartial appointees to Administrative Review Committee (needs verification). (2) does not charge fees that prohibit access by concerned parties; qualified YES - small quickly refundable fee (3) follows processes for submission and resolution of complaints that are clearly defined and publicly available; YES (4) exercises the authority to suspend the procurement process; YES (5) issues decisions within the timeframe specified in the rules/regulations; YES and (6) issues decisions

No.	Description	Grade	Grade Meaning	Comment
			the rules/regulations; and (6) issues decisions that are binding on every party (without precluding subsequent access to an external higher authority)	that are binding on every party (without precluding subsequent access to an external higher authority) YES
PI-25	Internal controls on non-salary expenditure	D		
	(i) Segregation of duties	D	Performance is less than required for a C score.	PFEM Law and Treasury and Budget manual are silent on segregation of duties.
	(ii) Effectiveness of expenditure commitment controls	D	Performance is less than required for a C score.	Allotment and commitment controls are not working well at all due to the mis-application of the allotment process.
	(iii) Compliance with payment controls	C	The majority of payments are compliant with regular payment procedures. The majority of exceptions are properly authorized and justified.	51% of payments could be compliant with rules. But at high risk in areas of invoicing, verification, segregation of duties etc. Could be D.
PI-26	Internal audit effectiveness	D+		
	(i) Coverage of internal audit	C	Internal audit is operational for central government entities representing the majority of budgeted expenditures and for central government entities collecting the majority of budgeted government revenue.	Same as 2013
	(ii) Nature of audits and standards applied	C	Internal audit activities are primarily focused on financial compliance.	Adequacy of controls not routine. MoF et al does some but they the exception. Quality assurance is absent on assessing degree of compliance with international internal auditing standards. Internal audit in line agencies are more like inspection than internal audit.
	(iii) Internal audit activity and reporting	D	Performance is less than required for a C score.	Across government - annual internal audit plans are rare. They work in MoF. Could be C with more evidence of internal audit in LMs working.
	(iv) Response to internal audits	C	Management provides a partial response to audit recommendations for the majority of entities audited.	Evidence of response to MoF IA only. Management response in other LMs not in place due to lack of IA. MoF run IA does not constitute an IA in a LM. Management in only few LMs provide a partial response to only some audit recommendations for only the small amount of entities audited by an internal audit unit.
	VI. Accounting and reporting	D+		
PI-27	Financial data integrity	B		
	(i) Bank account reconciliation	B	Bank reconciliation for all active central government bank accounts takes place at least monthly, usually within 4 weeks from the end of each month.	Same as 2013 - but could be D as the lack of sub-accounts for LM level bank reconciliation raises huge risks that irregularities are not properly followed up and reconciled. Should really be D until such time as a proper review of bank reconciliation procedures is complete. WE expect that the quality of reconciliation is very poor due to problems of batching transactions, lack of use of sub-accounts for primary spending units etc.

No.	Description	Grade	Grade Meaning	Comment
	(ii) Suspense accounts	B	Reconciliation of suspense accounts takes place at least quarterly within two months from the end of each quarter. Suspense accounts are cleared in a timely way, no later than the end of the fiscal year unless duly justified.	Same as 2013 - but levels of un-cleared amounts rolling over is likely to be significant rather than insignificant as claimed under 2013 PEFA. 2013 PEFA only reported on advances as suspense accounts, and reported that were no other suspense accounts, which is highly unlikely as they are used as a holding account for all sorts of monetary transactions (receipts, disbursements & journal entries) and problematic transactions such as those with invalid account numbers etc.
	(iii) Advance accounts	B	Reconciliation of advance accounts takes place at least quarterly within two months from the end of each quarter. Most advance accounts are cleared in a timely way.	Same as 2013 - but levels of un-cleared amounts rolling over is likely to be significant rather than insignificant as claimed under 2013 PEFA.
	(iv) Financial data integrity processes	C	Access and changes to records is restricted and recorded.	
PI-28	In-year budget reports	D+		
	(i) Coverage and comparability of reports	D	Performance is less than required for a C score.	Could be C but in-year reports are only indirectly comparable with original budgets, and problems of dual currencies making comparability on a consolidated basis very difficult. Many reported approved original budgets are not disclosed in the budget papers. Readers cannot compare easily and must trust report on claimed budget figure. The approved budget figure may sometimes refer to updated approved figure or the original approved figure. So, coverage and classification of data only allows indirect comparison to the original budget, and is too opaque. Information does not include all items of budget estimates such as project level disclosures of the development budget. Easy read between budgets and accounts is not yet in place. Expenditures made from transfers to de-concentrated units within central government are not included in the reports.
	(ii) Timing of in-year budget reports	B	Budget execution reports are prepared quarterly, and issued within four weeks from the end of each quarter.	
	(iii) Accuracy of in-year budget reports	C	There may be concerns regarding data accuracy. Data is useful for analysis of budget execution. Expenditure is captured at least at payment stage.	Weak internal and external audit compromises credibility claims of data accuracy. Slow reform in areas of allotment control also raises risks. Data is still somewhat useful. Data not captured at commitment stage. Only payment and allotment stage.
PI-29	Annual financial reports	D+		
	(i) Completeness of annual financial reports	C	Financial reports for budgetary central government are prepared annually, and are comparable with the approved budget. They include information on revenue, expenditure, and cash balances.	Central government financial reports are prepared annually, but are not directly comparable with the approved budget for an informed lay person to check. They include information on expenditure. Comparisons with budgeted revenue items and budgeted cash balances are generally not reported.

No.	Description	Grade	Grade Meaning	Comment
	(ii) Submission of reports for external audit	B	Financial reports for budgetary central government are submitted for external audit within 6 months of the end of the fiscal year.	No change
	(iii) Accounting standards	D	Performance is less than required for a C score.	Really D. No public-sector accounting standards (private sector standards are starting to emerge). Claims of IPSAS compliance is not verified. Just on consolidation is enough for non-compliance let alone the non-mandatory standards that MoF has not formed a published view on. GFS cash2011 is clearly not compliant. There is consistency, but the consistency is allowing poor disclosures and poor auditing to continue as audit will have to change if national auditing standards are set up (SAO rules only require to audit on basis of historical accounting practices).
	VII. External scrutiny and audit	D		
PI-30	External audit	D+		
	(i) Audit coverage and standards	D	Performance is less than required for a C score.	Audits are not finding commonly found problems. Same as 2013 - Limited engagement with SAO. Audit continues to ignore requirement to set up and properly disclose national accounting standards. This reform would then require auditing to change to cover not just historical accounting practices (allowed under ISSAI), but on much more robust accounting standards as set out in the national standards including on comparability, consolidation etc. Assessment of the extent of audit objection/observation clearance fees has not been undertaken. For C, the audits should have highlighted any relevant significant issues (e.g. military ghost workers, inventory management, payroll controls, batching transactions, bank reconciliation irregularities etc.
	(ii) Submission of audit reports to the legislature	B	Audit reports were submitted to the legislature within six months from receipt of the financial reports by the audit office for the last three completed fiscal years.	Same as 2013 - Limited engagement with SAO. Last published Audit is 2013.
	(iii) External audit follow-up	D	Performance is less than required for a C score.	Formal responses are not commonly made by the executive or the audited entity on audits for which follow up is expected. Some areas are clearly actioned.
	(iv) Supreme Audit Institution (SAI) independence	C	The SAI operates independently from the executive with respect to the procedures for appointment and removal of the Head of the SAI as well as the execution of the SAI's budget. The SAI has unrestricted and timely access to the majority of the requested records, documentation and information.	Lack of sufficient budget to cover audit requirements.
PI-31	Legislative scrutiny of audit reports	D+		

No.	Description	Grade	Grade Meaning	Comment
	(i) Timing of audit report scrutiny	D	Performance is less than required for a C score.	Last published audit following legislature completion of audit review is 2013 (as per SAO website).
	(ii) Hearings on audit findings	C	In-depth hearings on key findings of audit reports take place occasionally, covering a few audited entities or may take place with ministry of finance officials only.	Same as 2013. Hearings occur. Assessment of the extent of audit objection/observation clearance fees has not been undertaken.
	(iii) Recommendations on audit by the legislature	C	The legislature issues recommendations on actions to be implemented by the executive.	Same as 2013. Hearings occur. Assessment of the extent of audit objection/observation clearance fees has not been undertaken. 2013 says that Qatia will not be released until all recommendations are acted on is major concern. Executive action required for a B.
	(iv) Transparency of legislative scrutiny of audit reports	D	Performance is less than required for a C score.	Committee reports are not published on an official website or any other means easily accessible to the public. Hearings are not routinely aired on radio or TV.

Table 17. Upgraded PEFA: Recommendations for Aspirational Targets

No.	Description	Grade	Grade Meaning
	I. Budget reliability	B+	
PI-1	Aggregate expenditure out-turn	B	
	(i) Aggregate expenditure outturn	B	Aggregate expenditure outturn was between 90% and 110% of the approved aggregate budgeted expenditure in at least two of the last three years.
PI-2	Expenditure composition outturn	B+	
	(i) Expenditure composition outturn by function	B	Variance in expenditure composition by program, administrative or functional classification was less than 10% in at least two of the last three years.
	(ii) Expenditure composition outturn by economic type	A	Variance in expenditure composition by economic classification was less than 5% in at least two of the last three years.
	(iii) Expenditure from contingency reserves.	A	Actual expenditure charged to a contingency vote was on average less than 3% of the original budget.
PI-3	Revenue outturn	B+	
	(i) Aggregate revenue outturn	A	Actual revenue was between 97% and 106% of budgeted revenue in at least two of the last three years.
	(ii) Revenue composition outturn	B	Variance in revenue composition was less than 10% in two of the last three years.
	II. Transparency of public finances	B+	
PI-4	Budget Classification	A	
	(i) Budget Classification	A	Budget formulation, execution, and reporting are based on every level of administrative, economic, and functional classification using GFS/COFOG standards or a classification that can produce consistent documentation comparable with those standards. Program classification may substitute for sub-functional classification if it is applied with a level of detail at least corresponding to sub-functional classification.
PI-5	Budget Documentation	A	
	(i) Budget Documentation	A	Budget documentation fulfils 10 elements, including every basic element (1–4). Basic elements: 1. Forecast of the fiscal deficit or surplus or accrual operating result; 2. Previous year’s budget outturn, presented in the same format as the budget proposal; 3. Current fiscal year’s budget presented in the same format as the budget proposal. This can be either the revised budget or the estimated outturn; 4. Aggregated budget data for both revenue and expenditure according to the main heads of the classifications used, including data for the current and previous year with a detailed breakdown of revenue and expenditure estimates. (Budget classification is covered in PI-4.); Additional elements: 5. Deficit financing, describing its anticipated composition; 6. Macroeconomic assumptions, including at least estimates of GDP growth, inflation, interest rates, and the exchange rate; 7. Debt stock, including details at least for the beginning of the current fiscal year presented in accordance with GFS or other comparable standard; 8. Financial assets, including details at least for the beginning of the current fiscal year presented in accordance with GFS or other comparable standard; 9. Summary information of fiscal risks, including contingent liabilities such as guarantees, and contingent obligations embedded in structure financing instruments such as public-private partnership (PPP) contracts, and so on; 10. Explanation of budget implications of new policy initiatives and major new public investments, with estimates of the

No.	Description	Grade	Grade Meaning
			budgetary impact of all major revenue policy changes and/or major changes to expenditure programs; 11. Documentation on the medium-term fiscal forecasts; 12. Quantification of tax expenditures.
PI-6	Central government operations outside financial reports	B	
	(i) Expenditure outside financial reports	C	Expenditure outside government financial reports is less than 10% of total BCG expenditure.
	(ii) Revenue outside financial reports	A	Revenue outside government financial reports is less than 1% of total BCG revenue.
	(iii) Financial reports of extra-budgetary units	C	Detailed financial reports of the majority extra-budgetary units are submitted to government annually within three months of the end of the fiscal year.
PI-7	Transfers to subnational governments	B	
	(i) System for allocating transfers	B	The horizontal allocation of most transfers to subnational governments from central government is determined by transparent, rule-based systems.
	(ii) Timeliness of information on transfers	B	The process by which subnational governments receive information on their annual transfers is managed through the regular budget calendar, which provides clear and sufficiently detailed information for subnational governments to allow at least four weeks to complete their budget planning on time.
PI-8	Performance information for service delivery	B	
	(i) Performance plans for service delivery	B	Information is published annually on policy or program objectives, key performance indicators, and outputs to be produced or the outcomes planned for most ministries.
	(ii) Performance achieved for service delivery	B	Information is published annually on the quantity of outputs produced or the outcomes achieved for most ministries disaggregated by program or function.
	(iii) Resources received by service delivery units	C	A survey carried out in one of the last three years provides estimates of the resources received by service delivery units for at least one large ministry.
	(iv) Performance evaluation for service delivery	B	Independent evaluations of the efficiency and effectiveness of service delivery have been carried out and published for the majority ministries at least once within the last three years.
PI-9	Public access to fiscal information	A	
	(i) Public access to fiscal information	A	The government makes available to the public eight elements, including all five basic elements, in accordance with the specified time frames. (Basic elements: 1. Annual executive budget proposal documentation. 2. Enacted budget. 3. In-year budget execution reports. 4 Annual budget execution report. 5. Audited annual financial report. Additional elements: 6. Prebudget statement. 7. Other external audit reports. 8. Summary of the budget proposal. 9. Macroeconomic forecasts.)
	III. Management of assets and liabilities	B+	
PI-10	Fiscal risk reporting	B+	
	(i) Monitoring of public corporations	B	Audited annual financial statements are published for most public corporations within six months of the end of the fiscal year.

No.	Description	Grade	Grade Meaning
	(ii) Monitoring of sub-national government (SNG)	B	Audited annual financial statements for most subnational governments are published at least annually within nine months of the end of the fiscal year.
	(iii) Contingent liabilities and other fiscal risks	A	A report is published by central government annually that quantifies and consolidates information on all significant contingent liabilities and other fiscal risks of central government.
PI-11	Public investment management	B+	
	(i) Economic analysis of investment proposals	B	Economic analyses are conducted, as established in national guidelines, to assess most major investment projects, and some results are published. The analyses are reviewed by an entity other than the sponsoring entity.
	(ii) Investment project selection	B	Prior to their inclusion in the budget, most major investment projects are prioritized by a central entity on the basis of standard criteria for project selection.
	(iii) Investment project costing	A	Projections of the total life-cycle cost of major investment projects, including both capital and recurrent costs together with a year-by-year breakdown of the costs for at least the next three years, are included in the budget documents.
	(iv) Investment project monitoring	B	The total cost and physical progress of major investment projects are monitored by the implementing government unit. Standard procedures and rules for project implementation are in place, and information on implementation of major investment projects is published annually.
PI-12	Public asset management	A	
	(i) Financial asset monitoring	B	The government maintains a record of its holdings in major categories of financial assets, which are recognized at their acquisition cost or fair value. Information on the performance of the major categories of financial assets is published annually.
	(ii) Nonfinancial asset monitoring	A	The government maintains a register of its holdings of fixed assets, land, and (where relevant) subsoil assets, including information on their usage and age, which is published at least annually.
	(iii) Transparency of asset disposal	A	Procedures and rules for the transfer or disposal of financial and nonfinancial assets are established, including information to be submitted to the legislature for information or approval. Information on transfers and disposal is included in budget documents, financial reports, or other reports.
PI-13	Debt management	B	
	(i) Recording and reporting of debt and guarantees	B	Domestic and foreign debt and guaranteed debt records are complete, accurate, and updated quarterly. Most information is reconciled quarterly. Comprehensive management and statistical reports covering debt service, stock, and operations are produced at least annually.
	(ii) Approval of debt and guarantees	A	Primary legislation grants authorization to borrow, issue new debt, and issue loan guarantees on behalf of the central government to a single responsible debt management entity. Documented policies and procedures provide guidance to borrow, issue new debt and undertake debt-related transactions, issue loan guarantees, and monitor debt management transactions by a single debt management entity. Annual borrowing must be approved by the government or legislature.
	(iii) Debt management strategy	C	A current medium-term debt management strategy covering existing and projected government debt is publicly available. The strategy indicates at least the preferred evolution of risk indicators such as interest rates and refinancing, and foreign currency risks.

No.	Description	Grade	Grade Meaning
	IV. Policy-based fiscal strategy and budgeting	A	
PI-14	Macroeconomic and fiscal forecasting	A	
	(i) Macroeconomic forecasts	B	The government prepares forecasts of key macroeconomic indicators, which, together with the underlying assumptions, are included in budget documentation submitted to the legislature. These forecasts cover the budget year and the two following fiscal years.
	(ii) Fiscal forecasts	A	The government prepares forecasts of the main fiscal indicators, including revenues (by type), aggregate expenditure, and the budget balance, for the budget year and two following fiscal years. These forecasts, together with the underlying assumptions and an explanation of the main differences from the forecasts made in the previous year's budget, are included in budget documentation submitted to the legislature.
	(iii) Macro-fiscal sensitivity analysis	A	The government prepares a range of fiscal forecast scenarios based on alternative macroeconomic assumptions, and these scenarios are published, together with its central forecast.
PI-15	Fiscal strategy	A	
	(i) Fiscal impact of policy proposals	A	The government prepares estimates of the fiscal impact of all proposed changes in revenue and expenditure policy for the budget year and the following two fiscal years, which are submitted to the legislature.
	(ii) Fiscal strategy adoption	A	The government has adopted, submitted to the legislature, and published a current fiscal strategy that includes explicit time-based quantitative fiscal goals and targets together with qualitative objectives for at least the budget year and the following two fiscal years.
	(iii) Reporting on fiscal outcomes	A	The government has submitted to the legislature and published with the annual budget a report that describes progress made against its fiscal strategy and provides an explanation of the reasons for any deviation from the objectives and targets set. The report also sets out actions planned by the government to address any deviations, as prescribed in legislation.
PI-16	Medium term perspective in expenditure budgeting	A	
	(i) Medium-term expenditure estimates	A	The annual budget presents estimated expenditure for the budget year and the two following fiscal years allocated by administrative, economic, and program (or functional) classification.
	(ii) Medium-term expenditure ceilings	A	Aggregate and ministry-level expenditure ceilings for the budget year and the two following fiscal years are approved by government before the first budget circular is issued.
	(iii) Alignment of strategic plans and medium-term budgets	B	Medium-term strategic plans are prepared for the majority of ministries, and include cost information. The majority of expenditure policy proposals in the approved medium-term budget estimates align with the strategic plans.
	(iv) Consistency of budgets with previous year estimates	A	The budget documents provide an explanation of all changes to expenditure estimates between the last medium-term budget and the current medium-term budget at the ministry level.
PI-17	Budget preparation process	A	
	(i) Budget calendar	A	A clear annual budget calendar exists, is generally adhered to, and allows budgetary units at least six weeks from receipt of the budget circular to meaningfully complete their detailed estimates on time.

No.	Description	Grade	Grade Meaning
	(ii) Guidance on budget preparation	A	A comprehensive and clear budget circular or circulars are issued to budgetary units, covering total budget expenditure for the full fiscal year. The budget reflects ministry ceilings approved by the cabinet (or equivalent) prior to the circular's distribution to budgetary units.
	(iii) Budget submission to the legislature	A	The executive has submitted the annual budget proposal to the legislature at least two months before the start of the fiscal year in each of the last three years.
PI-18	Legislative scrutiny of budgets	B+	
	(i) Scope of budget scrutiny	B	The legislature's review covers fiscal policies and aggregates for the coming year as well as details of expenditure and revenue.
	(ii) Legislative procedures for budget scrutiny	B	The legislature's procedures to review budget proposals are approved by the legislature in advance of budget hearings and are adhered to. The procedures include internal organizational arrangements such as specialized review committees, technical support, and negotiation procedures.
	(iii) Timing of budget approval	B	The legislature has approved the annual budget before the start of the year in two of the last three fiscal years, with a delay of up to one month in the third year.
	(iv) Rules for budget adjustments by the executive	A	Clear rules exist for in-year budget adjustments by the executive. The rules set strict limits on the extent and nature of amendments and are adhered to in all instances.
	V. Predictability and control in budget execution	B+	
PI-19	Revenue administration	A	
	(i) Rights and obligations for revenue measures	A	Entities collecting most revenues use multiple channels to provide payers with easy access to comprehensive and up-to-date information on the main revenue obligation areas and on rights including, as a minimum, redress processes and procedures.
	(ii) Revenue risk management	B	Entities collecting the majority of revenues use a structured and systematic approach for assessing and prioritizing compliance risks for some categories of revenue and, as a minimum, for their large revenue payers.
	(iii) Revenue audit and investigation	A	Entities collecting most revenue undertake audits and fraud investigations managed and reported on according to a documented compliance improvement plan, and complete all planned audits and investigations.
	(iv) Revenue arrears monitoring	A	The stock of revenue arrears at the end of the last completed fiscal year is below 10 percent of the total revenue collection for the year, and the revenue arrears older than 12 months are less than 25 percent of total revenue arrears for the year.
PI-20	Accounting for revenues	A	
	(i) Information on revenue collections	A	A central agency obtains revenue data at least monthly from entities collecting all central government revenue. This information is broken down by revenue type and is consolidated into a report.
	(ii) Transfer of revenue collections	A	Entities collecting most central government revenue transfer the collections directly into accounts controlled by the Treasury, or transfer the collections daily to the Treasury and other designated agencies.

No.	Description	Grade	Grade Meaning
	(iii) Revenue accounts reconciliation	A	Entities collecting most central government revenue undertake complete reconciliation of assessments, collections, arrears, and transfers to Treasury and other designated agencies at least quarterly within four weeks of the end of quarter.
PI-21	Predictability of in-year resource allocation	B+	
	(i) Consolidation of cash balances	B	All bank and cash balances are consolidated on a weekly basis
	(ii) Cash forecasting and monitoring	A	A cash flow forecast is prepared for the fiscal year and is updated monthly on the basis of actual cash inflows and outflows.
	(iii) Information on commitment ceilings	A	Budgetary units are able to plan and commit expenditure for at least six month in advance in accordance with the budgeted appropriations and cash/commitment releases.
	(iv) Significance of in-year budget adjustments	B	Significant in-year adjustments to budget allocations take place no more than twice in a year and are done in a fairly transparent way.
PI-22	Expenditure arrears	B+	
	(i) Stock of expenditure arrears	B	The stock of expenditure arrears is no more than 6% of total expenditure in at least two of the last three completed fiscal years.
	(ii) Expenditure arrears monitoring	A	Data on the stock, age, and composition of expenditure arrears is generated quarterly within four weeks of the end of each quarter.
PI-23	Payroll controls	B+	
	(i) Integration of payroll and personnel records	A	Approved staff list, personnel database, and payroll are directly linked to ensure budget control, data consistency, and monthly reconciliation.
	(ii) Management of payroll changes	B	Personnel records and payroll are updated at least quarterly and require a few retroactive adjustments.
	(iii) Internal control of payroll	B	Authority and basis for changes to personnel records and the payroll are clear and adequate to ensure high integrity of data.
	(iv) Payroll audit	A	A strong system of annual payroll audits exists to expose control weaknesses and identify ghost workers.
PI-24	Procurement	A	
	(i) Procurement monitoring	A	Databases or records are maintained for contracts including data on what has been procured, value of procurement and who has been awarded contracts. The data are accurate and complete for all procurement methods for goods, services and works.
	(ii) Procurement methods	A	The total value of contracts awarded through competitive methods in the last completed fiscal year represents 80% or more of total value of contracts
	(iii) Public access to procurement information	A	Every key procurement information element is complete and reliable for government units representing all procurement operations and is made available to the public in a timely manner. (Key procurement information to be made available to the public comprises: (1) legal and regulatory framework for procurement; (2) government procurement plans; (3)

No.	Description	Grade	Grade Meaning
			bidding opportunities; (4) contract awards (purpose, contractor and value); (5) data on resolution of procurement complaints; (6) annual procurement statistics)
	(iv) Procurement complaints management	A	The procurement complaint system meets every criterion. (Complaints should be reviewed by a body which: (1) is not involved in any capacity in procurement transactions or in the process leading to contract award decisions; (2) does not charge fees that prohibit access by concerned parties; (3) follows processes for submission and resolution of complaints that are clearly defined and publicly available; (4) exercises the authority to suspend the procurement process; (5) issues decisions within the timeframe specified in the rules/regulations; and (6) issues decisions that are binding on every party (without precluding subsequent access to an external higher authority)
PI-25	Internal controls on non-salary expenditure	D+	
	(i) Segregation of duties	D	Performance is less than required for a C score.
	(ii) Effectiveness of expenditure commitment controls	D	Performance is less than required for a C score.
	(iii) Compliance with payment controls	C	The majority of payments are compliant with regular payment procedures. The majority of exceptions are properly authorized and justified.
PI-26	Internal audit effectiveness	B+	
	(i) Coverage of internal audit	B	Internal audit is operational for central government entities representing most total budgeted expenditures and for central government entities collecting most budgeted government revenue.
	(ii) Nature of audits and standards applied	B	Internal audit activities are focused on evaluations of the adequacy and effectiveness of internal controls.
	(iii) Internal audit activity and reporting	B	Annual audit programs exist. Most programmed audits are completed, as evidenced by the distribution of their reports to the appropriate parties.
	(iv) Response to internal audits	A	Management provides a full response to audit recommendations for all entities audited within twelve months of the report being produced.
	VI. Accounting and reporting	B+	
PI-27	Financial data integrity	A	
	(i) Bank account reconciliation	A	Bank reconciliation for all active central government bank accounts takes place at least weekly at aggregate and detailed levels, usually within one week from the end of each week.
	(ii) Suspense accounts	A	Reconciliation of suspense accounts takes place at least monthly, within a month from the end of each month. Suspense accounts are cleared in a timely way, no later than the end of the fiscal year unless duly justified.
	(iii) Advance accounts	A	Reconciliation of advance accounts takes place at least monthly, within a month from the end of each month. All advance accounts are cleared in a timely way.
	(iv) Financial data integrity processes	A	Access and changes to records is restricted and recorded, and results in an audit trail. There is an operational body, unit or team in charge of verifying financial data integrity.
PI-28	In-year budget reports	B+	

No.	Description	Grade	Grade Meaning
	(i) Coverage and comparability of reports	A	Coverage and classification of data allows direct comparison to the original budget. Information includes all items of budget estimates. Expenditures made from transfers to de-concentrated units within central government are included in the reports.
	(ii) Timing of in-year budget reports	A	Budget execution reports are prepared monthly, and issued within two weeks from the end of each month.
	(iii) Accuracy of in-year budget reports	B	There may be concerns regarding data accuracy. Data issues are highlighted in the report and the data is consistent and useful for analysis of budget execution. An analysis of the budget execution is provided on at least a half-yearly basis. Expenditure is captured at least at payment stage.
PI-29	Annual financial reports	B+	
	(i) Completeness of annual financial reports	A	Financial reports for budgetary central government are prepared annually and are comparable with the approved budget. They contain full information on revenue, expenditure, financial and tangible assets, liabilities, guarantees, and long-term obligations, and are supported by a reconciled cash flow statement.
	(ii) Submission of reports for external audit	A	Financial reports for budgetary central government are submitted for external audit within 3 months of the end of the fiscal year.
	(iii) Accounting standards	B	Accounting standards applied to all financial reports are consistent with the country's legal framework. The majority of international standards have been incorporated into the national standards. Variations between international and national standards are disclosed and any gaps are explained. The standards used in preparing annual financial reports are disclosed.
	VII. External scrutiny and audit	B+	
PI-30	External audit	B+	
	(i) Audit coverage and standards	B	Financial reports of central government entities representing most total expenditures and revenues have been audited using ISSAIs or national auditing standards during the last three completed fiscal years. The audits have highlighted any relevant material issues and systemic and control risks.
	(ii) Submission of audit reports to the legislature	B	Audit reports were submitted to the legislature within six months from receipt of the financial reports by the audit office for the last three completed fiscal years.
	(iii) External audit follow-up	B	A formal, comprehensive, and timely response was made by the executive or the audited entity on audits for which follow-up was expected during the last three completed fiscal years.
	(iv) Supreme Audit Institution (SAI) independence	A	The SAI operates independently from the executive with respect to procedures for appointment and removal of the Head of the SAI, the planning of audit engagements, arrangements for publicizing reports, and the approval and execution of the SAI's budget. This independence is assured by law. The SAI has unrestricted and timely access to records, documentation and information.
PI-31	Legislative scrutiny of audit reports	B+	
	(i) Timing of audit report scrutiny	A	Scrutiny of audit reports on annual financial reports has been completed by the legislature within three months from receipt of the reports

No.	Description	Grade	Grade Meaning
	(ii) Hearings on audit findings	A	In-depth hearings on key findings of audit reports take place regularly with responsible officers from all audited entities which received a qualified or adverse audit opinion or a disclaimer.
	(iii) Recommendations on audit by the legislature	B	The legislature issues recommendations on actions to be implemented by the executive and follows up on their implementation.
	(iv) Transparency of legislative scrutiny of audit reports	B	Hearings are conducted in public with a few exceptions in addition to national security or similar sensitive discussions. Committee reports are provided to the full chamber of the legislature and published on an official website or by any other means easily accessible to the public.
	Average of pillar averages	B+	
	Average of PI averages	B+	

ATTACHMENT I: ARTF DISBURSEMENT PERFORMANCE DATA

Projects	Approved Grant Amount \$m	Amount Disbursed \$m	Amount Available \$m	Start Date	Closing Date	Current Grant Objectives rating	Current Implementation Rating	Disbursement Rate	Average Annual Disbursement \$m	Required Annual Disbursement Equivalent To Close on Time \$m	Years Completed	Years Left	Required Improvement in Current Average Annual Disbursement Rate to Close on Time with Zero Balance
CASA-1000 Community Support Project - TF017012	40	0	40	11-Apr-14	30-May-17	S	S	0%	-	58.17	2.45	0.69	n/a Zero Disbursement
Afghanistan Agricultural Inputs Project - TF015003	74.75	17.24	57.51	30-Jun-13	30-Jun-18	MS	MS	23%	5.34	32.44	3.23	1.77	6.08
Irrigation Restoration and Development Project - TF012029	48.4	21.44	26.96	14-Mar-12	31-Dec-17	MS	MS	44%	4.74	21.12	4.53	1.28	4.46
Second Education Quality Improvement Project - TF093962	408	350.46	57.54	14-Apr-09	31-Dec-16	MS	MU	86%	47.08	207.94	7.44	0.28	4.42
Non-Formal Approach to Training, Education and Jobs in Afghanistan - TF016354	15	2.99	12.01	11-Apr-14	30-Dec-18	MS	MS	20%	1.22	5.28	2.45	2.27	4.33
Capacity Building for Results Facility Project (CBR) - TF011447	100	48.49	51.51	21-Jan-12	31-Dec-17	MS	MS	48%	10.38	40.35	4.67	1.28	3.89
Justice Service Delivery Project - TF012533	25	16.12	8.88	31-May-12	01-Jun-17	MU	MU	64%	3.74	12.81	4.31	0.69	3.43
Second Public Financial Management Reform Project - TF010024	114.13	75.84	38.29	09-Aug-11	30-Jun-17	MS	MS	66%	14.80	49.56	5.12	0.77	3.35
National Horticulture and Livestock Project - TF013820	190	65.1	124.9	22-Dec-12	31-Dec-18	S	S	34%	17.36	54.86	3.75	2.28	3.16
Power System Development Project - TF093513	75	58.46	16.54	19-Mar-09	31-May-17	MS	MU	78%	7.78	23.96	7.52	0.69	3.08
Kabul Municipal Development Program (KMDP) - TF017016	110	28.29	81.71	11-Apr-14	31-Dec-19	S	S	26%	11.55	24.94	2.45	3.28	2.16
On-Farm Water Management Project (OFWM) - TF099074	70	31.06	38.94	16-Mar-11	31-Dec-19	S	S	44%	5.62	11.88	5.52	3.28	2.11
Afghanistan Naghlu Hydropower Rehabilitation Project	83	5	78	19-Jan-16	30-Sep-22	S	S	6%	7.42	12.94	0.67	6.03	1.74
Kabul Urban Transport Efficiency Improvement Project (KUTEI) - TF017061	90.5	28.06	62.44	11-Apr-14	31-Dec-19	S	MS	31%	11.46	19.06	2.45	3.28	1.66
Afghanistan Rural Access Project (ARAP) - TF013093	207	135.74	71.26	15-Sep-12	31-Mar-18	S	S	66%	33.77	46.78	4.02	1.52	1.39
Higher Education Development Project - TF0A0730	50	8.72	41.28	15-Sep-15	31-Dec-20	S	S	17%	8.56	9.65	1.02	4.28	1.13
System Enhancement for Health in Transition Project (SEHAT) - TF015005	300	210.05	89.95	06-Oct-13	30-Jun-18	MS	MS	70%	70.92	50.74	2.96	1.77	0.72
Afghanistan DABS Planning and Capacity Support Project	6	1	5	07-Mar-16	31-Jul-20	S	S	17%	1.84	1.30	0.54	3.86	0.70
Afghanistan Resource Corridors Project - TF014845	2.7	2.57	0.13	29-May-13	31-Dec-16	S	S	95%	0.77	0.47	3.32	0.28	0.61
Third Emergency National Solidarity Project - TF098459	1107.26	1080.1	27.15	24-Jan-11	31-Mar-17	S	S	98%	190.73	51.88	5.66	0.52	0.27

Source: 1395 UPDATE TO THE FINANCING STRATEGY Endorsed March 6, 2017

Nb: Required improvement means, the multiple of the existing average annual disbursement rate. In other words, for the Afghanistan Agricultural Inputs Project, disbursement rate has to improve by six (6) times existing disbursement rates in order for the project to close on time with a zero balance. Any multiples of 1.5 or higher, indicate that the project may likely be extended or close with significant levels of unspent money. It may also indicate a project review is warranted.

ATTACHMENT J: 2016 PERFORMANCE RESULTS AND COMMENTS

This attachment records the complete results of self-assessment including the narratives on progress, challenges, evidence and independent validator comments.

Table 18. 2016 Performance Results and Comments for Major Activities

PLANNED MULTI-YEAR ACTION	1395-2016				1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
1.0 Office of the Minister		B	B	B				
1.1 OoM: Office of the Chief of Staff		B	C+	B				
1.1.1 OoCS: Chief of Staff Operations		B	B	B				
1. Strengthen CoS with Potential Workforce	Strengthen CoS with Potential Workforce	B	B	B	<p>Since the second review we have recruited additional 15 data entry clerk, one senior project officer, one admin officer, one surveillance officer and one cleaner for Scan project.</p> <p>We have also recruited on additional secretary for H.E the minister. We have also recruited additional of senior communication coordinator and one liaison officer. The additional workforce has been recruited from NTA.</p> <p>We have also recruited additional of four Civil servants for Archive department.</p>			<p>Good progress. Since the mid-year review the CoS office have hired significant numbers of new staff in line with the needs assessment (see progress report). New head of Archive has been appointed along with 4 tashkeel. Around 17 more NTA were hired for the scanning work for archive. All were put through a comprehensive process including a security check, multiple interviews and background / health checks. In addition, OoCOS hired a Senior Comms Coordinator (NTA) who reports to the COS. Main task is liaison with MPs. Lastly, hired 1 Admin Officer to assist with the assessments process, particularly the follow up with staff around implementing new processes and procedures and encouraging them to take on relevant higher degree study. Feedback from Department Heads is that the training has helped, additional people are working well and performance is up. Particularly in Archive. the MP liaison is working well, using things like breakfast meetings to make sure the relationship between the Minister and the parliament is good. 4 departments under the COS meet every Monday to coordinate issues for the office and resolve whatever they can, and report to COS on issues that need resolution by someone else DMs and DGs.</p> <p>Structure in place, no need to do more restructuring or hiring next year. Focus is on performance and training next year.</p>
2. Capacity Building of CoS Civil Servant Staff	Conduct Training Needs Assessment, TNA of CoS staff, in order to identify their existed performance gaps	A	A	A	<p>After Conducting the Needs Assessment and Training Needs Assessment, we have delivered a total of 10 workshops to all relevant departments in the areas of, Writing, fundamental of management, filling, conflict resolution and IT.</p> <p>We have also conducted a final assessment to see if the workshops were effective and what we can do to improve future capacity building.</p>	<p>Making sure that colleagues were using the knowledge and practices that they learned from these workshops at their given Job. There are limited places where you deliver workshops at the Ministry of Finance.</p>	<p>Report</p>	<p>Very good progress with strong leadership. Since the mid-year update the team have used the data from the TNA to develop teaching materials for workshops. Done in house. Testing of staff done before and after workshops and compared. All four departments given training. Split into two groups for a series of workshops and seminars over 3 weeks, mostly on office processes and procedures. Post workshop follow up assessment of whether people are implementing what they learnt (additional staff member added).</p> <p>Challenge: This requires a large behaviour change. There is resistance to more traditional training through teaching, the team used a more collaborative approach of workshops and also solved problems for the staff like getting them emails and connecting them to the internet.</p>

PLANNED MULTI-YEAR ACTION	1395-2016				1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
3. Oversee the implementation of new correspondence management system	Carry out a thorough assessment of current CoS Inflow and Outflow of documents and develop an appropriate mechanism for digitization							Do not score, see Correspondence Department.
4. Establish a Standard Client Service System at CoS	Conduct assessment of the current reception department and develop a proposal for a standard Client Service Centre and obtain the budget	B+	B	A	<p>Due to the news system in place we are able to process large number of requested and follow up with the relevant department for response. The new system also records all request letter and visitors both to H.E the Minister and Chief of Staff. We have further enriched our reception and client service, by further improving the processing of request letter from clients. Chief of Staff has dedicated Monday to be an appointment free day for all clients. Client s can drop in and present their request letters face to face to the chief of staff every Monday from 9:00am till 10:30. This visiting day has help us to reduce a great deal of request letter volume. We have moved our reception office to a new location which has the capacity to accommodate more people. We have also purchased new Scanner, Computers, and we have refurbished our reception office, with surveillance and digital screen which will demonstrate the statues of request letter once activated. The staff has been train to offer better and more professional customer service. We have also introduced one person for the Chief of Staff Secretariat to act as a mediator between reception and our reception, this has reduced waiting time, and we</p>	<p>A large number of request are being brought to our reception considering they are not relevant to CoS office. Because our deputy minters are yet being official appointed we have to burden their work on our shoulder.</p>	<p>Hard copy of the Report.</p>	<p>Good progress since the mid year assessment. Reception Unit is operating and systems are in place but there is still some work to do. The system is working, reception issues a reference number when someone visits the MO say for a letter that needs to be signed by the Minister or COS. It is recorded manually but COS office is working with IT to set up an online system so people can check on progress without coming to the office again. Reception team has 2 people, but one person from the coordination unit assists each week.</p> <p>Team have also started a Visitors day from 9-1030am when the COS is on duty at reception.</p> <p>Challenges: IT is busy so taking some time to get systems in place. People are adjusting to the new arrangements, but there have been some issues with people feeling the reception team are not responsive. Getting better. The Minister and the Office are starting to reject nuisance letters and filing and tracking has improved.</p>

PLANNED MULTI-YEAR ACTION	1395-2016				1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
					no longer have to worry about request letter being lost or misplaced.			
5. Manage leadership group meetings	Strengthen management of routine leadership group meetings							Do not score, duplication. See above.
6. Follow up and implementation of Cabinet, Council of Ministers and NSC decisions for Minister for Finance.	Timely follow up and implementation of decisions by Cabinet, COM and NSC	C+	B	A	<p>From 48 tasks assigned from council of minister to the Ministry of Finance, we have successfully ensured the implementation of 26 items with accounts for 54.16% of the total items under the assigned 15 resolutions. The remaining 18 items are still in progress with relevant departments. There are 3 items which are not being implemented. During the year 2016 we received 18 cabinet Resolutions; MoF has been tasked in 99 items in which this Ministry has been successful in implementing 50 items; the remaining 49 items are in progress.</p> <p>During 2016 the NSC has sent 80 Resolutions, from which MoF has been tasked in 107 items. The MoF has been successful in implementing 94 of the 107 items. The remaining 13 items are in progress.</p>	some of the assigned departments do not reply on time, and most of the times the information they sent to the CoS office are incomplete.	Hard copy of the report	<p>Good progress on tracking Cabinet, COM and NSC decisions and their implementation. See annual report. Implementation depends on the decision, some take a long time and rely on other agencies. The team are coordinating and tracking. Resolutions are tracked by excel sheets by three dedicated focal points. Specific formats for reporting back to each council.</p> <p>Challenges: Information is often of poor quality or not available in a timely fashion making the task very challenging. Staff have to chase up information directly including by phone and email which can be stressful, especially when dealing with senior staff. COS is supportive of staff efforts and helps with follow up. Team have forwarded some poor-quality work from other teams on to the Minister to show him what they are dealing with and the Minister has issued an official letter instructing people to be responsive (on time) and improve the quality of inputs for briefing (December). Hard to track performance as there is no clear metric.</p>
7. Follow up and implementation of direct presidential Instructions to the Minister for Finance	Timely follow up and implementation of direct Presidential Instructions	C	C	B			Report	<p>Scores revised after further assessment of evidence. Good effort being made but quality of follow up is hard to assess. COS office is very responsive to the presidential instructions. 44 Presidential Decrees and 696 Presidential Provision Orders (direct instructions) have been implemented and followed up. Status is not clear. Administratively the instructions are forwarded on and tracked to varying degrees but with this volume of ad hoc instructions it is unlikely that the President's instructions are fully followed up and that implementation is timely and good quality. COS office has a tracking sheet but it is unlikely to provide enough detail to grade performance. Statistics are recorded in the annual report.</p>
8. Follow up and implementation of direct Ministerial Instructions to the Minister for Finance	Timely follow up and implementation of direct Ministerial Instructions	C	C	B				<p>Scores revised after further assessment of evidence. Same as above for the President's Instructions, they are being tracked and reported in the annual report but the quality and timeliness are uncertain.</p>
1.1.2 OoCS: Correspondence Office		C+	C+	B				

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		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
1. Capacity Building of relevant Staff and Enhance level of Coordination	Conduct TNA and Train the correspondence staff on effective communication and coordination skills to tackle the current problems				<p>We have conducted three weeks of workshops, on fundamental of management, writing skills, Basic IT skills, Conflict resolution and most importantly filling. We also conducted a pre-and post-test to find out knowledge gained by participant during the workshops. The workshops were delivered in seminar style to encourage participants to be more involved and share ideas.</p> <p>After the successful delivery of the workshops we conducted final assessments see that impact of workshops in relevant department.</p>	Lack Training facility at the Ministry.	Hard copy of the report	Do not score, covered under the COS Coordination Section. Good progress , see discussion under the COS Office above. Staff have undergone training and workshops based on the TNA.
2. Recruitment of Required Staff, Creating Enough Office Space, and Adjustments to the Current Tashkeel levels	Recruitment of a Computer Operator as the Correspondence Unit is mostly overloaded with typing of letters	B	B	B	<p>Since the second review we have recruited additional 15 data entry clerk, one senior project officer, one admin officer, one surveillance officer and one cleaner for Scan project.</p> <p>We have also recruited on additional secretary for H.E the minister. We have also recruited additional of senior communication coordinator and one liaison officer. The additional workforce has been recruited from NTA.</p> <p>We have also recruited additional of four Civil servants for Archive department.</p>	One of the major problem is the fact that civil servants are reluctant to change and adopting new practices, which makes workshops delivery challenging.	Hard copy of the report	No additional staff but some improvements in performance. Training of staff plus the refurbishment of their office space including new IT equipment has improved productivity. Staff now have a log of correspondence, when they take correspondence to another office and when they receive it they record the date and time. One staff member from the coordination unit has been assigned to check correspondence (copy edit) which has reduced mistakes and sped things up.
3. Digitalize the Internal and External Correspondence and Coordination of Ministry Honors	Conduct a thorough assessment of current procedures and identify the need for a standard correspondence system	C+	C+	B	With the help of IT directorate, we have established a digitalized version of the Correspondent system. The system can track and record all incoming and outgoing correspondent; However, the system needs to be further developed, we are planning to a notification option which will inform directors when they	the IT team is over Stretched.		<p>Good progress. The system designed by IT (see mid-year update) is being used for all correspondence starting from November. Some initial implementation issues and most of the staff are not yet trained on the system. It also requires some modifications. It records the times for instance, but does not send or raise notifications when deadlines are due. Discussed with IT and they are working on it. Same issue as with the reception team.</p> <p>Challenge: Process mapping was not done in the first assessment so modifications have been needed as the tool was not really appropriate for the needs.</p>

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					have been sent new correspondent.			
4. Timely Procurement of Required Items for the Office	Identify office equipment need and its timely procurement	B	B	B	New computers, scanners, surveillance, display screens, and required stationary purchased when needed.	Most of the department do not process their paper work onetime to purchase required items.		Good outcome , new computers a photocopier and scanners have been purchased and installed. Used national budget through the procurement directorate.
1.1.3 OoCS: Archive Office		B	B	B				
1. Digitalize the Current Archive System	Review and assess the existed archive system and work on an advanced automated / digitalized archive for MoF	A	B+	B+	Database developed and fully functional. Purchased scanners and IT equipment has been installed and are fully operational. We have scanned about 72% of the overall Document, we are hoping by 25th of December all document will be scanned. We have also digitalized our Custom and Revenue Deputy Minister office, and our archive in Medium Tax pare office(MTO), our land general directorate for Amlak and our Small Tax Payer Office (STO). All sub archives have been digitalized, and inter connected.			Huge effort to get data backlog scanned and indexed. The archive team have put on additional staff (see above) and have been working double shifts (24 hours a day, 7-7 two shifts a day including Thursday). Minister's deadline for scanning was 3 months but work is on track to be completed in 2 months by 25 December. Not just scanning, documents are being filed in line with the established system, not just for the MOF but also other agencies like property. Database was developed by the IT section in house. Team do not know the specs. Once a document is scanned it goes to data entry team who put an index into the database. Users can search the database and access the scanned copy. At the moment, the database is only on the MOF server and users are not yet accessing. Testing phase is complete and system is ready for roll out. Users will be restricted as the documents are very confidential.
2. Establish a strong Network of Coordination and Communication with Provinces	Conduct a thorough assessment of the current status of communication and coordination and identify the existed barriers	C	C	C+	we have established a very good communication with provinces, by introducing on focal point to coordinate and communicate all related issues. We are still in the process of establishing a systematic mechanism for coordination and communication.,			Some progress. Since the mid-year update the coordination unit have introduced a focal point on provinces but this activity is waiting for the completion of digitalization.
3. Develop and implement an MoF archiving strategy	Carry out an assessment of status-quo of MoF's internal and external archives and identify appropriate and sufficient space for the design of MoF standard archives							Waiting for archive system to be completed. There is currently a system for official letters (correspondence) and property documents. It is based on the legal requirements. No work has been done at this stage to assess whether the system works well or is appropriate. The focus is on setting up the database and clearing the backlog. Procedure manual for archive staff done.
4. Capacity Building of relevant Staff and Enhance level of Coordination	Train the correspondence staff on effective communication and coordination skills to tackle the current problems							Do not score, covered in the Correspondence Section.

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		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
5. Transfer of Records and Data to Appropriate Ministries	Communicate with senior authorities of Ministry of Information and Culture concerning transfer of the historical data and complete its paper work	C+	B	B	All document has been transfer to their appropriate organizations. The remaining document belongs to the Ministry of fiancé, which are kept and safe location at MoF until the storage facility is renovated and ready to be used.			Good progress. Three categories of document. 1. Clear that a document belongs to another ministry. These have all been returned. 2. Documents where it is unclear if they belong to MOF or another ministry and 3. Documents that it is unclear whether they should be kept or destroyed. A commission is required for 2 and 3. The commission is the same one set up for the transfer of property documents. It has people from MOF, AGO, MOI and Supreme Court. Plan is to have this work completed by early next year. Long term storage facility is nearly complete. Challenge: This is a sensitive issue because of the nature of the documents and has required a lot of effort from the Archive Office.
1.1.4 OoCS: Translation Board		C	C	C				Note: will probably move to Legal or Non-Allocated Advisory pool
1. Strengthen the Translation Unit with a professional team	Come up with recommendations for a standard structure that can best respond to the day-to-day translation needs of Office of the Chief of Staff	C	C	C				Partly on track but with some delays and significant risks. Only two translators have so far been hired but with 3 more ready pending the approval to hire them. It is difficult to attract and retain good translators. All are NTA as tashkeel pay rates are insufficient to attract good people. Given the importance of high quality products in the OOM, must make sure people are high quality which makes the recruitment and approval process slow.
2. Capacity Development of Current Civil Servant Translators	Design relevant training programs to tackle their performance gaps, i.e. English and computer skills							Remove this activity tashkeel have been transferred out to another department. NTA for translators.
1.1.5 OoCS: Protocol Office		B	C+	B				
1. Capacity Building of Protocol Department Staff	Train the protocol staff on effective communication and coordination skills, in order to respond to day to day business operation of this department				We have conducted three weeks of workshops, on fundamental of management, writing skills, Basic IT skills, Conflict resolution and most importantly filling. We also conducted a pre-and post-test to find out knowledge gained by participant during the workshops. The workshops were delivered in seminar style to encourage participants to be more involved and share ideas. We have also refurbished protocol office to create more space and provide better working environment. The department is also being helped with developing procedure check list. The check list helps the department to make sure all necessary paper work has been done and processed, and this has helped the			Do not score, covered under the cos Coordination Section. Good progress, see discussion under the COS Office above. Staff have undergone training and workshops based on the TNA.

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					department to submit application on time.			
2. Establish a strong Network of Coordination and Communication with Ministry of Foreign Affairs/embassies/governmental and not governmental entities	Conduct a thorough assessment of the current status of communication and coordination and identify the existed barriers	B	C+	B	We have drastically improved our coordination and communication with the Ministry of foreign affairs and embassies. A senior communication officer has recruited to help with communication with relevant organizations. We have also proposed to recruit a protocol manager under the new Tashkeel, we have interviewed 2 possible applicants. They will be interviewed by the minister.			Excellent progress. Significant behaviour change has been required. A new Senior Communications Officer was hired (NTA) who has brought some good changes. Procedures and policies now on the IT systems so all staff can access them. Recruitment for the position as Head of Protocol is underway. Short list is with the Minister. Challenges: old system was not very robust and making changes has required good leadership from the COS and his team.
1.1.6 OoCS: Non-Allocated Advisor Pool								
1. Deliver high quality advisory services to the Minister	Conduct a thorough assessment of current business operations of advisory team.							Do Not Score - for 2017
1.2 OoM: Legal Board		B	B	B				
1. Lead on legislative review and drafting of legislation on financial matters	Review and draft legislation on financial matters	B	B	B+				Significant progress has been made in reviewing and drafting key laws like the income tax law, customs law, procurement law and private sector law. The legal board is also playing an important role in strengthening the representation of MOF in the legislative subcommittee of Cabinet and assisting the Minister in being able to influence the legislative agenda at Cabinet. Especially where legislation has financial implications. The legal board is still being fully established but is already making some improvements to process and coordination within MOF and across government. The legal board have also engaged in a range of international negotiations and agreements. These include prioritising financing agreements with donors and international discussions on double tax agreements with Pakistan, Turkey and UAE. Challenges: The legislative agenda is busy and information is often provided on short notice. Staff work long and irregular hours. Understanding of the financial implications of laws and amendments, contracts and international agreements in LMs is not always strong. Coordination and negotiating agreement by various parties across government is an on-going challenge.
2. Provide timely and high quality legal opinion	Provide timely and high quality legal opinion	B+	B	B+				Some solid progress given the Legal Board are still only partly formed. As noted above legal advice on laws, agreements and contracts has been significant. There has also been significant progress on strengthening the role of the MOF and the Minister in improving the legislative agenda. Some ad-hoc progress on the legal base for encouraging investment through the business enabling environment, but more needs to be done. Work on treaties is ongoing.
3. Administration of the Legal Office and Establishment of the Legal Board	Administration of the Legal Office and Establishing the Legal Board	B	B	B				On track: The Legal Board has been established, 3 staff are in place with recruitment for 4 more staff well advanced and awaiting CBR sign off. Administrative process has been established and coordination shows some improvement. An agreement with international law firm DLA Piper has been negotiated and is awaiting approval from the

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								NPA / NPC. This contract will provide services on international issues including some training.
4. Establish and implement a professional development program	Establish and implement a professional development program	C+	C+	C+				On track: The team has negotiated an agreement with the international law firm DLA Piper for legal services including training. The contract should be in place by the end of the year. In addition, they have been exploring with DLA Piper how to establish professional associations with universities and research agencies.
5. Support effective negotiations with International Financial Institutions	Support GoIRA negotiations with the IMF, World Bank and ADB							New activity - Do no score
6. Support effective coordination of Development Councils	Provide High Economic Council with Sound legal opinion							New activity - Do no score
1.3 OoM: Communications and Public Relations Directorate		B	B	B				
1. Communications Strategy for Brussels conference	Produce and implement a Comms Strategy	A	A	A	All contents of the strategy are completed and translated into Pashto and Dari. It is pending for approval		Documents	On track: Strategy has been developed with assistance of Strategic Communications Adviser. Consultation with Policy Department (this is a commitment for Brussels), Minister endorsed it and President approved it. Translation into Pashto complete and Dari on track. Spokesperson will start consultations with LMs from 2 August. Minister and Palace provided positive feedback. Challenges: Coordination and lack of information sharing. Need for culture change where departments see Media and Public Relations Department as a service provider for them.
2. Deliver high quality communications services to the Minster	Develop a multi-year strategy and deliver some media campaigns	B	B	B				Some progress: a rapid needs assessment has been done but priorities are likely to be clearer after the Brussels meeting later this year. Work on some multi-media broadcasts on achievement has started with a creative brief given to a local company. Some discussions including with GIZ on a revenue campaign have been held and use of both the MOF and Minister's Facebook pages is reflected in more people following both. Capacity and resources remain big challenges. Reliance on TA is still high.
3. Develop a comprehensive network of stakeholders from Civil Society and Media	Conduct regular meetings and briefings with stakeholders	B	B	B	Three meetings have been conducted with CSs and Media and the fourth is going to be held in the next month		discriminated reports, photos and news	On track: Directorate have done 4 meetings / briefings. Eg, Off the record breakfast for international media on Afghanistan for Brussels.
4. Establish and maintain and appropriate structure for Communications Directorate and attract and retain qualified staff.	Develop plan for restructure of the Directorate and get approval and develop staff capacity	C+	C+	C+	The structural of PR Directorate is completed and submitted to HR		Documents	On track but with some risks. A new structure was proposed as part of the MOF's overall tashkeel proposal. It may need revising based on emerging priorities. The risks are around getting CSC approval and then attracting and retaining qualified staff.
5. Establish and maintain effective digital media presence for the All other MoF Departments	Increase the number of viewers, likers, followers of MoF website, Facebook and YouTube 9% compare to the 2015	C+	B	B	The website, Facebook and YouTube are in good position and updating accordingly.		MoF website and facebook	Progress is mixed. There has been good progress on plans to develop and improve the MOF website. IT are working on the technical side and Media and PR are working on new content. A pilot for the Policy Department has been done and other departments will follow. Training in tools and how to maintain websites is provided to pilot teams. Some preliminary work has been done on an audit of social media use but plans for a policy will be delayed until after the Brussels meeting in October.

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2.0 Customs Department		B	B	B				
2.1 CD: Customs Support and Development		B	B	B+				
1. Organizational Efficiency & Human Resources - Policy Development	Operationalization of Afghan National Customs Academy (ANCA) as per the new Customs' Human Resources Reforms policy	B	B	B+				The Afghanistan Tax and Customs Academy is now operational with solid foundation laid for proper adult teaching and learning. The inaugural Customs Curriculum is in place structured around 3 module streams - Basics, Technical and Management. Testing and grading systems is in place as well as SoPs for administering exams and marking and teaching aids. First exam will take place in 1396-2017. The program is being supplemented by a new certified WCO eLearning systems. The DG has progressed negotiations with Australian Customs and Tertiary Customs Courses (Charles Sturt University) for graduate including through distance and online learning.
2. Organizational Efficiency & Human Resources - Customs Cooperation, statistics and rotation	Strengthening Tariff Research & Statistics Unit (TRSU)	B	B	B+				<p>Customs Statistics Unit has been Strengthened. 2 new NTAs hired - new staff (not transferred). Competitive process: advertised, committee formed, 1 HR from the WB PIU, and 1 from Customs Stats. Long-list and short list produced Score carded with recommendation through DG and then NTA Committee at the MoF in accordance with NTA rules. NTAs were well qualified - 2 masters and UK/Japan Universities.</p> <p>Good work already being delivered. Plans for the next statistical review of customs to be higher quality. Key work: Revenue analysis and revenue projections, tariff analysis, custom performance evaluation, customs revenue collection performance by items - top 20's, customs analysis on tracks, customs declaration analysis. etc.</p> <p>Teams provide data frequently to MoC, MAIL, MoF and the President (frequently). IMF seek data regularly from the team.</p> <p>ACD collects the following taxes on behalf of ARD: BRT (4% on imports -Customs component is AFS17.01b 11 month results); 2% fixed tax (AFS 8.6b) on imports; and Road Toll Fee AFS2 per litre of fuel (diesel and petrol) - (AFS3.6billion)</p> <p>Name change noted: Now Customs Statistics Unit.</p> <p>Accuracy of data is being targeted. Claims of customs finances being diverted for election financing. Investigations including at Mazar via reconciliations balanced. Dispute on ownership of provincial customs revenues is resolved (via Letter from Minster).</p> <p>Data is not being shared in excel (or easy to interrogate database) on website, but is shared in softcopy with partners. Team is considering providing easy access to data (better than pdf) through the website.</p>
3. Organizational Efficiency & Human Resources - Performance Reporting	Preparation of Annual Progress Report of ACD for the year 2016 (on 2015 performance)	B	B	B+				3rd Annual Report Published. It is a statement of achievements and structure. Stats Review is a separate publication, which includes a number of good quality Customs Performance Indicators (using WB good practice). No Financial Statements of Operations as not a firm budgetary unit. IMF and WB recommended budgetary unit status but was not approved in favour of PIU approach. Budgets are indicative for Customs. This year it took 9 months from the end of the fiscal year to produce a hard copy of annual report for 1394-2015 (quicker when it went on the website) - within first quarter. Plans to have a combined Annual Report (ARD and ACD), but will continue to be

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								separate. Quarterly reports produced (started in 1393 then stopped when lost staff, plans to start again).
4. Organizational Efficiency & Human Resources - Statistics	Preparation of Annual Statistics Report of ACD for the year 2016 (for 2015 performance)	B	B	B+				Same Story as 3. See above.
5. Infrastructural Development	Beginning of Infrastructure works for the construction of Customs Data Centre	B	B+	B+				Progressing Well. Construction started and near completion. Good research. Did a lot of visits. Security and equipment discussion occurred with key stakeholders including WB. Construction due to finish by May (150 workdays). IT fit out happens after that. WB managed PIU. 69% budget execution performance (based 8 months' work).
6. Legal Development	Preparation of at least two Legislative Customs Procedures	B+	A	A				Exceeded targets on track to get 3 done by end of the year. Target is 2 per year. Two target procedures: 1. Passengers Precious Goods Transfer Procedure: Provides provisions on how much jewellery, cash movements etc. This is brand new procedure. Based on existing law. This clarifies procedures. 2. T2 - Foreign Trade Guidelines: International transit documentation requirements. Finalized by DG on 30 July. Current status of legal review: 1 reg and 7 regs reviewed. 5 more procedures in process - draft review shared with directorate for comments. 12 Other procedures complete on stakeholder consultation. Trade facilitation and control /enforcement areas are covered (Bonded warehouse, IP etc). Many more procedures (17) being worked on. Guidelines are for business people and customs officials. Not yet published on website. TIR procedures under development (Transport and International Road convention). Assistance provided by local adviser. Comparative study undertaken of other countries. Backlog of guidelines is being reduced.
7. Project Development	Establishment of Project Implementation Unit (PIU) for the implementation of World Bank's Customs Reforms Project as per the decision of National Procurement Authority (NPA)	B	B	B+				Done. - all in accordance with WB rules (manuals, reports, etc). NPA made a decision to stop UNOPS and establish a PIU in Customs (as step in the right direction). Developing plans for moving these corporate functions for Customs to Tashkeel is recommended by the validation team. 12 positions in PIU (some local UNOPS consultants were retained/transferred). All 12 on NTA (CBR compliant) rates. Procurement, financial management, contract management, project management, HR and engineers. Most of the work done by UNOPS PIU procurement staff transferred over. Good burn rate 68% budget execution rate for 12 months but only 7-8months. Aid Policy is no PIUs - though this is a President decision prior to the policy.
Undertake WCO Diagnostic Study	Initiate WCO Diagnostic Study	B	B	A				Great progress - WCO Diagnostic Study Done. Study tour to Uganda. WCO team then came for a visit (left 15 December). The Diagnostic will help inform changes to the ACD's 5-year plan - recommendations are being considered. Completed many surveys for and under WCO.
Implement new HR reforms policy	Develop new procedures for HR reforms consistent with Cabinet decision.	B	B+	B				New activity for next year - do not score. HR reform policy now in place: Grade 2-4 to be trained and to start in Mid-December with solid selection criteria for participation. Customs HR to report DG (approved by MFf and with 7-8 Tashkeel). Procedures have been drafted with good help from ATAR. Currently with HRD for approval.
2.2 CD: Law Enforcement		B	B	B				
1. Law Enforcement	Deliver law enforcement services	B	B	B+				Big culture change being achieved this year - Success is due to new leadership bringing new culture, promoting high performing individuals, moving under-performing staff. Political backing provided. Breaking down of silos. MVT, Intelligence and investigation are working together as a team for the first time. Incentives in the past were not

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								<p>conducive to a team environment. Intelligence didn't actually work. Perverse incentives in MVT priorities.</p> <p>MVT revenues have increased by 270% YoY. 1393 was AFS72m 1394 AFS120m, 1395 AFS278 - 300m.</p> <p>New Customs police are being utilized to help ARD to help collect tax</p> <p>Container Control Program (CCP) Delivering results - CCP team has seized Ammonia Nitrate (14.1 tonnes in Kabul and 12.2 and 12.7 in Torah), and Hashish (23 kilos Nangharhar). Same procedures set up in Centcom.</p>
2. Human Resources Management & Legal Reforms	HR and Legal Reforms in Enforcement Department	B	B	B				<p>Outstanding progress - there has been a full transition of customs police from MoI to MoF with a total of 618 staff moving to MoF, with good progress in securing culture change within the force with the hiring of 200 new recruits who are educated (most police are illiterate or not educated). <i>The team were resilient under the face of enormous pressure to challenge the existing culture with achievements secured a great personal risk.</i></p> <p>The procurement of uniforms and other resources was completed with all force members having a complete kit.</p> <p>There is currently a joint remunerations paper being prepared by MoJ, MoF, ACD-Legal, President's Office (Office of Administrative Affairs) and Law Enforcement looking at new privileges, wages and rights of the customs police.</p> <p>250 staff passing examinations after working on training course.</p>
2.3 CD: Customs Technical Affairs		C+	C+	B				The new team in CTA has been recently appointed in the last 6 months and are delivering results. The team has not taken a day off since appointment.
1. Automation and Capacity Building	Implementation of ASYCUDA in accordance with plans	B	C+	B				Asycuda being rolled out on time and to standard with significant increase in customs revenue collected at the airport (4% on target and 20% year on year). New Valuation Module is now operational at the Airport, Khost, Kunduz. Good progress on establishing a new exception system (e.g. for fuel for international and domestic forces) that will prevent a significant amount of black marketeering. Good progress in strengthening the minimum valuation dataset update system.
2. Research & Development	Conducted Market Assessment and Analysis in relation to the Value of goods	B	C+	B				Funds secured. Market testing done by the end of the year. Challenge is to overcome funding and finding outsourced translators with specialist customs knowledge. Translations have started. Funding provided by the WB project. Team had detailed discussion with WCO. Procurement problems within MoF and the WB also slowing progress. Team plans to publish the translations online once done.
3. Tariff Research & Reforms	Interpretation of Tariff Book in Pashto language	C+	C+	B				Done - Tariff book in Pashto complete, Tariff Analysis Desks at HQ operational with new qualified NTA staff, and Tariff management guidelines finalized.
4. Trade Facilitation & Control	Amendment of Temporary Storage facilities Procedure	C+	C+	B				Good progress. Exemption guidelines systems developed with partners and working much better. Warehouse control and Lab procedures approved. Lab equipment procured, delivered and operational. Training delivered and database of analysed good set up and operational.
5. Implementation of WTO membership requirements	Start implementing WTO membership requirements	B	B	B				Work has commenced and consultations are taking place. Membership secured.
2.4 CD: Operations		B	B	B				

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1. System Development & Automation	implementation of ASYCUDA National Transit at Abo Nasri Frahi border / Iran	B	B	B				<p>Major problem solved faced at mid-year. Abo Nari area had no companies providing internet. Team approached many providers to attract them to the area. Team was able to secure AWCC to provide internet services in the area (microwave) - done by new PIU (WB). Achieved this by offering a region wide deal enabling some cross subsidisation to this risky and unprofitable area. Backup internet is a problem. Asycuda works fine on microwave. All the negotiation and was done by the Asycuda Team. Procurement done by PIU. System is connected. Currently in testing mode. Within a week, it will go live. Staff are in position and have been trained.</p> <p>ASYCUDA T1 national) /T2 (international) system operational between Sherkhan and Torkham.</p> <p>Implementation of Risk Management modules in (Torkham, Islam Qala, Torghundi).</p> <p>ePayment system now operational at Balkh and Andkhoyi, with good engagement with commercial banks.</p> <p>Training program on track. 500 refresher training for officials out of 1500 (that use computers). 300 Brokers received refreshers training based on assessed need.</p> <p>Pursue policy on Cash and Precious Stones Declaration complete and implemented at Kabul International Airport</p> <p>60 new reports created for Asycuda. Status of key reports: 1. Manifest reporting done (air cargo). 2. M&E (all companies covered - 600 traders receive SMS alerts covered by 50 reports) 3. Transit Reports - with 1000 unauthenticated documents reviewed this year. 4. Alerts for internal Management working. and 5. Dashboard for executive management is operational.</p> <p>Good problems solving efforts. Benefits if achieved will be significant including reduced corruption at a key border, greater fiscal intelligence and more customs revenue. ANF is becoming a major border - 2nd tier border. All Tier -1 Posts connected. Small in terms of trade, but is becoming bigger as trade diverted from tier 1 posts to non-connected posts. 98% coverage already achieved under Tier 1 connected posts.</p> <p>Latest version used: Asycuda World. Modules DPS, Transit (Internal and external), Risk management, Valuation, Payments, Exemptions, Dashboard management reporting (performance management), SMS alerts, Data exchange.</p> <p>Sequence followed for establishment: Step 1: Office fit out - furniture and computer equipment; 2: Network and electricity cabling and power back up. 3: Custom broker's license (market making and job opportunity program) and training (including Custom Officials).</p>
2. Trade & Transit Facilitation	Re- Announce the bidding process --selection of companies which meet the requirement of bidding --Installation of international transit corridor of Afghanistan	C+	C+	B				<p>Off track but Director is working to solve problems in MoF-Procurement systems - has been re-advertised three times. A proposal to procure a company to provide tracking devices and monitor goods through international transit corridors in Afghanistan was approved by DG Customs and Mff in 2015. Terms of reference for the procurement of goods and services related to this activity were developed by ASYCUDA and the PIU. The total cost of this activity is unclear. Under the ToR the selected company would be responsible for providing and fitting tracking devices, monitoring goods through the</p>

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		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
	-- Training for transit officers -- Pilot implementation from Torkham to Sherkhan , Torkham to Hairatan -- Real implementation of the tracking device system							international transit corridors, collecting fees from traders associated with the tracking and reporting to customs. NPC advertised for the goods and services on two separate occasions in 2015, with 3 companies shortlisted on the first occasion and 4 shortlisted on the second occasion. On both occasions the selection committee (which included member from the PIU) ruled that the shortlisted Afghanistan companies did not meet the selection criteria and could not effectively deliver the services. In early 2016 customs recommended to NPC that there be an international single source procurement process. NPC have not responded to this request and there has been no high level follow up from customs. The Revenue and Customs PIU have been asked to look at options to directly procure the tracking devices and provide support on this issue. MoF Procurement System led to less than optimal involvement from Customs. New Director had to ask to participate on the evaluation committee.
3. Enhancement of Post Clearance Audit & Brokers performance Controls	Continue audit over regional Customs starting from Kabul - Audit around 100 major companies, NGO's,	B	C+	B				Good progress with very good audit process enhancement secured - For the first time in the history of Afghanistan, post clearance audit procedures are working in compliance with international standards. The Post Clearance Audit (PCA) Department audits 12 custom offices 4 times a year with random audits. As part of this process the team has already audited over 100 companies this year. Director not happy with prior audits - considered very poor quality. Now the new cycle and referral systems is starting to work well. 3-4 audits complete under the new system. Audit findings now have been shared with different agencies for action (not done previously). No qualified auditors in team. Director secured financing for qualified auditors, which will be scaled up next year. Way too much attention on pre-clearance in the past. Moving from trade facilitation to post-review for compliance.
2.5 CD: Department of Monitoring and Preventing Customs Violations		B	B	B				
1. Deliver timely and high quality internal audit services	Deliver timely and high quality internal audit services	B	B	A				The team is delivering outstanding results and is getting good support from the Office of the DG and the Minister - revealing a change in political will compared to previous administrations. TA request for standalone investigation system and annual reporting writing. After discussion with IAD, the IA function has been clarified to be with IAD, and Customs role will be to handle complaints. The unit is organized into 3 sub-units 1. Complaints Receiving (4 positions, 3 in place); 2. Central Operations - investigations (4 staff) 3. Provincial Operations (4 staff) - investigations. a) Complaints section: 1 month operational (moved from law enforcement): They would like to create a complaints desk (so does Enforcement), complaints email address and complaints boxes at all border points (central and provincial), and a call centre. 3 Staff (Tashkeel) already to collect complaints from individuals. Number of complaints received every month: 20. Most are in the provinces (c15.) New DG has led to more complaints. No database yet of complaints received - current legacy system: complaints recorded in a book. New office has been provided to receive complaints personally. Plans are to expand Tashkeel. \$80 million case being dealt with by these staff. (Airport complaints phone number goes to either MoF or Anticorruption Office or Internal Audit, but not to Customs Complaints). Achievements to date: 20 Investigation reports done already. b) Central Operations: 3 staff do investigations. c) Provincial Operations: 3 staff do investigations. Team delivers a filtering function: Simple issues are handled by team. Difficult issues are

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								referred to IAD. Last year this team resolved a \$23m issue. (Won in the courts but money didn't come). Documented procedures for investigations: Only work on referrals from Ministry, DM, DG, etc. Plans at Mid-year are to: 1) complete 5-year new roadmap by the end of this new year; 2) produce some reports on investigations at centre and province; 3) produce an annual plan for investigations; and 4) produce an annual report on complaints and investigations.
2. Build capacity to deliver high quality and internal audit services	Develop and implement a professional development program for internal auditors including certification.	B	B	B				Workshops delivered including by Asycuda team on: i) risk management; ii) Pakistan/Iran trainings; iii) other customs training. For new staff: i) Investigation techniques; ii) Complaints handling behaviours; and Annual Report Writing; and iv) Certifications. All existing staff have received plenty of training in the past. ATAR have been supportive.

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		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
3.0 Revenues Department		B	B	B				
3.1 RD: Office of the DG (Revenue)		B+	B	A				DG likes legal, systems, MTO (customer services) DG not satisfied with progress in the provinces - needs reforms, lots of capacity building.
1. Oversee Implementation of ARD 5-Year Strategic Plan	Review and Modify of 5 Year Plan via a series of management sessions as needed - Monthly Progress Updates from Sr. Management Team	A	A	A	Most activities are on track - All managers involved - If applicable, updates to be done in December.	Problems in recruiting qualified Technical Assistance willing to accept assignments in Afghanistan		Excellent leadership of the department in managing the 5 year plans. DG thinks about the plan every day, never forgets and every meeting has an agenda item on the 5-year plan. Two staff from the ARD, policy and executive office to follow up on plans. TADAT is the standard and the DG considers the plan to be ambitious. Good engagement across the department is evident in the assessments with all teams. Challenges: Staff turnover makes managing ARD difficult.
2. Reduce Opportunities for Corruption by ARD Staff and Taxpayers	Conduct Annual Code of Conduct Training	B+	B	A	Code of Conduct Training completed - Staff rotation undertaken - Employment terminated of personnel deemed inappropriate for the position held - Arrest of personnel for potential corrupt activities.	Ability to effectively identify potential corrupt activities in a timely manner.		Big effort to change the culture of the ARD. DG takes this very seriously, President is very engaged and the Minister is even more serious about this than the President. Number 1 priority for the DG. This is clearly evident in the assessment of other teams. There has been a big change, people are being warned, sacked and prosecuted in a way that has never happened before. Anti-corruption plan (subset of the MOF plan).
3. Lead and Manage HR Reforms	Establish Modernization Team to oversee reform efforts	A	A	A+				Good progress, new organisational reform proposal is approved. It is the result of joint work by WB and ARD. Involves a move from taxpayer structure to functional structure, Audit, Enforcement etc. The new plan also pays attention to capacity, removing people without the necessary competency. Professional development is part of it. Approved by the Cabinet. New structure has been sent to HR and ARD will start to implement in 1395, plan goes over 3 years. 1396, create 3 Deputy DGs and align directorates with DDGs. Big change is the structure in the provinces. ARD has 5 directorates in the province, but they all report to the Mustufi who reports to the DM Admin. Not sensible. DG has proposed to upgrade the Mustufi to grade 1 (DG) and make a grade 2 Revenue Director in the province. Only in big provinces. In process now, with HR. Some additional staff for weak departments - Audit. Also, more staff assigned to case management to speed up customer service. Aligned the departments in the provinces to functions. Challenges: Needed to convince a lot of people, political support is needed. Understanding of the technical changes is low and needs explaining.
4. Lead and Manage Organizational Restructuring - Strengthen Core functional programs	Commence Transitional Process to Functional Base Organizational Structure				Do not Score- It's not related to 2016			Do not score, this is a repeat from Activity 3 above.
5. Lead and Manage Establishment of a Centralized Risk Based Compliance Unit	Ensure SIGTAS Automated capabilities are utilized for Risk Identification	B	B	B	A RBC Sub-Directorate has been established under the Legal Directorate - consisting of a Sub-Directorate and 6 Staff Members. To support the team. ARD recruited One international and two national consultants through ARTF fund of PFMR II Project	Recruiting personnel with the required skill sets at a competitive rate	Organizational Chart	Good progress. RBC Units in each office were there but now have established a centralised unit that is part of legal department. This will be assigned to the DDG Policy under the new tashkeel structure. All new people with qualifications, this is about mobilising resources. Have hired 2 NTA and 1 International consultant under PFMR II (TADAT certified). Already rolled out to 5 provinces already and plan for rollout to additional 5 provinces. Automation of RBC is on track and will be done in first quarter 2017. Training for staff has been done and unit is operational.
6. Lead and Manage efforts to enhance Automation /	Implement ARD automation strategy	B+	B+	B+	Roll-out to the various provinces are progressing as	Adequate IT Infrastructure,	SIGTAS Roll-out Report	Excellent progress. SIGTAS is done. Asycuda is mostly done, feasibility study is done. Specs are done, connections are done, has users and has agreement. Early next year it

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Information and Communication					planned - 14 Provinces inclusive of Kabul currently has SIGTAS operating	Security issues and resources to travel to the various provinces		will go live. Interface with MOCI is the ACBR, it is a simple information 1 way link, but needs to be expanded next year. ARD has user access for DAB to see transactions for reconciliation. MOU done for a broader interface between DAB systems and SIGTAS, feasibility done, specs are done and technical team in place with support from the WB. MOU with Fintracaa is done. DG is mostly involved in planning, then in mobilising resources (getting PFMRII resources for SIGTAS) authorising study tours. DG also monitors progress and secures agreements and arranges meetings.
7. Lead and Manage the process for the Introduction of VAT	Amend VAT Law to reflect WTO accession requirements and start date of 1 Jaadi 1398)	A+	B+	A+	Good progress. Law Amendment Approved and Promulgated - effective in 2019. WTO requirements met according to stakeholders.	tough negotiations with parliamentarians and their lower capacity	approval	Outstanding progress. All stakeholders recognise that there are problems with the implementation of the VAT in its approved form. The Gazette said implementation was supposed to be December 2016 but president delayed. ARD immediately made amendments and negotiated changes to the law with the parliament. Changes are covered in other assessments. Challenge: Negotiations with parliament are tough. Really needed to educate and provide information. Also, the private sector is not really ready, no accounting standard, low quality services, suggested a delay 2019. A lot of work needs to be done to make people ready for the introduction. Costings and revenue impacts, plus economic implications of the tax plus the fiscal impacts have not been done comprehensively. This needs to be addressed next year in conjunction with MFPD.
8. Tax Inspectors	Approval of new Custom and Revenue Enforcement Department				This activity belongs to the customs department, from ARD side it was already completed.			Do not score, this is an ACD activity.
3.2 RD: Large Taxpayers Office		B	B	B				
1. Oversee Implementation of LTO 5-Year Strategic Plan	Review and Modify of 5 Year Plan via a series of management sessions as needed	B	B	A				Good progress. Weekly meetings (Monday 830-10) chaired by the Director and including all the sub-Directors. The 5-year plan is an agenda item. Tasks are assigned and followed up. Managers are knowledgeable about the plan and periodic assessments are done on progress. Good change in culture, Director is pleased and thinks the competition is driving the teams to do better. Target was Afs 17.5 billion and actual as of mid-December is Afs18.1 billion. Target was revised down from Afs19.6 billion. Estimated actual is Afs18.2 billion.
2. Reduce Opportunities for Corruption by LTO Staff and Taxpayers	Implement plan to reduce opportunities for corruption by LTO and Taxpayers	B	B	B	This is the responsibility of LTO together with DG ARD and other senior management of MoF and we will take care of this through proper planning and initiatives for this. There have been many improvements in this regard as there have changes in the tashkeel, where various team have been changed and transferred. Many staff have been given official warning letters, LTO argue that opportunities	The Peshnehad have been approved by Minister of Finance, and it's in final stages of allocating funds for it. The main design of the first floor and second floor have been mapped. The BoQ have also been finalised. LTO director have also written a	Peshnehad and E-feasibility study of E-filing, which will be implemented in 2017, along with Tashkeel.	Excellent progress. Many changes to the Tashkeel. Director looks at risks across the department and then reassigns people. The Director uses a system that rotates people around so that no-one has time to establish long term relationships with companies. Director is also issuing warning letters as a precursor to formal action against some staff. 9 letters have been issued and in 1396 the staff have been told there is zero tolerance for corruption and next year the same transgressions will result in sacking. This is much more prevalent than before under the new Director. Good progress on e-filing will reduce the need for taxpayers to visit the LTO. Work with SIGTAS Team is well advanced and LTO are on track to introduce e-filing from February 2017, pending the passing of the e-governance law and SIGTAS doing the technical work. Proposal done for salary top-ups, see section below. Should lower corruption.

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					for corruption are minimized given the small amount of large tax payers and the eFilling system, where feasibility study have been finished and it will be implemented on a pilot phase in LTO starting beginning of next year. There have been chairs allocated outside all sub-Directorates, where there will be minimum transactions between client and taxpayers. In regards to one window taxpayers support centre LTO have made the Budget estimation. There is also minimum face to face interactions with	peshnehad for LTO employees top-up will also be another mechanism in reducing corruption. There is an anti-corruption policy in ARD which is monitored on a monthly basis. (Supporting documents would be BoQ, Map and Minister Peshenad)		Challenge: LTO has relatively low resources, especially for office space and equipment. Team has done a proposal for a new building near the Customs and Tax Academy. This will provide a single window Taxpayer support or service centre. It will be the only point where the taxpayer will be interacting with the LTO team. They will not be required to visit a lot of different people as is the practice now. Minister has agreed.
3. Ensure the Integrity of the LTO Registered Taxpayer Database (SIGTAS)	Continue to rollout SIGTAS to more offices and fully utilise SIGTAS systems.	B	B	B	LTO have upgraded their internet system, and SIGTAS have been rolled out to multiple provinces	Nearly all offices in LTO use, SIGTAS and all are functional	SIGTAS offices	Good progress. All business processes are being done through SIGTAS. Including Audit, enforcement, client services, and accounting. Risk based compliance is still being worked on. All staff have user name and password. Good progress, all collections are recorded in SIGTAS, see reconciliation sheet. Done daily weekly monthly depending on demand. Director gets an update daily on collections versus target. Reconciliations are done between the bank and the SIGTAS amount. Accounts department have a dedicated staff member who does reconciliations with the central bank. LTO staff can do online, directly into the DAB and provide a report on any discrepancies. Challenges: Internet is often a problem. This creates a problem with clients.
4. Enhance Risk Based Compliance Methodology	Utilize SIGTAS Automated capabilities for Risk Identification	B+	B+	B+				Excellent progress. LTO have established some procedures to implement a risk based approach. The criteria allocate a score to companies and based on the score companies are chosen for audit. Based on: 1. Turnover 2. Foreign country 3. Tax payable above or below Afs20 million etc. etc. See form for further information. Thresholds are specific and sets highest, middle and lowest priority. Concept has been around for some time but was never put into practice. Director has established a risk based audit committee that meets twice a month. Sub-Directors are on the committee. Only became regular in the last 3-4 months. Minutes are taken and actions specified. As a result, revenue is increasing as the Team identify liabilities. Challenge: SIGTAS does not have a risk based module, you have to run several modules and collect a bunch of data to make this happen. Module is under development and should be rolled out next year. Big new focus has been on SOEs. SOEs have always maintained that they are government companies and do not have to remit tax. LTO explained to them that they

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		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
								must pay tax. LTO wrote 33 letters to banks to freeze their accounts until the SOEs had a tax receipt showing they had cleared their tax liabilities. LTO held a meeting and over 100 people attended. So far 15 SOEs have had their accounts unfrozen because they have either paid their account or promised in writing to do so by the end of the year. So far this has resulted in collection of Afs350 million this year and LTO expect this to increase next year.
5. Establish process to take timely actions on taxpayer who do not file or pay on time	Make effective use of DAB's Registry of Securing Charges on Movable Property process	B	B+	B+	3 team members from LTO have received in the DAB registry. They went for training Sunday 28 November. Username and password was created and first case of tax lean as entered in the system because of not paying their due taxes	starting next week, our enforcement department will start utilising the system	first case entered in the tax lien database	<p>Excellent efforts on tough cases. Director meets with enforcement twice a week. This has been the main source of speeding up collection of revenue. Actual collection in the first 9 months was Afs12 billion but the last 3 months has seen LTO collect Afs6 billion. Team expect this to be even better next year. This is not just hard work, there have been changes as well. Some old cases where all the usual steps have been made, LTO have gone to Foreign Affairs to see if they can bring people back from O/S to clear their taxes, LTO have followed up with NATO about their contractors and as discussed LTO followed up with SOEs. LTO has been making use of all its options. Timeliness of warning letters, including freezing accounts has increased dramatically. Average 10 letters a day are going out, including to big companies with arrears going back years. Good support from the Minister at the diplomatic level when other countries are involved.</p> <p>Challenges: High profile cases with a lot of scrutiny. Pressure is there to take action. Team needs political level support. Bureaucracy is also a big problem. Freezing an account for instance takes a week to get DM approval, then it goes to archive (?) for 1-2 weeks. Then to DAB and on to the private bank. It might take 20-25 days in which there could be a leak and the company can move their assets. Director proposes a system of email to DAB to get it done in 1 day. Will be implemented in 2017. May need some increased enforcement capacity as well. Options under consideration.</p>
6. Enhance Public Awareness / Taxpayer Awareness programs to further enhance voluntary compliance (NOTE: Supporting Role to Public Awareness)	Identify and implement E-services to enhance Taxpayer Service	B	B	B				<p>Some work done on public awareness. One joint program with Customs, promotional material provided to 60 companies, materials are also in the LTO offices. Also, did a session for SOEs.</p> <p>LTO are also proposing an award for the best taxpayer. Concept note done.</p> <p>This needs to be constant but budget is not enough from the government, PFMRII is funding most activities including TV, billboards, radio. See office of the DG for more on this.</p>
7. Implement VAT	Amend VAT Law to reflect WTO accession requirements and start date of 1 Jaadi 1398)	A	B+	A				<p>VAT law amended (joint with ARD legal). Has been through the parliament and waiting final approval. Outstanding progress. The first version of the VAT Law was approved by the parliament and signed by the President but was not being implemented. Legal proposed an amendment to the law. 1. Original proposed rate of 10% was not agreed by parliament, they made it 5 % in the final law. Now legal have proposed to raise it to 10% and parliament have agreed. 2. Threshold for registration reduced from Afs200 million per year to Afs150 million per year. 3. Zero rate for all transportation was changed to only for land transportation. 4. Postponed date of implementation to 2019 in line with discussion with IMF and WB.</p> <p>Parliament have approved the amendments and it is now with the President for signing into law.</p> <p>Modelling of the fiscal impact not yet done.</p> <p>Challenges: Very difficult negotiations with the parliament. Meetings with the budget</p>

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								committee explained the changes to BRT now made the revised VAT look like a more efficient and effective option. Also, the VAT will only apply to the luxury goods not food or other services that impact on the poor. The parliament struggle for getting all the information they need, so a lot of negotiation.
8. Initiate actions to identify and pursue inactive and nonfilers.	Implement initiatives to address inactive and dormant taxpayers	C+	C+	C+				LTO have started the process in SIGTAS to address dormant accounts and to do some research to see what their status should be. When some of the accounts moved from the manual system to SIGTAS the system automatically calculated the penalties even though they were dormant. Backlog up to 1394 done but more work needed in 1396 to complete. Challenge: Many of LTOs clients renew their licences each year but say they are inactive (no operations). This is around 50 companies plus 50 more mining companies. LTO have a plan next year to investigate further.
9. Enhance Institutional Development and Capacity building programs	Advocate for the ability to recruit staff with the appropriate skill sets - coupled with appropriate pay structure to attract and retain qualified staff	B+	B+	A	There have been staff hired on NTA scale, in various of accounting and management. This provide a huge boost in ability and appropriate skills sets. They have been retained on a yearly basis. With emphasis on long term retention.	on- going	NTA staff contacts and their capacity to transfer knowledge to existing audit team members	Excellent progress. Proposal done to get top-ups for staff has been discussed with management, and has the support of the DG Budget. Top-up will be Afs15,000 for grade 6 and goes up to Afs40,000 grade 3, This has been proposed for some years but has never been realised until now. The Director is meeting with the Minister and once he gets this approval this will go to the President. This will affect 96 people and cost a total of around Afs12 million per year. Budget have indicated this money will be allocated from the discretionary development budget for ARD. Only for Tashkeel, not for NTA. Challenge: Director wants this in place for the start of the new fiscal year. This is needed to reduce corruption, need to be able to demonstrate the change.
10. Strengthen Audit Program	Provide employees with the tools and training to further develop skill proficiency and improve business performance	B+	B+	B+	World Bank is in process of procuring 100 desktops for all audit team, and also senior NTA staff are regularly conducting on the job training towards Audit team	World bank have agreed in principle funding towards Desktops, Furniture even capacity building abroad	PFM Budget Breakdown	Some progress but more work needed. NTA with ACCA qualifications are specifically hired to support the audit program. 4 qualified staff, 3 NTA and 1 from World Bank. Mostly this is in the form of OJT in accounting with tashkeel and then they assist in the routine audits. They have been with LTO for 6 to 8 months. Challenge: Staff capacity is still quite low and audit will need support for some years. Getting qualified staff is hard but with the top up LTO might be able to retain some of the NTA.
3.3 RD: Medium Taxpayers Office		B	B	B+				
1. Oversee Implementation of MTO 5-Year Strategic Plan	Review and Modify of 5 Year Plan via a series of management sessions as needed	B	B	A	Most activities are on track - All managers involved - Updates to be done in December.			Outstanding progress. Following the mid-year assessment of progress against the plans, the MTO leadership have been much more systematic in their monitoring and management of the implementation of their 5-year plan. The team were very organised and ready for the annual assessment with evidence on each activity prepared. This has set a new standard for team preparation for assessment and management of progress.
2. Reduce Opportunities for Corruption by MTO Staff and Taxpayers	Conduct Annual Code of Conduct Training	B	B	A	Code of Conduct Training completed - Employment terminated of personnel deemed inappropriate for the position held - Arrest of personnel for potential corrupt activities.			Flagship Achievement. The MTO have made very significant progress on procedures and action to change the culture and reduce corruption. Much of this has been finalised since the mid-year assessment, demonstrating a strong commitment by the leadership.
3. Ensure the Integrity of the MTO Registered Taxpayer Database (SIGTAS)		B+	B+	B+				Very good progress. MTO is ahead of other teams in making SIGTAS the tool for all routine business processes. There are still some parallel manual processes being maintained while MTO makes sure that SIGTAS is fully functional, but there has significant progress in improving the data and getting all staff to use the system.

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		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
4. Enhance Risk Based Compliance Methodology	Utilize SIGTAS Automated capabilities for Risk Identification	B+	B+	B+	Regular Compliance Committees undertaken to address potential risk and best treatment strategy: Taxpayer Outreach, Audit, or Enforcement			On track - SIGTAS bugs identified by staff during routine use - communicated problems to SIGTAS team via email and then followed up with meetings. SIGTAS has been updated to deliver risk assessments - risk criterion. Past test mode. Now working. MTO have identified some bugs with the SIGTAS system. Director is running parallel process until confidence in the SIGTAS system has increased.
5. Establish process to take timely actions on taxpayer who do not file or pay on time	Regular reports on tax arrears, reconciliation of tax assessments and use of DAB's Registry of Securing Charges on Moveable Property	A	B	A	Cases are being referred to Enforcement more timely - DAB is utilized to place Liens as appropriate - Penalties assertion being utilized			<p>Outstanding progress on this flagship initiative: First ever Tax Arrears Report produced using manual systems and sent to Cabinet. SIGTAS is now also delivering routine reports. Quality assurance processes are working. Interpol and Dep. Foreign Affairs are informed. PEFA scores will improve with these reform efforts. Rules and procedures followed are in the SIGTAS manual and Treasury instructions.</p> <p>Monthly reconciliations are now routine (M27s and M29s). Assessments and payments have been agreed. Differences/irregularities are being investigated. Some are data entry problems. Business processes working well. PEFA scores will improve with these reform efforts. Rules and procedures followed are in the SIGTAS manual and Treasury instructions. MTO have 3 sub-accounts (revenue) - payments, MoF, transfers/journals. Director found 4 companies that used fake tax payment receipts through this process.</p>
6. Enhance Public Awareness / Taxpayer Awareness programs to further enhance voluntary compliance (NOTE: Supporting Role to Public Awareness)	Support public awareness by conducting seminars with new businesses to educate taxpayers on filing and paying obligations.	C+	B	B	Workshop/ Seminars Conducted - TV, Radio, Print Material utilized - Coordination with Licensing Agencies undertaken			Some progress. This activity is largely covered above and is also the responsibility of the office of the DG. MTO have added three additional staff to work on public Awareness.
7. Initiate actions to identify and pursue inactive and nonfilers	Implement initiatives to address inactive and dormant taxpayers	B+	B	A+	Coordination with the Ministry of Justice, Ministry of Council, DAB and Licensing Agencies			Good progress. This activity is largely covered above in the discussion on SIGTAS, anti-corruption, arrears tracking, implementation of the Tax Administration Law, penalties and processes to clean up data. Of particular note, here is the significant personal risk taken by MTO staff in identifying new taxpayers and informing them of their responsibilities, reflected in the A+ score for effectiveness.
8. Enhance Institutional Development and Capacity building programs	Advocate for the ability to recruit staff with the appropriate skill sets - coupled with appropriate pay structure to attract and retain qualified staff	B	B	B	Ongoing Process - HR Proposal submitted awaiting final approval			<p>Good progress. Team capacities and skill gaps assessed. Underperformers were supported and/or moved. New hires were merit based and are helping to improve team performance. Manager took a pro-active approach to ensuring her team comprised of high performing team. NTA/CBR announcements published for the positions. Temporary NTA salary is paid, as the CBR process is done. Local staff on APFM are on CBR rates (not 100% implemented - those on existing high salaries remain).</p> <p>Challenge: There is a long-term problem in getting suitably qualified people with accounting and audit skills to join ARD. CBR and short term use of NTA contracts helps but is not a long term solution. CBR processes remain slow and difficult.</p>
9. Strengthen Audit Program	Provide employees with the tools and training to further develop skill proficiency and improve business performance	B	C+	B	TAL Law, Audit Manual - OJT Training Conducted	Limited resources for specialized trainings		Some progress. Training is being done but capacity and trouble attracting suitably qualified staff remains a long-term challenge.
3.4 RD: Small Taxpayers Office		C+	C+	B	0	0	0	
1. Oversee Implementation of STO 5-Year Strategic Plan	Review and Modify of 5 Year Plan via a series of management sessions as needed	B	B	A				Outstanding progress. Following the mid-year assessment of progress against the plans, the STO leadership have been much more systematic in their monitoring and management of the implementation of their 5-year plan. The team were very organised

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								and ready for the annual assessment with evidence on each activity prepared. This has set a new standard for team preparation for assessment and management of progress.
2. Reduce Opportunities for Corruption by STO Staff and Taxpayers	Conduct Annual Code of Conduct Training	C+	C+	B				Some good progress made in improving business processes that directly affect corruption, particularly through more use of SIGTAS for routine business processes, and through links to other sources of data such as the central bank and ASYCUDA for customs.
3. Ensure the Integrity of the STO Registered Taxpayer Database (SIGTAS)	Group 3 -Implemented in the Centre	C	C+	B	Audit Department is ready and the training will be conducted soon in coordination with RSSD.	Human Resources Reforms Approval has been delayed which made the training of G3 Audit employees pending yet.	Cases are recorded and Sigtas first and second group are implemented.	Good Progress in more routine use of systems is progressing. SIGTAS is now routinely used for groups 1 and 2, with full implementation of group 3, audit and enforcement on schedule for the end of the year. Some good work in accessing other sources of data including ASYCUDA.
4. Enhance Risk Based Compliance Methodology	Initiate time audits, analyse audit results and propose changes to gaps in the law and/or regulations	B	B	B				Good progress in setting up direct access to key datasets for more effective auditing - driving improved revenue collection. Verification of data provided by taxpayers, team refers to 3rd party data (tax intelligence database). Risk assessment done through that process. Audit results revealed a need to establish widespread network of intelligence to check audits are being undertaken and profits are accurate. Risk assessment model believed to be a big driver of improved revenue collection performance: AFS360m collected above AFS280 target. Risk based compliance is functional. Direct access has been set for all STO auditors to central bank data (CBS), Asycuda and tax intelligence database. Other QA systems being improved (e.g. log-book checks to monitor auditors in the field). 3 major changes: i) System more efficient (direct access; ii) risk based compliance implemented; and iii) supervision of monitoring auditors. Team is facing constraints with insufficient number of auditors and managers.
5. Establish process to take timely actions on taxpayer who do not file or pay on time	Report regularly on tax arrears and make effective use of DAB's Registry of Securing Charges on Movable Property process.	B	B	B				Very good progress - STO moved from 50 to 900 cases registered on DAB movable property database since the mid-year. This is a new process. Taxpayers who are non-compliant and have arrears, the STO can put a seizure on assets - cars, warehouses etc. Law enforcement sub-directorate then takes over. More cases registered as they occur. These are only the worst cases and come with political pressure. This is a relatively new tool, MOU signed with Central Bank and ARD earlier in 1395. This system means that people can't sell their property if they are on the DAB system as non-compliant. Very good progress - Tax Arrears Reports are prepared and updated on monthly basis and the report of collection through M30 form to Revenue planning and revenue department. A big improvement since last year. Accounts department use SIGTAS, and DAB to check all departments reconciling collections through reports with what is in the bank.
6. Enhance Public Awareness / Taxpayer Awareness programs to further enhance voluntary compliance (NOTE: Supporting Role to Public Awareness)	Identify and implement E-services to enhance Taxpayer Service	C+	C+	B				Good progress by ARD generally with input from STO: TV ads have been made at the beginning of the year, Bill Boards installed in some key areas, Information Packages are provided to the taxpayers upon visiting STO. A one day seminar is planned on 14 December in Customs and Tax Academy for tax payers. STO led on awareness for taxpayers around the fixed tax regime. Some resistance in registration area.
7. Initiate actions to identify and pursue inactive and nonfilers	Commence Collection based upon new tax regime	B	B	A	s			Good progress on this flagship initiative on expanding the reach of ARD. The Number of TAX Payers increased by 20,000 (xxx%) and the revenue increased by AFS209 Millions (xxx%) The process implemented in 6 Districts completely and it's in progress in 4 other districts. Which increased the revenue collection by 252% (154m/44m) and number of taxpayers has been increased by 134% (15154/6488). This is work over and above that

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		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
								done in SIGTAS. Team dealt with big challenges including with unions, traders etc. Good progress in strengthening relations with the Union: Unions (50) play a crucial role in improving compliance (e.g. they explain the law to the tax papers in the union).
8. Enhance Institutional Development and Capacity building programs	Advocate for the ability to recruit staff with the appropriate skill sets - coupled with appropriate pay structure to attract and retain qualified staff	C+	C+	C+				Some progress but s.t. HR constraints. Director has taken some steps by recruiting key personnel to important positions. Needed coordination from HRD but very difficult. Very bureaucratic process, needs a lot of approvals.
9. Strengthen Audit Program	Provide employees with the tools and training to further develop skill proficiency and improve business performance	C	C	C				Slow progress due to lack of resources. On-the job training. APFM adviser provides some support.
3.5 RD: Appeals		C+	C+	B				Note: The Directorate is now called the Objections Review Directorate. Evidence very organised and strong engagement by the Director.
1. Oversee Implementation of APPEALS 5-Year Strategic Plan	Review and Modify of 5 Year Plan via a series of management sessions as needed	B	B	A	There was a change in the Appeals Management in August 2016. In spite of this, all parties have become familiar with the 5-year plan and have made progress in advancing commitments made	Permanent Director has not been appointed. Current management serving in an Acting capacity		Do not score, see office of the DG.
2. Reduce Opportunities for Corruption by APPEALS Staff and Taxpayers	Conduct Annual Code of Conduct Training	C	C	C	Code of Conduct Training completed - Changes in personnel done periodically to minimize the potential for inappropriate behaviour.		i	On track, 1 new staff member and 1 existing staff have completed code conduct training. Done by HR. When an objection is received in the Directorate, the objection case is assessed by the Director to see if it meets the criteria for an investigation as set out in the TAL and the objections manual. If it is then it is officially accepted and it goes into the schedule. The standard is to reply within 60 days. Directorate has met with SIGTAS team and training has been planned. Director planned to allocate 1 staff to input all the cases overseen by the Director. There are around 70 cases over the last 2 or 3 years and currently 5 open.
3. Establish an Effective and Efficient Tax Resolution Process:	Undertake Evaluation /Needs assessment	C	C	C	Recommended changes have been included in the overall HR Proposal reform package	Overall approval process is too long. Frequent changes in management often impacts progress		Good progress. New tashkeel has been proposed with 2 sub-directorates instead of the previous 1 sub-directorate. It proposes 3 additional staff. Proposal sent to HR and it has gone to the Minister for final approval. Approved by HR on 17 November. The two teams are Objections and Cases in Court. Team have updated the objections manual. The previous manual was from 2011 and needed to be updated for the TAL and the changes to the income tax law. Some progress on public awareness, good work conducting a seminar for ACCI with the help of APFM on the objections process.
4. Support the establishment of Tax Dispute Resolution Board	Members is proposed and approved	C+	C+	C+	TOR's along with applicable policies and procedures are under final review to be forwarded to the MOF for final review by mid-December			Behind schedule but progress made. Draft Procedures in English and dari are complete. Team have drafted a brief for the Minister on the importance of the TDRB and will send to Minister's Office for approval. Team hope to finalise the procedures by end of December and forward to MO. APFM (Tax Dispute Adviser) assisting.

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		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
								The procedures cover: general provisions, organisation of the board, board members and their TORs, broad rules of practice, filing and appeal review procedure, penalties, financial provisions, amendments and effective dates. Attached are draft forms.
5. Ensure Staff are technically competent to review objections and make decisions based on the law in a transparent manner	Advocate for the ability to recruit staff with the appropriate skill sets - coupled with appropriate pay structure to attract and retain qualified staff	C+	C+	B	Formal Training provided by the APFM Project - Informal on-the-job (OJT) training ongoing - Workshop held with representatives from Herat, Kunduz, Balkh, Nangahar		APFM Training Provided - Workshop with the Provincial Offices	Good progress. Training workshop for 4 sub-districts, the ORD, and legal staff was completed in Kabul 17-19 October. See material in evidence pack. Supported by APFM the training was in TAL, articles related to tax disputes, discussion about the manual, and the procedures for the TDRB and a presentation on other countries, particularly US, presentation on TADAT. APFM have also been working with the ORD team to improve their capacity through OJT. APFM adviser was appointed after the mid-year assessment (October). Contract continues into 2017. National adviser.
3.6 RD: Legal		B	B	B				
1. Oversee Implementation of Legal 5-Year Strategic Plan	Review and Modify of 5 Year Plan via a series of management sessions as needed	B	B	A				Remove, covered in DGs Office
2. Reduce Opportunities for Corruption by Legal Staff and Taxpayers	Conduct Annual Code of Conduct Training	C	C	C				Done. As per other teams all new employees attend code of conduct training with the tax academy.
3. Develop and refine tax legislation	Draft amendments to ITM based on published changes in ITL and endorsement of the Manual by MoF	B	B	A				Good progress. ITL amendment was finalised in November and included feedback from WB, IMF, USAID, LMs, and the business community. Draft amended law has to go to the Minister's office. Once approved by Minister its goes to MOJ for processing. The manual for the TAL has been distributed to all stakeholders. 500 copies printed and sent out across the whole country. Available on the RD website. Some progress on DTAs, first drafts with Pakistan, UAE and Turkey. Review of relevant parts of the TAL on penalties completed and proposal for amendments approved by Minister and sent to MOJ for processing. Has to be approved by parliament. Changes were to the legal penalties or punishment imposed by the courts. Align it with the penal code.
4. VAT and associated legislation is drafted; laws are passed and introduced	Amend VAT Law to reflect WTO accession requirements and start date of 1 Jaadi 1398)	B	B	B+				Outstanding progress. The VAT amendments to make the VAT more sustainable have been passed by the parliament and are with the President for approval. This is a crucial step in getting a sustainable revenue base in the longer term. Modelling of fiscal impacts not done, but very effective negotiation with the parliament.
5. Directorate staff are technically competent	Advocate for the ability to recruit staff with the appropriate skill sets - coupled with appropriate pay structure to attract and retain qualified staff	C+	C+	C+				Good progress. Tashkeel proposal is done, waiting for approval by the Minister. There are no vacant positions now all recruitment complete. Around 10 new people. Proposal done for NTA salaries for all sub-directors and project staff, but only project staff approved. Director position announced others planned. Challenge: staff will not stay if the salaries are not topped up. Big effort on on-the-job training. Director provides on-going support for staff. For new staff, they have training in code of conduct and tax admin law at the Tax Academy.

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		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
								When a new law is approved, the legal team have to review the old technical committee decisions to make sure they are consistent. This is about making sure that technical committee tax rulings are consistent with the new laws. This is a big job and goes way back many years. Thousands of decisions. This is new in 1395 since the mid-year review, the team decided this is necessary. Once decisions reviewed any changes are given to tax offices.
3.7 RD: Non-Tax Revenue		B	B	B				
1. Oversee Implementation of NTR 5-Year Strategic Plan	Review and Modify of 5 Year Plan via a series of management sessions as needed	B	A	A				Good practice and big improvement from mid-year. Team translated 5-year plan into Pashto (poor Dari Translation didn't make sense). A lot of discussion had within the team and with DG. Team worked hard to ensure good ownership and understanding of the plan. Action plans were developed for each month. Only team that did Pashto translations that we know of. Good progress on monitoring non-tax revenue collection performance. R-TAS being used weekly on tracking NTR collection performance against annual targets.
2. Reduce Opportunities for Corruption by NTR Staff and Taxpayers	Conduct Annual Code of Conduct Training	B	B	A				Good progress - with expanded scope. New recruits received code of conduct training. Improved business processes in the area of gun licenses, tracking logbooks for transport, and road tolls.
3. Increase revenue as a % of GDP.	Monitor and follow up on ministry collection and remitting results	B	B	B		NA	Letters and Reports	Mid-year the NTRD only covered 3 ministries but now NTRD works with 13. For example, NTR are now working with MoPW on weigh bridges, MoHED, charging for services. Ministry of Labour who have 40 NTR streams and NTRD are working on new revenue streams and changing / improving the current systems. The NTRD are ahead of their target of 10. AFS6b in front of target. RTAS monitored daily. RTAS extracts data from AFMIS (MT27-29 go into AFMIS). RTAS being used weekly on tracking NTR collection performance against annual targets.
4. Improve policies and procedures by strengthening NTR mandate and legal authorities	Develop legal alternatives, develop policy direction and mandate clarity	B	B	B				Good progress. Decree 32 has helped ARD to engage effectively with other agencies. Some progress on working with the provinces. NTR have made some visits to the provinces but the Mustufiats are in charge in the districts. It is just some preliminary work. DG has made money available to allow NTR to do some travel, both in the provinces and internationally.
5. Improve project management in ministries to further enhance revenue generation	Identify and prioritize needs, allocate funding to a few new revenue projects	B	B	B				Good progress on identifying new revenue streams. This will inform the new targets and plan for NTR in 1396 / 2017. See discussion above. NTRD following up on the 10% top up of the BRT on telco's. NTRD are working with the regulator ATRA, to design and procure a real-time data management system. Technical proposal done and now needs decision by NPC. Cost circa \$10 million. Top up has so far collected around Afs5 billion (\$76m). Concern is that big companies are paying less than small companies which indicates there might be some leakages.
6. Develop new non-tax revenue sources	Working groups commenced and producing development plans in target ministries							Do not score, already covered above.
7. Enhance Institutional Development and Capacity Building Programs	Improve recruitment and compensation; increase staff capacity	B	B	B				Good progress. 3 vacant positions filled. Good merit based selection. They are on NTA contracts. Challenge: Only the Director position is supported by CBR. But not announced.

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		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
								<p>In decree number 6 the President set out that if line ministries can come up with a proposal that they can raise additional revenue then they can keep the funds to spend it on investment in the LM. Some progress, eg Anti-terrorism department of MOI, raising more money out of gun licence for security company raised additional revenue. They will use the funds to hire a technical expert to run the new zebra printers (see above, to lower corruption).</p> <p>Line Ministries were unaware of this option and NTR are trying to raise awareness.</p>
8. Increase capacities of NTR staff	Deliver appropriate trainings	C+	C+	B				<p>Reasonable progress. See above, use of development budget for travel to Turkey for NTR analysis and research, collection and management system. APFM has provided support through national adviser to conduct on the job training for staff.</p> <p>APFM is also planning an overseas trip looking into e-payment. This will include NTR plus some key LMs.</p>
3.8 RD: Technical and Provincial Liaison		C+	C+	B				
1. Oversee Implementation of Provincial Liaison 5-Year Strategic Plan	Review and Modify of 5 Year Plan via a series of management sessions as needed	B	B	A				<p>Good progress on monitoring performance of provincial teams in revenue collection and in assessing skills gaps.</p> <p>Some progress on reporting against revenue targets through the M29 process. M29 report is a table printed from RTAS. Analysis is limited to visual inspection and follow up is based on that (via email, phone or Maktob (formal letter signed by the DG and Director).</p> <p>Team ran examinations of all provincial staff in Nov 21-24 (for grade 3 sub-director) for all provinces. Exams covered the Income Tax Law - including calculations in accordance with law, tax definitions. Director designed the exam. TPLD-HQ team were observers during testing.</p> <p>All provincial team members are aware of the plan and routine updates are provided to the Director for consolidation in a report. In April, the team initiated a conference with all provincial sub-directors (grade 3) on the 5-year plan. he conference was the first time ever that representatives from all provinces got together for training and to discuss issues, challenges and opportunities. This is expected to now be at least an annual event.</p>
2. Reduce Opportunities for Corruption by Provincial Liaison Staff and Taxpayers	Conduct Annual Code of Conduct Training	B	B	B				<p>Good progress. The team delivered code of conduct training in 8 provinces and 2 more provinces will be complete by end of December 2016. The training was more than theory. The team used practical examples of how to be client focussed and good behaviour (talking with customs, how to do self-assessments, how to communicate audits).</p> <p>Team is establishing client services (one stop shop) for Mustufiats (i.e. DM Admin and Finance) for LTO, MTO and STO in the 5 key provinces. They deal face-to-face with clients but do not do audits. (Operating in Herat and Balkh for 2 years, other 3 are in their first year).</p>

PLANNED MULTI-YEAR ACTION	1395-2016				1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
								Team dealt well with the mid-year challenges very well. Secured resources from WB - including for TA in the provinces. Facing significant security issues.
3. Implementation of core service and operations model in key and tier-2 Provinces	Shared new Tashkeel with provinces and coordinated its implementation	C	C	C				<p>Client services in 5 key provinces with Taskheel (lack of space a significant issue). Team was unable to establish client services to Tier 2 provinces due to lack of resources and lack of Tashkeel. ARD-HRD (under DG) - DG approved new structure and Taskheel, awaiting Minister's approval.</p> <p>On the job training through NTA (grade 3/C) in the provinces (paid via PFMR2) - at rates lower than CBR. Using existing materials developed by ASI. Training strategy agreed with ASI also being implemented. Training requests continue (more demand than there is supply).</p>
4. Improved voluntary compliance in the provinces	Improved self-assessment in 2 key provinces (Kunduz and Kandahar), and in parallel rolled out to 3 tier-2 provinces	B	B	B				<p>RBC committees established and ahead of schedule for 5 key provinces and three tier 2 provinces - with 2 more to go (one done before the end of the year).</p> <p>Ongoing challenge is lack of capacity at Taskheel level and lack of resources.</p>
5. Improved coordination level in a straight line reporting between HQ (ARD) and Mustofiat	Technical and provincial liaison established and expanded.	C+	C+	B				Good progress. VCs now used routinely. Internet is now working due to efforts of IT department and through detailed briefing. Big problem with connectivity solved that had been around for 10 years. \$7m contract signed to connect all provinces for ARD only for fibre as a requirement for SIGTAS (high bandwidth).
6. Increased Revenue through tax administration reform in key and tier-2 provinces	Segmentation (LTO,MTO and STO) rollout to 3 tier-2 provinces	C	C+	B				<p>A bit behind schedule but some good problem solving and coordination. 3 key provinces fully computerized (out of 34 in total), and 2 additional key provinces are computerized for Group 1 and 2. In parallel 5 tier 2 provinces computerized for Group 1. Computers are all the same specs indicating good quality systems and effective coordination.</p> <p>Fixed sales regime is in place in the 5 key provinces and 10 tier 2 provinces are also covered. SIGTAS Group 3 training conducted only in Nangrahar, and Group 1 training conducted in Faryab, Paktia and Parwan. Tried hard to secure resources but failed.</p>
3.9 RD: Revenue Services and Support		B	B	B				
1. Oversee Implementation of RSSD 5-Year Strategic Plan	Review and Modify of 5 Year Plan via a series of management sessions as needed	B	B	A	0	0	0	<p>New name: Revenue Systems Directorate (RSD)</p> <p>Very good management of process. Team meets at least once a month, but other meetings occur as required. Technical meetings occur weekly. Director has identified the need to fix five-year plan to be more in line with ICT operational plan.</p> <p>DG worked with World Bank and APFM partners to ensure the ARD 5-year plan is the only plan. SIGTAS rejected APFM 4-year plan for e-Filing as inconsistent (Team was already planning to pilot in February 2017 for LTO). See above. Big effort to do a complete re-write of the 5-year plan in 1396 / 2017. TADAT will inform the new 5-year plan for RSD.</p>
2. Reduce Opportunities for Corruption by RSSD Staff and Taxpayers	Conduct Annual Code of Conduct Training	B	B	B	0	0	0	Good progress on improving systems and business processes. Reduced opportunities for corruption. Significant increase in revenue. e-tax forms near completion estimated to be around end Jan 2017. e-Filing feasibility study complete and pilot commences in Feb 2017 (ahead of schedule). See Team report for roll-out of SIGTAS to reduce face to face contact between staff and taxpayers. Rollout done for 5 big provinces and 5 Tier 2 provinces. Kunduz and Kandahar required additional training (demonstrating team

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		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
								being responsive to needs). Nangahar and Mazar and Bahlk operational. The system is improving compliance: Previously, certain interests were exempted, but now the system prevents the exemption being applied. Tax system is becoming more accessible: TIN can now be issued locally (where SIGTAS is) rather than travelling to the Kabul-ARD.
3. Ensure a complete and accurate Registered Taxpayer Database (SIGTAS) is fully implemented throughout the country	Complete Feasibility Study for E-Registration and E-filing	B	B	B	0	0	0	<p>Good progress. SIGTAS is stable and bugs have been fixed. Still waiting on upgraded hardware subject to funding being available. Clean-up of account in LTO almost done for existing dataset. MTO are leading on clean-up themselves. QA of MTO clean-up work done by RSD. Developed technical solution to ensure system is self-correcting via multiple validation approach. See report. Cooperation with licensing authorities is improving slowly (ACBR).</p> <p>Customs interface (Asycuda) is now operational 6 months ahead of schedule. This data is being used by Tax Auditors (profits, business operating etc.) DGs cooperating well. Receiving data daily at data warehouse. IT specs done for Central Bank interface waiting on Central Bank to get started. This will help to ensure automated tax (revenue/assessment/payment) reconciliations.</p> <p>Rollout to key provinces with training is on track with some minor delays.</p>
4. Enhance Public Awareness / Taxpayer Awareness programs to further enhance voluntary compliance	Initiate an Aggressive Public Awareness Campaign as a means to enhance Voluntary Compliance				0	0	0	Do not score - for the Office of the DG
5. Enhance Institutional Development and Capacity building programs	Provide employees with the tools and training to further develop skill proficiency and improve business performance				0	0	0	<p>Do Not Score as function removed late in year. Good progress but some resource constraints. Training plan developed but not costed and no money allocated. Training is not coordinated. Team by team, donor by donor. Need to get a plan together, cost the plan, secure the funds, then spend against the plan. PFM2 still ad-hoc.</p> <p>Team has taken over responsibility for the Tax Academy. 6-month curriculum for tax professionals being developed - ready soon. It will be used for examination and certification to work in ARD. Peer review of curriculum provided by APFM. Process in developing curriculum - used annual plans, studied curriculums from other countries (done in-house). Considering options to test current staff on curriculum - indications are that many would fail. This curriculum is being designed for new staff.</p>
6. ARD Budget Processes Improve Service Operations and Delivery	ARD annual budget submission and procurement plan are prepared according to its requirements and input from Directorates.				0	0	0	Do Not Score as function removed late in year. Improved management of internal budget process. Revenue and Customs Admin Unit (under DM Administration) is in place and are physically located in the ARD and Customs Building. They assisted with completing internal BC1 forms for MoF. Procurement also. Next year it will officially move to Office of the DG ARD (Tashkeel). Not really a SIGTAS/RD function, though RD have responsibilities to manage their own project funds and any discretionary operating funds they may receive in the future.

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		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
4.0 Treasury Department		B	B	B				
4.1 TD: Treasury Systems Development		B	B	B+				
1. AFMIS Enhancements	Implement AFMIS enhancement program	B	B	B				Outstanding progress under extremely difficult circumstances. v7 contract has been approved NPC on 5 December. The contract covers the following additional modules procurement and contracts, (payroll and budget are available if deemed appropriate). Contract should be signed by next week. Study tours to Kosovo and Timor-Leste complete. Functional and technical teams participated (for each team - functional and technical - there was 1 international and 2 NTAs and 1 Tashkeel). Study tour report produced. Good cross-team collaboration with IDLG. Adopted a Systems Standards approach as opposed to AFMIS roll-out to IDLG and municipalities. WB are still considering options. Standards are only at the general ledger level at this stage.
2. Improved Cash Management	Implement cash management improvement program	B+	B	A				Outstanding progress on allotments. All parties agreed that budget controlled allotments would move to Treasury and be transformed into a full commitment control system in the pursuit of international standards. The function will be the responsibility of Treasury as of 1396 - 2017. This sets the foundation for strong commitment and cash management controls by Treasury using AFMIS. This has taken 4-5 years of discussion, raised first by internal stakeholders (e.g. DG Treasury) and IMF 4-5 years ago. See also Budget KPI on allotment reform. DM Finance and DG budget sought approval from the IMF to reclaim Allotments and take on cash management function from Treasury. IMF argued that it was against the MoF plan and bad practice anyway. The minister is in the process of approving the change through executive letter that transfers Budget controlled allotment process to the Treasury, which would run the processing of all allotments (through new commitment control system set by the new purchasing module). the letter was not signed by the date of the assessment. This will need to be followed up. Zero balance accounts established for all except 3 small provinces with security difficulties. Concept note for zero-balance expenditure accounts for the provinces done. Discussing key issues: DAB appears to be misunderstanding the nightly sweeping arrangements where balances are brought down to zero enabling Treasury to invest in short-term money market investment when those services become available and laws get passed. System is more for transparency - Treasury has good oversight of all accounts and there are no idle accounts, and for general good cash management purposes. DABS mainly concerned about overdraft if sufficient balance is not there to cover un-presented checks. Treasury believe the issues are resolvable. Meetings are regular, but at the lower level. Team has raised discussion to higher levels. Team are hopeful that zero-based expenditure accounts can be ready in time for the beginning of the new fiscal year.
4.2 TD: Accounting		B	C+	B				
1. Building capacity in Financial Management	Continue to release financial management capacity	B	C+	B				The Accounting Law has been delayed due to some technical issues of disagreement. Discussions are on-going. TOR for the Board are done with MOF Chairing. Some good progress on reimbursing accounting students who sit international exams and pass.
Establish Private Sector Accounting Framework Law		C+	C+	B	The law has been reviewed and finalized by MoJ. The MoJ			Delayed. Due to be considered by Cabinet this month. Delays pending coordination comments within MoF. It has been 2 years of negotiation since the first draft. Technical

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		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
					included the law for discussion in the Law Committee of the Cabinet. The discussion is scheduled on December 4th.			committee is comprised of (MoF, MoJ DAB, MoC, Higher Education, ACCI and Private sector) Szymon Radziszewicz (polish accountant - who established the polish accountancy board) amended Rod Munger's draft. MoJ asked for many changes and to simplify the draft law. President has taken a personal interest on the accounting law. Some concerns have been raised with the quality of the law. Treasury response to R Munger's draft has been done. MoJ said that if the body is to be independent then there should be a decree from the President. MoJ also said that transitional arrangements for independence is not allowed under their rules. Plan now is to fast track more robust regulations that fill the gaps.
2. Staffing, Training and Capacity Building	Deliver professional development plan	B	B	B				Good progress ahead of schedule. 27 Treasury NTA will be moved to CBR (after competition - under restricted tendering - anyone in the MoF. 4 out of 6 upgraded line positions (Pay and Grading) were new staff. 107 interns will become Tashkeel under Pay and Grading (standard). Secured in-principle agreement with DG. Currently seeking no-objection from the WB under PFMR2. Once NTA move to CBR, they will be eligible for the subsidy. Reimbursement V's advance payment with lock in provision under discussion. Currently based on a module based approach to minimize risk. Treasury discovered through consultation that the PFM MSc London University is not being recognized by MoHE, even though it is recognized by institutions around the world.
4.3 TD: Payments		B+	B	B+				
1. Improved Payment and Collection Mechanisms	Strengthen payment and collection systems	A+	A	A+				Ahead of schedule. All of the salary components of the operational budget are now covered by EFS in the centre. Mustufiats and secondary budgets units are not covered. Further discussion with DAB required to make progress in this area. M16 is still manual (payment requests). Discretionary development, the team contacted ministries for EFS, testing 15 entities. Found that DAB couldn't handle because the check digits for the development budget payments are different for the operating budget and their system did not cover a 10-digit system (some additional coding required). Team thinks it can be resolved so that in 2017 discretionary development budget can start paying the 3,500 NTAs being paid under G&S. Paying suppliers via EFS is s.t. to roll-out of V7 with purchasing and additional modules.
2. Improving Payroll generation and distribution	Strengthen payroll and HR systems	B+	B	B+				Outstanding progress delivering significant reductions in fiduciary and deployment risk. Central agencies and provinces already covered for direct deposit to individual bank accounts for salaries for all staff. For districts with no access to commercial banks, Treasury has tested and implemented a mobile banking solution. 11,000 of the 15,100 local and national police registered are now being paid by this method, covering 12 provinces. Military already have direct deposition facilities (97% paid through direct deposit). Good problem solving in a challenging environment. A fully integrated WoG system needs to be agreed on. This will be used on the IT system study. Problems with police registration is the security and uncertainty of ghost police issues. Team is trying to reach the remaining 22,000 police who are receiving cash payments in 2017. This can only be achieved with local level support from MoI to get the registrations done (accurately). MoI 5-year plan should set up joint KPIs for this system. 3 years ahead of schedule in terms of centralization of payroll process. Good progress with in-house development of payroll systems. The bespoke Web based Payroll System is now implemented successfully in 30 agencies done this year. MoF corporate did not participate. MoE not done yet as they have their own system.

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5.0 Budget Department		C	D+	D+				
5.1 BD: Budget Execution		D+	D+	D+				
1. Supporting implementation of new budget process with rolling forward estimates of existing policy and identification of new policy change	Develop and implement budget process	C	C	D+	The New Budget Process was rolled out which featured a multi year estimation of existing and New policies (FE).The FSP approved earlier in the year which included the FE guided the entire budget preparation process in terms of policy guidance.	-Costing was the biggest challenge - as no development policy was there which made the Costing for new policies and programs difficult. Donor grants are also unpredictable for the outer years which makes it more difficult.	Budget Circular - 1 Budget Circular - 2 Budget Document	<p>Some good work this year that was not implemented in the budget. This is a joint activity where Budget policy lead on the framework for putting place forward estimates in partnership with MFPD. The framework is used to improve budget discipline through more consistent costing of policy, especially separating existing and new policy and setting robust and consistent costing rules for the 1396 Budget. While considerable work was done in the first half of the year to establish the system, it was not put into practice for the BC2 and budget submission process.</p> <p>FEs were not published in the budget papers and so the same costing process was followed as other years. This means that the bad practice of over-budgeting is likely to continue next year, which will make it a tough job for this team in maintaining discipline, let alone achieve aggregate fiscal discipline (accurate budgets/high budget execution rates).</p> <p>No new costing policies developed, although the consideration of budget submission by budget committee changed to focus more on outputs and outcomes in line with the program budget initiative. The change of focus, unfortunately, continues the loss of focus on costs of policies in aggregate.</p> <p>Challenge: Without forward estimates and a much more systematic approach to costing, the credibility of the budget will remain low. Costing rules need to be clear and cover at the minimum - separating existing and new policy, costing by administrative unit for economic classifications (Salaries / G&S / Capital) and for GFS (COFOG) functions to 4 digits (sub-functions) and if possible for geographical distribution. It would also be desirable to identify beneficiaries consistent with OBI. This needs to be done for both operating budget and development budget. Without this it is very difficult if not impossible to compare actual expenditure to budget forecasts. This is a critical change that needs a strong commitment from Cabinet, HEC, Budget Committee and the teams in the Budget Department, and be explained clearly to LMs.</p>
2. Driving transformational impact by shifting focus from allotments to setting and enforcing high quality budget rules including independent assessment of credibility of costings, evaluations and fiscal performance	Plan for new allotment/commitment control process	D	D	D	Financial Plan is simplified and six-month allotment is issued for pilot BUs	No Challenges so far	financial plan	<p>No progress from the mid-year assessment, still under discussion with DM, DG and Minister. Proposal by Budget Dep was to align allotments with financial plan, discussions with Treasury to simplify the process to "skip" the allotment process. Minister's letter says shifting the allotment to Treasury but Team considers this to be inconsistent with international standards. They believe there is conflict of interest if Treasury issues the allotment and makes the payments. IVT thinks the opposite, the current process is not in line with good practice and creates a duplication of a process, and sets up perverse incentives. Letter has not been issued.</p> <p>Challenge: There are still large differences in opinion about the best policy prescription and there has been little progress in getting to an agreed position on this key reform. Workshops outlining best practice including referral to international standards on commitment control, warrants and allotment processes (under obligation appropriation systems as opposed to cash based annual lapsing appropriation systems) has not change the position of Budget. This poor system has been identified as core problem for years by various observers including the IMF and various consultants.</p>
3. Budget execution process reviewed, strengthened and	Review and refine budget execution prodedures	C+	C+	B	A team is assigned to visit 16 line ministries to assess	No Challenges so far	assigned team	<p>Increase in actual expenditure but major policy and process issues not addressed. Inconclusive what is happening in terms of progress here. The carry forward of unspent appropriations from 1394 was nearly \$1 billion (Afs65b). Total budget for 1395 was</p>

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monitored based on financial plans.					execution of budget based on financial plan.			<p>AFS478 billion (published budget was Afs446b but some additional commitments from donors were added during the year. AFS478 comprised of Op Budget Afs303b and Dev Budget AFS 175. Expenditure to 12 Dec for 1395 is Op AF251b, and Dev Budget AFS88b for an aggregate execution rate of around 71%. Last year development budget execution was 53% and this year so far is 50%. Discretionary Development is 57% and Non-discretionary is 48%. Might be a bit better than last year by the close of the FY. Several meetings with DM and Minister. LMs have been called in and team is working with them on how to meet the targets.</p> <p>Given the carry forward practices that is a key driver of Afghanistan's over-budgeting problem, the LMs will never be able to meet their targets. DG does not agree with the interpretation of the Law that carry forwards are not automatic and is of the view that any unspent program funds must be included in the next year's budget unless it is taken to parliament. The DG sees not a difference between adjusting forward years estimate by changing carry forwards or by changing the existing or new policy estimates for the next year. This might balance the aggregates but is not in line with international standards (PEFA) or good practice in terms of clearly identifying existing and new policy. DG says that the carry forward was in line with the LM requests for the carry forward, though no requests were actually made. DG claims that given the automatic roll-over process that Budget Committee follow, requests required under the law are not required. IMF guidance on good practice carryover is not understood by the budget team.</p> <p>Challenges: The budget execution team are working hard and being proactive, but the over-budgeting and carry forward issues make it very difficult to meet the required targets. Actual expenditure is up around 15% year on year which is good but is overshadowed by the low execution against an unrealistic target. This needs critical attention and constitutes a serious fiduciary risk.</p>
4. Develop and implement a sustainable plan for staffing and advisory assistance	Develop and implement a sustainable plan for staffing and advisory assistance	C	C	C	All competence project staff include in tashkil.	time consuming of CBPR process	decrees of President and Minister	DG Budget successfully transferred \$1m of underspending MoF projects to MABW project in order to help finance national consultants in Budget. CBR strategy under development.
5. Deliver Professional Development Opportunities for Budget Department Staff	Implement professional development program	C+	C+	C+	75 DGB staff participated in National and International trainings	No	Trainings Reports	Pending further information from Budget Department
6. The State Budget Planning System (SBPS) strengthened & managed to support improved budget preparation & execution processes, and support AMD with Development Assistance Database (DAD) enhancement.	SBPS Rollout to All Budgetary Units, DAD changes Implemented	B	C+	B	SBPS and DAD are maintained and updated regularly. A new Interface for Shared Information Platform (SIP) is developed containing tabular data and info graphics. Additional reports, requested by the users which cannot be generated in DAD, will be integrated into SIP. In 1396 we shall have an account in AFMIS; this will expedite the data retrieval process for SIP.	Lack of high speed internet or internet at all in budgetary units, real time access to AFMIS.	35 budgetary units have added their 1396 budget into the DAD successfully.	<p>On track but no progress on consolidated budgeting or single currency budgeting. SBPS is rolled out to 35 units, who successfully updated their BC1 and BC2 data in the system. Upcoming 2 years will roll out to all 64 budgetary units. Goal is one year but might take 2. Working on shared information platform with treasury for SBPS and AFMIS. Agreement reached with Treasury. Interface has been developed and access will begin for 1396. No changes on DAD since the Mid-year assessment, DAD is up to date but is not used for budgeting purposes.</p> <p>Challenge: Access to and quality of internet. Data is updated at the MOF. Done twice a year. Budget should keep in touch with Treasury over AFMIS upgrade.</p>
5.2 BD: Budget Policy		C	C	C				
1. Supporting implementation of new	Develop and implement budget process	D+	D+	D+	The New Budget Process was rolled out which featured a	-Costing was the biggest challenge -	Budget Circular - 1	Some good work this year that was not implemented in the budget. This is a joint activity where Budget policy lead on the framework for putting place forward estimates

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budget process with rolling forward estimates of existing policy and identification of new policy change					multi year estimation of existing and New policies (FE).The FSP approved earlier in the year which included the FE guided the entire budget preparation process in terms of policy guidance.	as no development policy was there which made the Costing for new policies and programs difficult. Donor grants are also unpredictable for the outer years which makes it more difficult.	Budget Circular - 2 Budget Document	in partnership with MFPD. The framework is used to improve budget discipline through more consistent costing of policy, especially separating existing and new policy and setting robust and consistent costing rules for the 1396 Budget. While considerable work was done in the first half of the year to establish the system, it was not put into practice for the BC2 and budget submission process. FEs were not published in the budget papers and so the same costing process was followed as other years. This means that the bad practice of over-budgeting is likely to continue next year, which will make it a tough job for this team in maintaining discipline, let alone achieve aggregate fiscal discipline (accurate budgets/high budget execution rates). No new costing policies developed, although the consideration of budget submission by budget committee changed to focus more on outputs and outcomes in line with the program budget initiative. The change of focus, unfortunately, continues the loss of focus on costs of policies in aggregate. Challenge: Without forward estimates and a much more systematic approach to costing, the credibility of the budget will remain low. Costing rules need to be clear and cover at the minimum - separating existing and new policy, costing by administrative unit for economic classifications (Salaries / G&S / Capital) and for GFS (COFOG) functions to 4 digits (sub-functions) and if possible for geographical distribution. It would also be desirable to identify beneficiaries consistent with OBI. This needs to be done for both operating budget and development budget. Without this it is very difficult if not impossible to compare actual expenditure to budget forecasts. This is a critical change that needs a strong commitment from Cabinet, HEC, Budget Committee and the teams in the Budget Department, and be explained clearly to LMs.
2. Improving budget disclosures at whole-of-government and portfolio levels and delivering comparability of budgets and accounts	Develop and implement plan to improve budget disclosures at whole-of-government and portfolio levels and deliver comparability of budgets and accounts	D+	D+	D+	- A 3 day workshop on GFS and COFOG was held in Oct. COFOG mapping at the activity level has been done and will be included as part of the budget document. - The budget information is shared regularly on the website, facebook etc	- GFS would require extensive training and changes in the system which will ultimately require time.	- Workshop report - Website, facebook page	Some minor progress made. COFOG and GFS training done. Function or GFS compliant tables not included in the budget papers presented to Parliament. When the budget is returned, the Team want to introduce some new tables in the budget at 5 digit. Bridging tables done mapping activities to 5 digit functions. This used to be a Fiscal Policy Office function but is now being taken on by Budget. No real progress made on wider efforts to improve comparability of the budget to actuals. Disclosures apart from the possibility of some functional information in the revised budget will be the same as for previous years.
3. Working towards establishment of a PPP Centre of Excellence	Develop PPP policy and transfer function outside of budget as appropriate	B	B	B				Good outcome - PPP unit is now an independent DG. Was approved since the mid-year assessment. New plan will be included in next year's 5 year plans. The validation team recommends that new PPP GD consider adopting the PPP Fiscal Risk Assessment Model (PFRAM) as a key tool. In addition, the validation team recommends that other key standards associated with good Public Investment Management (PIM) be included in the next 5-year plan, such as: i) establishment of national guidelines for economic evaluations; ii) developing and publishing standard criteria for project selection; iii) costing rules covering life-cycle cost of PPPs, including both capital and recurrent costs together with a year-by-year breakdown of the costs over the medium term.
4. A Government-wide Fiscal Performance Monitoring and Evaluation System (GPMEs) developed, piloted, rolled-out and maintained.	GPMEs designed and resourced, and institutional mechanisms established and piloted for top five BU's.				No Progress	The administrative office of President asked BPMU to stop process of GPMEs, and AOP will lead		Do not score. Same as mid-year no progress AOP still considering.

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						the establishment of GPMEs, But it did not have any progress. Problem Solving: Sr. Management of MoF and AOP give lead of GPMEs to BPMU again.		
5. Developing and implementing provincial budgeting policy that strengthens fiscal relations with the provinces and improves transparency of provincial budgets and operations	Finalization of TOR, operationalization, establishment of Provincial Public Financial Management Committees and arrangement of PB Policy symposium	B	B	B	The provincial budgeting policy is approved, TORs for PFM, FDWG and provincial budgeting specialists are significantly improved and developed. Provincial budgeting implementation guideline is developed and sent to four (4) LMs in 1395 fiscal year. PPCs established in all provinces. Required guideline for provincial budgeting policy is drafted. Unconditional funds guideline is developed. budget formulation CB program is designed and roll out to 34 provinces. five years financial data is collected for analysis. 4 LMs is supported in PB implementation and budgeting norms development processes	lack of sufficient TA support in the LMs. Low capacity both at MoF and LMs. frequent delays in providing support to PBU. Weak and improper top management support. Lack of cooperation in the reform implementation process. Very limited financial support for implementation of some of the activities	Cabinet resolution. Guidelines and TORs. PB implementation on guideline sent to LMs. Financial data.	Good progress. Policy is approved (jointly with IDLG). TORs for the provincial finance management committees done. Workshops done in zones, which covers all provinces. Done by the team. Covers TOR, BC1, BC2, Costings (activity based), policy, O&M etc. The change for next year is how the PFM Committee can collect BC1 and BC2 from the line directorates. Mustufias is the Director, has Dir Women's Affairs, IDLG, Dir Economics and Provincial Budget Specialist. Also, did some capacity building training for BC2 before the budget submissions were issued. Goal is more responsive provinces to BC1 and BC2. Challenge: Need technical support from the LMs, low capacity in line ministries and provincial directorates. Frequent delays in responding to PBU. BC2s were late. Weak support in Kabul directing people at the province. Limited financial support (USAID / APFM and ISLA). These are good first steps and need consistent follow up and resourcing.
6. O&M policy finalized, approved and reform rolled out to all spending units	O&M policy approved and reform rolled out to 10 Budgetary units	A	C+	B	O&M policy is approved. The policy is roll out to 10 additional Bus. Separate guideline is sent to all O&M LMs. Workshops conducted for proper implementation of policy. frequently visits to LMs for updation of their asset registers ,of all Continues support is given to LMs for developing costing norms and costing drivers. O&M CB material is developed and delivered in the workshops to LMs . further to this 2 more budgetary units included in the O&M which means	Not exist proper asset register in the LMs. No sophisticated asset management system. Weak capacity. Absence of sector specific O&M policies and manuals. Availability of enough financial support. Low level of cooperation	Cabinet resolution, BC1 and BC2 guidelines. Workshops reports. Costing norms and cost divers. Training materials.	O&M policy was approved by Cabinet (see midyear assessment) rolled out to 12 additional budgetary units making around 31 that are using it. Separate guidelines are sent to all LMs that are included in reforms, workshops conducted for all budgetary units (all in Kabul). Plans to move towards international rules of thumb for O&M funding (e.g. from current levels of c4% to 8% for certain asset types). Ring fencing policy in place. Policy helps achievement of related IP Trigger. Compliance with international O&M standards progressing. Asset management system to be developed. O&M Prioritization systems developed. Plan is to include O&M in the provincial training as well. Team frequently visits LMs (5 or 6 people in the unit) to follow up. 3 to 4 visits per budgetary unit. The changes vary but some units did not have any system for O&M at all, no asset register no values. Assistance was provided for teams in understanding how to cost O&M into their budget. 23 units were considered to have a good quality O&M submission. The O&M policy is new, so new policy includes full costs for both capital and recurrent for 3 years, but existing programs there is an O&M submission as costings were not done on the revised basis. Also, O&M capacity building materials were sent to the LMs and budgetary units. Team keeps track of percentage execution on O&M.

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					increased from 29 BUs to 31 BUs.			This is also an IP trigger. WB IP program provides \$1.50 for every \$1 spent on O&M with some benchmark / thresh hold. Team will provide details. This year it is Afs3.5 billion. government has met the trigger.
7. Delivering the Annual Budget on time and to standard	Deliver the Annual Budget on time and to standard	C	C	C	<p>- BC1 provided enough time to the LMs (6 weeks) to submit their priorities.</p> <p>- the Budget Committee finalized the budget within the deadline of the budget calendar.</p>	<p>- As the Brussels conference took place in October, the budget was presented to the Cabinet late and therefore Parliament do not have 2 months for reviewing budget.</p>	<p>Budget Website Correspondence to the LMs, Cabinet and Parliament.</p>	<p>Budget was delivered on time but no to standard - the Budget process was not efficient and didn't achieve allocative efficiency and remains non-credible - A very poor predictor of actual expenditure in a year. There was change in that the BC did not discuss the operating budget, they focussed on Ministry Deliverables rather than programs. Outstanding progress in BC1 - the Team provided 6 weeks for budgetary units to respond to BC1 - in line with a PEFA standard of "A.</p> <p>Core focus was on projects, rather than complying with budget parameters set by HEC and ensuring a credible and sustainable budget is delivered. Some new rules around budget execution in the previous year were introduced but seemingly have had little impact. BC finds it very difficult to resist the political pressures from ministers and MPs which leads to inflated numbers. This might be due to non-Minster and technocrats running BC - this is a legacy of the former administration where the former MFF delegated his chairing responsibilities for BC under the Law to his DM Finance (along with another Minister's who are on BC). Progress will require a significant increase in discipline around the budget cycle.</p> <p>Challenge: The Minister does not routinely attend BC to Chair the meetings and there is a general problem that LMs and MPs are able to convince BC to put new projects into the budget or keep non-performing projects in the budget. The focus in more on the projects than the numbers and the idea of fiscal space or robust policy costings are subordinate to the political imperatives around allocating projects. This leads to very low levels of fiscal discipline and an unrealistic budget. This causes the further problem that even though the estimates are not realistic, once passed there is an expectation from the MPs, the public and the donors that the government will implement this over blown budget. Which means even when budget execution goes up, joy for actual expenditure, people focus on the poor rate of execution against the unrealistic number. This issue requires high level commitment from the President and the Minister for Finance to introduce and maintain fiscal discipline. The system is further compromised by the bad practice of automatic carryovers of unspent appropriations, arguably not consistent with the Law (Article 50).</p>
8. Delivering the Mid-year Budget Update if required	Delivering the Mid-year Budget Update if required	C+	C+	C+	<p>The MYR after its preparation was submitted to the parliament for approval. Meetings were held with the Parliamentarian, answers were frequently provided to their queries. The MYR was later approved.</p>	<p>All of the standard challenges of doing a whole-of-government budget incremental process</p>	<p>Budget Mof website</p>	<p>Some progress. Still need to work on the policy basis for changes in the budget - as well as disclosures for the reasons for change. Team met with the parliament and parliament agreed to the revised budget. Total discretionary did not change some movements between projects. Operating budget increased by \$257m. Non-discretionary was reduced (\$150m) due to lower donor commitments. Main outcome was that some good performing programs got more money NRAP, CC Aquina Rail project. This means budget execution is higher than it otherwise would be. MYBY is a table with no narrative or explanatory memorandum.</p> <p>Challenge: Donors provide funds that are not necessarily prioritised. In the face of constant pressure from all quarters to increase the budget, the team struggle to reduce estimates even in the face of actual expenditure that shows the high targets will not be met. Team indicated that stakeholders are focussed on the budget number, not the actual expenditure number and see a cut to the estimate as a real cut to what is being</p>

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								spent. This needs serious attention in terms of explaining the budget to the parliament and to achieve much more realistic budget estimates at the beginning of the year.
9. Supporting in-year fiscal reporting and follow-up	Produce and contribute to quarterly budget execution performance reports on time and to standard. Reports include follow up recommendatons	B	C+	B	Budget Performance Quarterly Reoports (annual 1394, 1st Quarter 1395, 2nd Quarter 1395, and 3rd Quarter 1395) are submitted to Parliament and Cabinnnet. These Reoport disseminate via budgetmof.gov.af for public. 3rd Quarter Report is included to Cabinit agenda.	A few BUs didn't submitte their budget performance reports	Budget Performance quarterly reports	<p>Some progress - quarterly reports are produced and take 15 days. Budget performance report done for first 3 quarters and submitted to parliament and Cabinet. For the first time BPR included in the Cabinet agenda. By performance the team mean budget execution for all budgetary units, achievement of budget units against their indicators. These are identified in BC2 and team collects information from each BU. KPIs are mostly outputs. After budget is approved output targets are changed to reflect the approved budget and team analyses performance through the year based on information collected. There is a template for them to fill in quarterly and 6 monthly reports and BUs send it in signed by the Minister or DM. Data received is sent to Ministry of Economy and one consolidated report is done.</p> <p>Challenges: Team provides advice on how to get quantitative indicators but LM decides on service delivery. In previous years BC did not focus as much on the outputs and outcomes of the LMs but this year submissions were focussed on what the LM s were doing and how much they would need to deliver the proposed outcomes. This is linked to the program budget initiative and has huge challenges in getting consistent and accurate information. If the programs do not report on a consistent basis then the program performance information is not all that useful.</p>
10. Implementation of the PB Phase II Strategy (Roadmap) coordinated and supported	Expenditure aligned to GoIRA priorities	C	C	C	All Budgetary Units are currently preparing, presenting and executing their budgets based on Programs. The program structures of ministries links the budget with policy objectives of GoIRA and priority programs i.e. NPPS (But, there is no national strategy at the moment). The PB phase II strategy (document) has been developed and finalized by BRU and it is yet to be approved by MoF senior management. Meanwhile, the Program budget structure of 16 LMs have been reviewed for strengthening effective Program structures and better alignment of programs budget with NPPS and related strategies. Also, the budget manuals updated and comprehensive capacity building programs have been conducted for line ministries' related staff.	The Program budget Phase II strategy is Pending for approval of DGB and MoF Sr. Management. The alternative ways of solutions has been provided to DGB.	Draft 5 year PB Phase II Strategy	<p>Same outcome as the mid-year review. Pending the approval of the Senior Leadership. Progress over the first phase was to change the behaviour from administrative structures to outcomes / results. They have the basics in place, programs are defined (need work), LMs understand the language and change in terms of mindset. LMs have program managers, outputs, indicators etc. Not mapped to functions. Strategy is done, but management is considering the benefits.</p> <p>Challenges: There needs to be a commitment from the leadership to the strategy and then there will need to be a lot of work done to get all the various moving parts of the system working - baseline costing of existing policy, costing and budgets on a functional basis, or program providing at least as much information and clarity as sub-functions to 4 digits. Otherwise the program budget will head in the wrong direction. This should not be the priority, a focus on the basics of FEs, costings and fiscal discipline are first order issues.</p>

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6.0 Admin Department		C+	C	C+				
6.1 AD: Procurement and General Services		C	D+	C				
1. Strengthen the procurement internal control system	Publish procurement plan and improve annual reporting of procurement activities	C+	C+	C	Some of the directorates have sent their needs for Fiscal Year 1396. Procurement Directorate is working to prepare annual procurement plan	Directorates can not identify their needs properly. Some of the needs, received to Procurement Directorate are not feasible in the fiscal year 1396. E.g. a directorate requesting to build a provincial facility for one of their related directorate, e.g. Matofiat building in Badakhshan province, but they don't have design and plans to implement the contract for fiscal year 1396		<p>Good progress. Procurement plan was significantly improved. Management was better and the management by the DM and Minister was pushing for a big improvement in budget execution. Finance team were also much better. Improved from 64% to 83% of development budget spent. Challenges for the team are quality of bids and making sure departments put everything in the plan and are compliant with rules. Request letters are clear and follow good process.</p> <p>Challenge: It is clear that the budget and good costings of activities is not driving procurement. The procurement plan is project based and ad hoc at best. The increase in execution of the budget is due to a big effort by the team but serious issues with planning and quality of expenditure are still there.</p>
2. Develop and implement stronger procurement information management systems	Strengthen filing and procurement tracking systems including through support for piloting new systems led by the National Procurement Authority	C+	C	C	Progress has been visible in this case as different departments are cooperating.	We have synchronization with related departments		Some progress on tracking. Tracking is improved a new shareholder has been put in place to make it easier for the staff to access data. Management and team work were also good, with the Minister himself tracking progress. An additional NTA staff was hired to work on tracking of progress against the plan.
3. Undertake a capacity gap assessment and initiate a comprehensive professional development program	Identify skill gaps in procurement team and then develop and implement a professional development program (at central and provincial levels)	D+	D+	C	Progress only at the central level	Providing procurement training in remote provinces are difficult. Solution: Providing these training in near provinces where it is possible.		<p>Some additional staff hired. Team have recruited 1 NTA for evaluation, bids and contracts. Also, recruited NTA for tracking of procurement plan, developed the system. Admin staff redeployed by Director to contract management. Paid for from the development budget. No change to the tashkeel in 2016. Plan is to transfer all procurement into the central team, expecting people from Treasury, Customs etc. but so far, no progress. These would be NTA.</p> <p>Challenge: Transport and Services are still under procurement.</p>
6.2 AD: Finance and Accounting		C	D+	C				New Director has taken over and is developing a new vision for the team, based on pursuing a high-performance culture towards achieving a country wide best practice internal budget process. The team has been under-resourced since inception, with low levels of autonomy from WoG budget systems. Training, financing and system building are needed for the next few years.
A. Budget Unit	Deliver Budgeting Services	D+	D+	D+				
1. Budget Planning All other MoF Departments and Provinces	Budget Planning All other MoF Departments and Provinces				Provincial and MOF budget was prepared and planned according to the schedule	Provincial and MoF directorate do not provide their estimates on time.		Do not score. Routine system that doesn't really drive good process. Budget preparation currently is basically a collection of purchasing lists. No specific format used. Letters kept until BC1. Not consolidated. Costing is done by Mustufiat (contained in the letter). 50% submit or late. Costings for construction bids done by MoUD in

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								provinces, and QA's PIU. Current process: Zero-based costing required every year for operating budget. For development budget: Automatic Carryover happens automatically in line with DG Budget instructions - there is no budget bidding - just accepts level. Ongoing projects are not costed, just accepts the amount. Generally, just the remaining project cost is put in - whether or not the project is multi-year or not. New spending proposals can be costed if financing with the WB or other partner (% share). It is not costed by MoF - just a provision based on a % split. Good example of a step in the right direction by MoF: One stop shop: MoF successfully reduced 20m claim to be spent in one year to \$5m (s.t. Half year performance).
2. Submit and seek approval of budget directorate.	Submit and seek approval of budget directorate at the DG and HoU levels (including mustufias and customs)				Successfully received the approval of budget directorate as per the budget schedual	Lete submission of B3 and B4 by the Directorates		Routine process - do not score. Just sends budget to DG Budget. Focus is on securing allotments.
3. Deliver more timely and more credible internal budget for MoF	Deliver more timely and more credible internal budget for MoF	C	D+	C				
4. Deliver routine services	Deliver Routine services:							Consider deletion - routine
5. Develop and implement professional development programs for Budget Unit	Implement professional development program	D+	D+	D+	Plans exists but not implimented	Limited funding and resources		Off track - no funds. No plans for training for any staff. Seeking opportunities. DM capacity/training budgets at DM level - but not allocated to (or sought) Budget. No development partners support to Budget Unit. HR manages training budget and training activities. No plans for CBR.
6. Work with Treasury and Budget on reforms - allotments and commitment controls,	Work with Treasury and Budget on reforms - allotments and commitment controls,				no substantial progress in this area	all the necessary steps were taken but requires government level decision		Do not score. DG level issue. Not yet started. Responsible for development and operating allotments. Onerous system. Time consuming for signatures.
B. Salary Unit	Deliver Salary Services	C	C	C				0
1. Get Monthly salaries report from the HR Department	Get Monthly salaries report from the HR Department	C+	C+	C+	Done on monthly basis			0
2. Improve timeliness of changes to payroll and personnel records	Improve timeliness of changes to payroll and personnel records	C+	C+	C+	Contract E-Access done			HR Letter used to transfer. Deaths, leave, transfers are driven by HR - via T&A. Tashkeel is on T&A not on change basis. eAccess system will be more integrated between payroll and personnel records. T&A interface with payroll. Addition or Deductions. T&A interfaces payroll. Payroll doesn't interface with AFMIS. Hard code into AFMIS - batches transactions.
3. Strengthen integration and reconciliation between personnel records and payroll data (AFMIS for payments and GL, Access for Payroll management, HR delivers time and attendance, overtime, leave, allowances)	Strengthen integration and reconciliation between personnel records and payroll data (AFMIS for payments and GL, Access for Payroll management, HR delivers time and attendance, overtime, leave, allowances)	C+	C+	C+	Contract E-Access done			At risk but on track to pilot new systems.
	Work to establish working group with Treasury and HR to develop a joint plan for the				in progress			Do not Score. Treasury review found not possible with HR Access system/HR not keen to use Treasury modules. eAccess may work. Working group still required next year to integrate HR, Payroll, AFMIS and T&A.

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	piloting new systems to strengthen personnel and payroll systems within MoF first before going wider).							
4. Develop and implement professional development programs for Salary Unit	Develop and implement professional development programs for Salary Unit	D+	D+	D+	planned but not implemented because of limited fund	Need capacity building programmes		Off track. No plans for training for any staff. Seeking opportunities. DM capacity/training budgets at DM level - but not allocated to (or sought) Budget. No development partners support to Budget Unit. HR manages training budget and training activities.
5. Work with Treasury and HR on piloting new HR-Payroll systems	Work with Treasury and HR on piloting new HR-Payroll systems				E-Access contract done			Contingent action. Do not score.
C. Book-keeping Unit	Deliver Book-keeping Services	D+	D+	D+				0
1. Deliver routine services	Deliver routine services:							Do not score
2. Develop and implement professional development programs for Book-keeping Unit	0.00	D+	D+	D+	have plans but due to limited fund not implemented			Off track. No plans for training for any staff. Seeking opportunities. DM capacity/training budgets at DM level - but not allocated to (or sought) Budget. No development partners support to Budget Unit. HR manages training budget and training activities.
3. Work with Treasury on piloting MoF only financial statements - GFS and IPSAS compliance	Work with Treasury on piloting MoF only financial statements - GFS and IPSAS compliance				Qatia has been prepared in coordination with DG Treasury			Do not score - consider for next year. Qatia is done based on historical standards. Reforms start with voluntary compliance with IPSAS and GFS rather than legislated requirements.
4. Start the process of producing and publishing an Annual Report for MoF - to include audited financial statements and a report on progress of activities including against the 5 year reform plans, procurement activities etc.	Start the process of producing and publishing an Annual Report for MoF - to include audited financial statements and a report on progress of activities including against the 5 year reform plans, procurement activities etc.				Planned to do the Fiscal year 1396			Do not score - related to portfolio statements linked to Annual Reports.
D. Accounting (Payments) Unit	Deliver Payment Services	B	C+	B				
1. Deliver routine services	Deliver routine services:							Consider deletion - routine
2. Working on Financial database covering all units of directorate finance	working on Finacail database covering all units of directorate finance	B	C+	B	85% of the Database is implemented in all the units	Some modification are needed according to the working Cycle of the directorate.		Good progress developing systems to deal with central system/AFMIS constraints. Done pending move to using AFMIS for lower level budgets and accounts for separate DG budgets linked to DM programs. Migrating from Excel to MS SQL. (private company). Contract initiated 2 years ago. System aims to integrate procurement, HR and Payroll and Personnel. Major risk is associated with inadequate role out of AFMIS and lower level budget management. \$2.8m contracted for PFMR2 closing in June for migration with. Team is keen to be involved in the testing of migration and testing. Risk - separate database similar to other agencies: Lack of roll-out of AFMIS functionalities have meant separate system developments. Planned and track expenditure at DG level, but not in AFMIS and not transparently reported - budgets, in year reports or annual reports.
6.3 AD: IT		B	B	B				

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1. ICT Infasturtue of MoF HQ, branch offices in kabul, sustom directorates and mastofiat	<ul style="list-style-type: none"> • Creating Technical proposal for the project. • Procurement department processes for the project. • Project tender announcement • Project evaluation • Project award • Contractor mobilised with contract management systems in place (MoF finance, procurement, PIU) • Satisfactory progress against contract milestones 	B	B	B+	<ul style="list-style-type: none"> • Technical Proposal Development (v) • Procurement process: <ul style="list-style-type: none"> - Announcement (v) - Bidding (v) - Evaluation (Under Process) - Award (X) Second announcement • Procurement process: <ul style="list-style-type: none"> - Announcement (v) - Bidding (v) - Evaluation (Under Process) - Award (X) 	The project has been delayed because of being re-advertised, first time the project was rejected due to some prorumt issues		<p>On track. Some procurement issues, had to revise proposal and retender but being evaluated now. Evaluation should go back to NPA by the end of the FY. Should not materially affect the timing of the project. Should award and start January or February. Implementation is 6 months. All offices in Kabul are now connected via the high-speed microwave links (300MBPS). All links have a built-in redundancy (1+1). Includes internet, data sharing, and IP phones. Plan was for 3 STM but now going with 4 STM. Before people were buying their own at very high rates (see midyear assessment). Now IT Dep is buying in the centre and distributing to all departments in Kabul. Significant increase in capacity and lower cost. Before 1 MBPS was \$1000, now it is \$55. This was done by changing the supplier. Once complete IT Dep will supply all offices including provinces.</p> <p>Challenges: The tender went out but no compliant bidders, one joint venture did not have letter from both parties. Had to reissue the tender. This time bids are clear and should be able to conclude. IT is happy with the quality of the bids. Internet supply is now not the issue, problems are usually associated with infrastructure.</p>
2. Sofware deveelopment and other initatives	Roll-out program	B	C+	B				<p>Good progress most issues. New access and biometric monitoring systems for MOF being implemented, excellent progress on archives and the first pilot of a MOF MIS in the COS Office. Also, provided significant support for the development of the websites - HEC / MFPD.</p> <p>New Activity not related to this main activity but not envisaged in original plan. (Need to think about better spot for this and a score.) The Team also worked on 4 projects for Customs. They are all part of the same project and are all being evaluated before a contract is awarded.</p> <p>1. Surveillance System: installing smart surveillance system for Customs offices. Sound as well as vision and can pick up key words. There is a central management area. Using better technology to use lower bandwidth and make it more reliable. IT Dep helped with specifications and technical proposal.</p> <p>2. Vehicle tracking system: Installing GPS trackers in Customs vehicles. Pilot phase of 500. GSM and Satellite, roaming based, door sensors etc.</p> <p>3. Digital Scales: installing at Customs Borders (10 biggest). 2 per border crossing. Integrated with the surveillance systems. Gross weight, vehicle rego etc. Fully integrated with ASYCUDA. IT helped with specs and will do the integration.</p> <p>4. Installing solar panels at a range of customs locations including the 10 border crossings. Makes power more reliable - can go 72 hours with no sun.</p> <p>Challenge: The team are still taking on work that might not be a priority or that does not fit with broader ICT development in key systems like AFMIS, ASYCUDA and SIGTAS.</p>
6.4 AD: MoF Project Implementation Unit		B	C+	B				Director busy. Head of section, and 1NTA, Tashkeel.
1. Monitoring of development projects, of Ministry of Finance.	1. Collecting progressive reports of current projects.	C+	C+	B	in comparison to the procurement plans of the projects for the current fiscal year some projects are monitored physically and matched with their	almost all discrionay projects are implemented well, but some non discrionary projects had some	We have the Physical and Expenditure reports on hand	<p>Routine process - this action is primarily for site visits. Excel systems being used. Collect project reports received monthly or quarterly. Compare with financial and procurement plans including physical progress against the contract. Action plans for every project.</p> <p>Team said they improved coordination, with meetings being twice a month this year,</p>

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					departments monthly and quarter reports sent to our departments which shows 50 to 100 % progress so far. It should be mentioned that some projects are successfully implemented 100% and some could not due to some problems	problems that were solved by holding meetings and coordination of related departments		<p>resulting in more accurate reports. Site visits were done for around 70-80% of projects.</p> <p>Physical progress is tracked and reported based on description - team engineers/experts sent out to do a visual check. % progress against plan is calculated. Progress against contract milestone are monitored via request for payments (e.g. for construction projects). An example of a common milestone payment is based on % of work complete. Reports are sent to Ministry of Economy for consolidation - Quarterly and Annual report produced.</p> <p>Team mainly covers both Discretionary and Non-Discretionary Development Budget Projects. Only 1 non-discretionary construction project (Gender). RIMU reports to PIU as RIMU is a project. RIMU provides PIU with progress reports on the non-discretionary budget (WB only). Other non-discretionary projects are covered off from Treasury Reports.</p> <p>Getting returns from project owners is a constraint. Improved timeliness of reporting. Improved follow-up. Monthly meetings to bi-weekly meetings. Managing 27 projects. Budget has 4 projects. Treasury has 5 projects. Customs have 2 projects. Admin and Finance have 3 projects. Share with Mo Economy. Report regularly to CoS. Track procurement, financial, disbursement, and % progress (but not against contract milestones). Site visits to remote provinces, team of engineers (8). Claim of no problems with quality, though claim of low paid engineers - but not pursuing CBR at this stage.</p> <p>Challenge: systems and processes improvements needed to reach high standards for monitoring performance of projects in accordance with PEFA standards for public investment management.</p>
	2.Prepare and finalize project reports and Compare with action plans				The monthly and quarter reports of the projects are received and compared with their action plans	Nil	weekly, monthly and quarter reports	Action plans collected at beginning of the year. Comparisons are made. Team already sent action plans for 2017. Once budget approved, amounts are communicated to teams. Then monitoring commences. Each focal point produces monthly/quarterly project reports.
2. Reporting on the implementation of development projects of the Ministry of Finance, monthly, quarterly and annual	1.The Arrangements of costs reports of development projects in the shape of weekly,monthly,and quarterly				Beside the physical progress reports, PIU updates the expenditure reports of the development projects weekly, monthly and annual which shows 59% expenditure so far.	The problems we faced during the current fiscal year is solved by coordinating and holding meetings between the departments of Budget, Treasury, Procurement and finance.	The expenditure reports of the development projects matches to the current year plan	See Above - Same score. Checks focal point reports against annual plans and AFMIS for accuracy. Project reports from focal points don't report on expenditure as they don't have the info. PIU has that information. Through meetings, the PIU offers to solve their expenditure problems. e.g. main problems faced in procurement and contract management (e.g. disputes on quality leads to review of payments, which have to be resolved by the director).
	2.The Arrangements and Preparation of developments projects physically reports				The physical report of projects which are prepared by the monitoring teams are compiled and presented to the Admin Deputy Minister.	There was a serious problem of receiving reports from the provinces both from there focal points that most them had weak coordination and also due to the	As Most of the Mostofiat's Procurement plans were received through Afmis system, we could receive	Big achievements: 1. Improved budget execution performance. 62% budget execution performance this year. On track at 80% physical progress as well. Have one year and multi-year contracts. 2. Three (3) key reports produced: General, discretionary and non-discretionary reports are now produced. Started last year, under an improved format and systems. 3. Financial Plans (monthly cash forecasts) were not produced prior to 1395.

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						security reason our monitoring team were not able to visit most the provinces and districts, but we coordinated and followed them and prepared thier projects report by the assistance of the treasury department to DM.	their projects report.	
	3. Analysis of development projects and planning of projects for upcoming years				we assessed, counted, estimated the expenditures for one fiscal year.	Some projects had problem which were solve in the mid year	B4 forms	
3. Synchronization of the activities of development projects	1. The evaluations and problems of projects and finding out the way of solution. 2. Holding meetings of activities of development projects	B+	B	A	Despite receiving reports of the project and compiling them regular coordination meetings were held in PIU to solve the problems facing in the implementation of the projects and the meetings resulted successfully for implementing the projects timely and effectively.	different technical problems which were raised in the coordination meetings were solved during the implementation of projects by the PIU's staff especially in construction projects and procurement process of the projects.	The existence of experienced PIU's Staff and Engineers.	Outstanding progress. Coordination meetings are done routinely. Team meetings now held twice a month (generally), compared to last year, which was only once a year. Emergency meetings are also held. The team believes that this has significantly improved budget execution. This was an initiative of the Director. Budget, Treasury, Procurement. Follow up agreements are recorded in the minutes, which are shared with everyone and followed-up. Budgets were reduced in this year's Mid-Year Update, and moved to projects who were spending. Can only be done for discretionary development budget. Example: Mustufiats projects had \$2m, which couldn't be spent. Was cut to \$1m, and moved \$1m to MRAW (2016) - DG Budget's Directorate. Moved money to Passport projects from underspending projects (\$7m). Challenge will be to ensure accuracy and fairness. Team would like more staff and recognition for the hard work that they do.
	2. the creations of activities related with projects				0	0	0	
4. The holding of Focal Point meetings	1. Holding of focal point meeting two times in a month				dailing of monthly setting of focal point staff in PIU office for better observation of DBs	Nil	minutes and agenda of the meeting	Duplication - see above
	2. The arrangement of regulations and settings of focal point meetings				0	0	0	
	3. Note the chasing and decisions of focal point meetings				0	0	0	
5. The collection of procurement plans annual, and administrative units, mustufiats, customs, and central departments of MoF, and monotheism by timely before then fiscal year	1. The collections of procurements plans from mustufiats and and customs.	B	C+	B	The procurement plans that were prioritized and allocated budget for them were regularly followed to implement them.	there were so many problems raised by the Admin Department focal point regarding the mostofiats projects which were coordinated and	0	Good progress - 2-3 times more projects in Mustufiats. Team collection of PPs from MoF including Customs and Mustufiats. Procurement plans cover: Needs, which is just a list of purchasing requirements - construction, goods, and services. This list is then sent to procurement. At the end of the 1394, 42 construction projects were selected for 1395 through this process for mustofiats. Before this initiative, there were never more than 10-15 projects. A proper procurement plan is put together by procurement unit based on the list of purchasing requirements. DM approves financial plan for Mustufiats. Money is provided in the mustufiats and provincial budgets. Special budgets provided

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						solved with the assistance of related department and Ministry's High rankings		for Mustufiats. Procurement Unit is responsible for securing purchase order numbers off AFMIS.
	2.The Monotheism of procurement plans from mastifiyats and costoms				those activities that were included in the current year's budget successfully provided to them	Nil	0	
	3.measurments of budget for the requirments				0	0	0	
6. Designing, Planing and supervision of construction projects of construction projects (e.g new MoF building in Darulaman, Sub-Directorates etc)	1The begining Estimation of the project.2.desinging of the project	B	B	B	the beginning estimation of 100 projects and desining of 25 projects	Nil		Team is delivering around 100 designs as a result of hiring 4 new NTA engineers/architects this year. Engineering dept. works on designs. Done in-house. Designs used to be done by Ministry of Urban Development. These are 4 NTAs and 9 Tashkeel. No-one on yet on CBR. Over 100 small and big projects being designed (and feasibility) for central and provinces. New MoF building was a big project, that had a lot of consultation. in-house architects/engineers do smaller buildings. Customs department in Airport is a big project (AFS110m). Big provinces/cities, request big buildings. This is all prior to money being approved. Salary covers the feasibility/design work. Tashkeel have been in place for around 5 years. The NTA has been in place for 8-10 months.
	2.control and supervision of the construction projects				supervision of mustufyat projects and custom projects	Nil		
	3.supervision on Ending estimation of the construction project				ending estimation of 90 projects	Nil		
6.5 AD: Auctions and Disposals Unit		C	D+	C				<p>The team comprises a sub-director, 2 NTA, and 10 Tashkeel (no CBR). Mid-year review team was represented by NTA not the sub-director. NTA didn't fully appreciate the operations of the team.</p> <p>The team has acquired a new logistics function: Random Donor Asset and inventory distribution function was transferred over from ARD in the last 5 months. They record new assets given to them by donors (e.g. USAID, GIZ DFID), value them against market prices, record that on a list, then distribute to agencies: Health - medicines and medical equipment; Education - stationary, text books, desks and chairs; Higher Education, - vehicles and medicines; MAIL - cars; AGS - cars; IDLG - cars etc. Lists are only recorded on paper and not recorded on spreadsheet. The manual calculated value of the assets transferred to a ministry is then given to Treasury. Not sure if it is assets purchased by Grants, and how this team has chosen who to distribute the assets and goods to. TAF assets did not go through this system. Team says it is actually only off-budget grants where assets flow through this system. Basically ad-hoc grants from bilateral donors can come through this system. An Audit trail is created on paper. 60 Vehicles distributed in the last 5 months, of which 16 were Armoured Vehicles for AGs, which were donated by the Germans. The Auctions team is located in 1 small room (11 people in it) in the basement of the MoF. 1 computer.</p>
1. Provide training to the different ministries and institution in the procedures and regulation for asset management.	Conduct training workshops for all Government agencies on at least 2 of the following areas, including asset disposal, asset module, and fleet	C+	D+	C+	Workshops were conducted for Implementation of Auction Law effeciently For all Provincial Customs department and Mostofiats,	Auctions were done by different methods out any role and regulation that after holding	A copy of the Auction Law's adjustment and the material of	<p>Wrong wording. The team never intended to do workshops on asset disposal, asset modules, fleet management and AFMIS entry.</p> <p>Team ran workshops on implementing the 1354/1975 Auction Law. Workshops were conducted for all Provincial Customs department and Mustufiats as they are high users</p>

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	management (and in due course AFMIS data entry).				and adjustment of the Auction Law. We also have plan to hold such workshops to different ministries and government administrations.	workshops are being implemented by roles and regulations and we also brought changes and facilities to the auction law for increasing the governments revenue.	the workshops	<p>of the auction system (seized and abandoned assets and end-of useful life). Held in Khyber Hall (100+ people attended, 43 from Mustufiats rest from Customs and MoF). Team plans to hold same workshops for Line Ministries in Kabul. They also have plan to hold such workshops for different ministries and government administrations.</p> <p>Team did some good work in recommending changes to the law as problems were being faced every day. Proposal was put to the Minster who accepted. Auction and Disposal Law 1354/1975. Amendments drafted 3 months ago: i) disposals regarding airplanes (couldn't be done on old law); ii) 6 articles amended and 4 new articles - for 29 articles in total. Currently with MoJ, with discussions on going.</p> <p>Team drafted directive to address problems raised in workshops. The Minister signed. Problems included routine interference of disposals at local levels (e.g. single source disposal without auction). Seized and abandoned assets may be distributed to the provinces or in Kabul as deemed appropriated by the team. A list is distributed to ask anyone in government who wants the seized assets for free. If more than 1 agency wants the asset, then it is determined by "priority". Need assessment done by the team. This system is covered by the amendments to the law. System for transfer of seized assets to disposal. Further work is required to determine if the amendments are good disposal policy.</p> <p>The team could consider strengthening existing procedures: No procedures in place for tracking useful life of assets. Auction prices are not tracked on a database. Apparent conflicts of interest might also need to be dealt with.</p>
2. Improve processes for identification, classification and collection of assets due for disposal and improve the auction administrative preparation and implementation of the approved methods of disposal.	Deliver condition report and report on value of disposals	C+	D+	C+	18 second hand cars were handed over to the government administrations thar were useful.	Nil	Different kinds of vehicles	<p>Auctions have estimates of value based on condition. Disposals of seized or abandoned assets can be transferred to agencies or provinces.</p> <p>18 second hand cars were handed over to agencies that could use them. Team doesn't track useful life of assets. Team is only required to dispose on request of somebody - seized, abandoned or dumped. Auction results are not tracked in a database. Team has started discussions with IT for a database on Auction results. Was decided at meeting that Database would be developed by IT. There are around 50-80 pieces per auction. 58 auctions done so far, with 15 more to do before the end of the year. Sub-director runs the auction with loudspeaker, following standard auction procedures. No reserves set. Within 5 days' payment must be received and asset transferred. If not then the buyer will lose the 30% deposit which is paid on the hammer. If not paid, then goes to re-auction. It costs 2% fee to participate. 9 People on board for any auction NSD, Police, traffic, MoF, and representative from agency disposing. Around 40-60 participate - auction law says no less than 10. Auctions are advertised in radio and newspaper - 3 times each (according to the law). No time period required.</p> <p>A form of Auction revenue reconciliations does not take place. Money from Auction goes to Treasury to a general account - not a sub (revenue) account, making reconciliations difficult. Auction results report is not sent to treasury. It is just kept for file records. 7 copies sent to the departments represented on the day. Treasury does send a revenue report to Auctions for checking. 200 sales will result in 1 revenue transaction. Cars is separate.</p> <p>The team could consider working with Treasury to establish a Revenue sub-account,</p>

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								and accessing asset-life information to help plan for routine disposals, s.t. to further progress on strengthening auction systems.
3. Organize surplus assets disposal regularly to maximise efficiency of government spending on operation and maintenance.	Consult with line agencies, prepare annual schedule of assets disposal, then implement (conduct public auctions, etc.)	C	D+	C	We differentiated the material in to two categories useful and useless, in order to reduce the governments expences we offered the useful ones for the government administration to use it and useless once for auction.	Nil	To the General Intelligence departments, Ministry of Finance and onther provincial Administration s.	See above. An annual plan is developed. Team asks all line agencies. Costing/estimation is done by LM. The respective minster approves. Then Mactooob goes to MoF. Then the team consolidates. The schedule is done ad hoc - as needed. A form is sent out at the beginning of the year. There is no deadline to return form. So, no annual schedule other than the ad-hoc. The team says that they don't have the authority to ask for return under the disposal law. Team could consider working on establishing an annual asset disposal plan that is updated, rather than relying on ad-hoc requests. Team could consider strengthening Auction procedures - Consider option to outsource and review law again.
6.6 AD: Gender Unit		C	C	C+				
Deliver Gender sensitisation and training program	Deliver and improved gender sensitisation and training program	C	C	C+				Some progress in very challenging environment. Head of unit is at 3rd grade (sub-director level). This plan is a subset of the team's operational plan which has 18 activities. Director said she couldn't reach targets due to lack of budget, security and other factors. Challenge to influence Directors and Director General at sub-director level. President's office discussed a policy saying that gender units throughout government should be Director at minimal. Status of policy uncertain. Mff Gender Unit in MoF is better financed than other units (other units can't print or copy) - Mff unit can. Other units do 5 scholarships, Mff does 100. 80 Female and 50 males over 2 years. 2006 Government Agreement for a Gender Unit government wide (supported both male and female). This is a way Men are supported with scholarships through the Gender unit. There is no requirement that men who have been awarded with a scholarship do 1 gender course (partly as there is no course for men). 2 years ago, 1 faculty for gender was established at American University (Masters). All gender units wanted (Ministry of Women) to join/participate but the 30 places were taken up by other students - funded by USAID. Talk is progressing to try to increase the number of places available to Gender Unit. MoF financed scholarship for these places might lead to an expansion of the Tertiary course. MoF finances for scholarships could easily lead to an increase in scholarships. Next year a plan for 150 places has been approved but on the basis, that they spend the same budget quickly before mid-year. At the Mid-Year review it has been said that more funds would then be provided. c15% budget increase was agreed in principle for 2017. Doing relatively well with limited resources (3 staff). Potential to achieve more with a stronger focus policies and procedures across MoF. The Civil Service Commission has a target of 30% of the civil service being female. Currently 22% of the civil service are female. Approximately 6.5% of MoF civil servants are female. MoF does not have any specific policy to increase the number of civil servants and there is not currently reporting or analysis looking at the ratio of female civil servants across geographic or technical areas of MoF. However, the gender unit is involved in the selection and recruitment of staff. The gender unit is looking for expertise and support to look at these policy issues and provide regular reporting to the MoF leadership. The gender team is also eager to engage with the MoF directorate responsible for the management of the government's women's economic empowerment program. The gender unit also supports a number of tertiary scholarships programs for both men and women in Kabul and at a provincial level. The unit is planning on running gender awareness training for senior leadership in MoF.

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								<p>Biggest Achievement: Having a budget and getting 80 women in to university and securing agreement to increase funding (15%) for scholarships.</p> <p>Biggest Challenge: Developing a consensus on good gender policy - including with stakeholders who control the discretionary development budget for gender (PIU). Other challenges: Lack of budget and lack of staff. Currently has 3 staff in total. All Tashkeel. 1 CBR secured for sub-director 3 years ago. No NTA.</p> <p>HRD leads on harassment policy and affirmative action on hiring of women (45 women out of 180 filled vacant positions this year - most promoted not newly recruited). Complaints system on harassment has produced zero complaints. CSC 1397 implementation of gender equality policy is still being developed. Gender unaware of HRD gender recruitment. Gender team is responding to Mactooob to implement the London Conference harassment policy. Status is progressing - request for support from MoWA and MoJ on the harassment committee. The harassment committee has not yet met. Waiting for nominations. Scope of CSC gender equality policy is about positive bias on recruitment score carding (5 out of 100 bonus for being a woman). Requirement for having women on selection committee is limited to Gender rep (sometimes get 2). Sub-director (or colleagues) is on every selection panel. Sometimes another woman is also on a panel. Max is 2 out of 6 women on the recruitment panel.</p>

PLANNED MULTI-YEAR ACTION	1395-2016				1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
7.0 SOE Department		D+	D+	D+				
7.1 SD: Policy & Coordination		C	D+	C				
1. Administer SoE Legislation	Lead on the development and delivery of a brief to the MoF on the report on actions required to transfer functions from high councils to the high commission	C	C	C				No further progress from the mid-year assessment on briefing - pending the passing of amendments to the Law. See below. No progress from the mid-year assessment on MoJ discussions. MOJ have still not moved anything along. SOE have followed up but so far, no progress. Awaiting meeting of COM to make some decisions. SOE have sent 4 letters from the minister of Finance to the MOJ but the response has been that the schedule is full and this is not a priority. Plan to have the Minister for Finance raise this issue at Cabinet.
2. Capacity Building within SoCEsD	Build capacity with available resources	C	D+	C				Many areas off track.
4. Implement analytical and reform work	Deliver reports with available resources	C	C	C				Slow progress
5. Deliver priority reports	Deliver key reports	C	C	C				Slow progress
7.2 SD: Financial Monitoring SoCs		D+	D+	C				
1. Administer SoC Legislation	Implement legislation	C	C	C				This is the lead team on this activity.
2. Capacity Building within the Unit	Implement training pgoram as approved and funded	D+	D+	C				
3. Capacity Building within SOCs	Implement a training for program for SoEs - training to include performance analysis (including recapitalization assessments) Budgeting, and Accounting.	D+	D+	C				
4. Implement analytical and reform work	Establish and implement a rolling program of public expenditure/pricing reviews of SOCs by national and international experts.	C+	B	B				
5. Deliver priority reports	Deliver key reports	C	C	C				
6. Develop and implement a program to manage fiscal risk posed by State Owned Banks	Develop a program to manage fiscal risk posed by State Owned Banks	D+	D+	C				
7.3 SD: Financial Monitoring SoEs		D+	D+	C				
1. Administer SoE Legislation	Key Action 2016	C	C	C				
2. Capacity Building within the Unit	Implement training pgoram as approved and funded	D+	D+	C				
3. Capacity Building within SOEs	Implement a training for program for SoEs - training to include performance analysis (including recapitalization assessments) Budgeting, and Accounting.	D+	D+	C				
4. Implement analytical and reform work	Establish and implement a rolling program of public expenditure/pricing reviews of	C+	B	B				

PLANNED MULTI-YEAR ACTION	1395-2016				1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
	SOEs by national and international experts.							
5. Deliver priority reports	Deliver annual report on fiscal risk posed by SoEs	C	C	C				
7.4 SD: Divesture of State Profitable Entities and Establishment of New State-Owned Enterprises and Corporations		D+	D+	D+				
1. Administer Divesture and New SoE Legislation	Pursue implementation of existing legislation - consider options for review of legislation	C	C	C				
2. Capacity Building within the Unit	Implement training program as approved and funded	D+	D+	D+				
3. Implement analytical and reform work	Deliver analytical reports with available resources	D+	D+	D+				
4. Deliver priority reports	Prepare 2016 annual report on divesture (change status) and new SoE/Cs							

PLANNED MULTI-YEAR ACTION	1395-2016				1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
8.0 Property Department		B	B	B				
8.1 PD: Provincial Property Directorate		B	B	B				<p>Outstanding progress in solving problems - the team has set up sub-accounts to ensure reliable data is collected on provincial property revenue collection.</p> <p>Support from other ministries crucial for successful Property Department Operations: Ministry of Justice, Prosecutors and Courts. Team believes that assessment of cases should be better. e.g. 2 companies haven't paid rent (c\$80k), but Land Law says that non-payment of rent is to be prosecuted. Courts says PD can legally take money, but they can't actually enforce payment. 3 options PD have explored: i) abolish companies; ii) account blocked; and iii) auction seized assets to secure monies owed.</p> <p>Police: PD continue to seek cooperation/ protection when PD attempts to seize lands from powerful vested interests.</p>
1. Over 5 years, Property Department will collect (2530) Million AFG Revenue from Government Property (from leases and rent including in the Provinces). The plan is to more than double revenue intake from the AFG266m target in 2015 to AFG600m in 2018.	440.00	B	B	B	Total collected Revenue of whole year is 233 Million of Provincial properties	0	0	<p>Outstanding progress in solving problems - the team has set up sub-accounts to ensure reliable data is collected on provincial property revenue collection. Likely to have exceed target, but couldn't be verified in AFMIS due to lack of sub-account. Original target of AFS440m is for Kabul (240) and Provinces (200): Mustofiats use to put this revenue into their total revenue account. A sub-account has been set up for each Mustofiats. This allows the team to properly reconcile property revenue collected in the districts. Mustofiats cooperation is challenging. i.e. to use the sub-account. Letter from Minister dealt with the issue with Governors.</p> <p>Property report says AFS 262m for provinces AFS214m for Kabul - Total AFS486m, well above AFS440m target. AFMIS says AFS 300m for capital and provinces (but gap of 6 months because of sub-account issue).</p>
2. Over 5 years sign another (1,200) new contracts or contract renewals, including for properties under the control of other Ministries and certain public corporations.	150 (total 1,610)	C+	B	B	Total number of contracts is 152 Done in Capital Kabul	0	0	<p>Done 152 new contracts achieved (total contracts c1762). As described above from new agencies and renewals of existing properties. Most contracts are renewals because of directions by Cabinet (No.38) advising lease extensions must be offered. Property team is working on revised policy to go to Cabinet to remove the blanket protection for people holding leases and allow Government to put properties to market.</p> <p>With renewals this estimate may actually be higher.</p>
3. Operation and maintenance of properties	Protect/Care of the carriable and incarriable properties that have been transferred to prevent of abusing of persons and to the achieve to repair and green area of properties	C	C	C+	0.8	0	0	<p>No money for O&M this year. Policy paper written and presentation given to MfF and DM but no action so far. This will need follow up. See notes above, may be considered by HEC this year. Funding through FPIP still under discussion. Funding flows from O&M WB system unclear.</p>
4. Reporting and Briefing	4 quarter	C+	C+	C+	from two quarter done	0	0	
5. Routine Property Department Operations	Ensure timely transfer of property revenues, Develop and agree timeline for performance management cycle,				it is on progress	0	0	Do not score

PLANNED MULTI-YEAR ACTION	1395-2016				1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
6. Deliver professional development opportunities for staff	16 workshop in capital and provinces				4 quarter Report has done	Need budget support	0	No money - see above. 1 workshop delivered. Do not score. Poor internal budget process.
8.2 PD: Registration and Resolution Directorate		B	B	B				<p>Note: The new DG worked on a proposal to establish the legal and Policy basis for the Property Department. Instead MoF decided to move forward with a Public Property Law first. Policy with contracts is done. Policy on bidding is done. Policy on Registering Public Properties is done. Policy on operational and maintenance is under development. The law may outline the role of the property department and the Mustofiats. Policy development towards legislative drafting is unclear. MoJ has been contacted. Team is seeking key provisions: Contracting, bidding to be done in provinces, then sent to HQ for approval.</p> <p>Many problems in existing procedures for Contracting (based on commercial law, land law and procurement law). Review of existing legislation and procedures. Paper on the problems that are to be fixed by a new law is not yet available.</p> <p>This will lead to significant revisions to the 5-year plan.</p>
1. Increase number of newly registered properties on Property Accounts by (5800) by 2019 with accurate information on property type, location, size and owner breakdown	1000 annual increase (13,200 total)	B	B	B	total number of (3618) newly registered	0	0	Good progress: Ahead of target. Target is 1,000 for 2016 but so far already new registered 3,618 properties. Total registrations are 18,000. (last year was 12,200). Big effort from the team to increase the number of registrations this year. Last year was around 500-600. The big increase is due to more support from management and a concerted effort to chase up line ministries.
2. Release (44) Government Properties occupied by powerful people and target backlog of cases currently before the courts	6.00	B	B	B+	4 Properties has been Released	Need help of All other MoF Departments for hiring New lawyers, evaluations, resolutions, and legal proceedings pursued and also need help of ministry of justice and security departments.	0	<p>Good progress against a challenging target: 4 properties have been released but there is still low political support and no additional protection for staff. 2 are in the courts. Team was threatened. The Team are working on evaluations.</p> <p>Challenges: 1. Legal, no legal expertise. 2. Lack of support from key Government departments especially AGs, Courts, PO. 3. Employees need to be empowered against powerful interests.</p>
3. Address problems associated with former Banks (Agricultural, Industrial, Mortgage and Construction Banks) including release of guarantees, retired staff's rights.	Need help of All other MoF Departments Minister, Cabinet and President Office	B	C+	B	0.2	Need help of All other MoF Departments Minister, Cabinet and President Office	0	No support from MoF. Planning to raise with MFF again. Will give notices again.
4. Reporting and Briefing	4 quarter	B	B	B	4 Quarter Done	0	0	Quarterly reports done. Registration section contributes to quarterly reporting by PD. Reports go to Minister. Report covers all activities in 5-year plan. Impact seems to be low. See comments above.
5. Routine Property Department Operations	Ensure timely transfer of property revenues, Develop and agree timeline for				0.7	0	0	Do not score

PLANNED MULTI-YEAR ACTION	1395-2016				1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
	performance management cycle,							
6. Deliver professional development opportunities for staff	16 workshop in capital and provinces				0	need help of All other MoF Departments for budget support	0	Do not score. Some plans are in place, no training has been conducted due to a lack of resources and budget.
8.3 PD: Capital Properties (Kabul) Directorate		B	B	B				<p>Note: The new DG worked on a proposal to establish the legal and Policy basis for the Property Department. Instead MoF decided to move forward with a Public Property Law first. Policy with contracts is done. Policy on bidding is done. Policy on Registering Public Properties is done. Policy on operational and maintenance is under development. The law may outline the role of the property department and the Mustofiats. Policy development towards legislative drafting is unclear. MoJ has been contacted. Team is seeking key provisions: Contracting, bidding to be done in provinces, then sent to HQ for approval.</p> <p>Many problems in existing procedures for Contracting (based on commercial law, land law and procurement law). Review of existing legislation and procedures. Paper on the problems that are to be fixed by a new law is not yet available.</p> <p>This will lead to significant revisions to the 5-year plan.</p>
1. Over 5 years, Property Department will collect (2530) Million AFG Revenue from Government Property (from leases and rent including in the Provinces). The plan is to more than double revenue intake from the AFG266m target in 2015 to AFG600m in 2018.	440.00	B	B	B+	Total collected Revenue of whole year is 210 Million of Capital Properties	0	0	<p>Outstanding progress in solving problems - the team has set up sub-accounts to ensure reliable data is collected on provincial property revenue collection. Likely to have exceed target, but couldn't be verified in AFMIS due to lack of sub-account. Original target of AFS440m is for Kabul (240) and Provinces (200): Mustofiats use to put this revenue into their total revenue account. A sub-account has been set up for each Mustofiats. This allows the team to properly reconcile property revenue collected in the districts. Mustofiats cooperation is challenging. i.e. to use the sub-account. Letter from Minister dealt with the issue with Governors.</p> <p>Property report says 262m for provinces 214 for Kabul. AFMIS could. AFMIS says AFS 300m for capital and provinces (but gap of 6 months because of sub-account issue).</p>
2. Over 5 years sign another (1,200) new contracts or contract renewals, including for properties under the control of other Ministries and certain public corporations.	150 (total 1,610)	C+	C+	B	Total number of contracts is 152 Done in Capital Kabul	0	0	<p>Done. 156 for Central, Provinces for 111 Processed in HQ, 895 processed in the provinces Total 267 HQ (1162 total) Ahead of target for the year. As described above growth from new agencies and renewals of existing properties. Most contracts are renewals because of directions by Cabinet (No38) advising lease extensions must be offered. Property team is working on revised policy to go to Cabinet to remove the blanket protection for people holding leases and allow Government to put properties to market.</p> <p>With renewals this estimate may be higher.</p>
3. Protect (All other MoF Departments) Developmental projects and engineering and giving professional advice	(6) Developmental Project Need for Budget	B	C+	B+	0.8	0	0	<p>Challenges, more resources will be required to sustain outcomes. Follow up on proposals to make more use of MOF owned land needs to be done. Some targeted technical training has been conducted but more could be done.</p>
4. Operation and maintenance of properties	Protect/Care of the carriable and incarriable properties that have been transferred to prevent of abusing of persons	C	C	C+	1	0	0	<p>At risk from lack of budget, low quality inputs and lack of policy sign off. Policy for operations and maintenance of government property developed and submitted to Minister and DM. Follow up by the PD required.</p>

PLANNED MULTI-YEAR ACTION	1395-2016				1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
	and to the achieve to repair and green area of properties							
5. Reporting and Briefing	4 quarter	B	B	B	1	0	0	On track: Reports for first two quarters have been provided. They seem to have had limited distribution and impact. More could be done in this area.
6. Routine Property Department Operations	Ensure timely transfer of property revenues, Develop and agree timeline for performance management cycle,				0.7	0	0	Do not score. Consider Removing and just keeping legal sub-activity
7. Deliver professional development opportunities for staff	16 workshop in capital and provinces				Need For budget support	need help of All other MoF Departments for budget support	0	No money - see above. 1 workshop delivered. Do not score. Poor internal budget process.

PLANNED MULTI-YEAR ACTION	1395-2016				1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
9.0 Human Resources Department		C+	C+	C+				
9.1 HRD: Training & Development		C+	C+	B				
1. Institutional Capacities	Administer the scholarships and training program	C	C	B				
2. Delivering Soft Skill Training	Administer the targeted training program	B	C+	B				
3. Delivering Technical Training	Deliver technical training	C+	C	B				
9.2 HRD: Recruitment Development		B	B	B				
1. Recruit, motivate and retain male and female employees in MoF	Deliver recruitment services	B	B	B				
1. Recruit, motivate and retain male and female employees in MoF	Deliver merit based recruitment for CBR and national consultants	C+	B	B				
9.3 HRD: Organizational Development		B+	C+	B				
1. Develop a comprehensive structure for Ministry of Finance to meet its budgetary needs.	Ensure transparency and effectiveness of organisational structures	A	B	A				
1. Develop a comprehensive structure for Ministry of Finance to meet its budgetary needs.	Ensure all staff have useful job descriptions and are up to date	B+	C+	C+				
9.4 HRD: Performance Appraisal & Record Keeping		C+	C+	C+				
1. Manage MoF Employees retirement Process	Management the MoF retirement system	A	B	B				
2. Conduct performance Appraisal for MoF central and provincial Units	Administer the individual performance appraisal process	C+	C	C+				
3. Manage and Process monthly Payroll	Manage time and attendance and payroll systems for MoF	C+	C+	C+				
9.5 HRD: Employee Relations		C+	C+	C+				
1. Addressing Employees rights (Monetary and nonmonetary)	Deliver effective conflict management services for MoF staff	D+	D+	C				
2. Establishing an organization free from all forms of violence, especially gender-based violence, harassment and discrimination.	Manage the no tolerance for harassment policy	C	C	D+				Taken steps to raise awareness.

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		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
3. Provision of a safe working environment for MoF employees	Deliver a safe working environment for staff	B	B	B				

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		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
10.0 Insurance Department		C+	C+	B				
10.1 ID: Insurance Affairs		C+	C+	B				
1. Deliver supervision services of insurance industry. Providing insurance licence for all insurance activities, Financial Supervision of insurance activist, Preparing of application form for insurance companies, broker, agent, survivor and insurance advisor. Ensure industry compliance with legislation including provision of financial statements (in support of fiscal risk management)	insurance companies, broker, agent, survivor and insurance advisor	C+	C	B	we renewed the three insurance companies licence, . And we issue new insurance licence for the new sky interantional insurance company.	Nil	Nil	Similar outcome to the what was predicted in the mid-year assessment. The team are doing a good job with the resources available. There are still large issues with insurance in the aviation industry that the team as struggling to resolve. Needs to be elevated to a political level (DM and Minister) for action. Some work on planning has been done with resource needs identified, but at the moment no budget has been allocated in 2017. Licence assessment and issuance is working reasonably well, but the team needs to be provided with some technical assistance and given specific technical training, particularly in accounting and audit.
2. Stengthen Awareness of the benefits and requirements of sustainable insurance for industry and customers, including through media, workshop, conferences, brochures, encouragement of insurance investors, arrangement of meetings with Ministry of Higher Education to introduce the insurance subject in curriculums. (Subject to finance).	Implement an public awareness campaign	B	B	B+	we have completed just in kabul but in other parts of country we need budget	lack of budget	we officially requested but till now we did not received	Some progress - Billboards were funded after mid-year - funds provided by MoF-Admin and Finance (first time in 3 years the team got any funds for this activity). DG was persistent in trying to secure budgets from Admin and Finance. Workshops (private and public), facebook, TV advertising, brochures and guidelines. TV advertising via interview then edited as a 30 second advertisement - aired once and on Facebook and linked into the MoF website through the Insurance Dept. page. No budget for follow up. Targeting domestic and foreign investors and purchasers. If more funds were available for awareness priorities include: more TV advertising, provincial workshops and billboards. Impact of the public awareness campaign appears to be significant with a 67% increase in customers purchasing insurance in 2016 (c12,000 in 2015). Insurance customers in first 11 months rose by 20,000. Premium generated revenue has increased in line with this (c20%). DG provides a routine 6-monthly report to DM and Minster.
3. Capacity building (including insurance supervision, re-insurance, statistics, insurance risk, takaful - Islamic Insurance, Procedures, insurance regulations and insurance crime and referral procedures, management insurance industry, insurance tax, settlement of insurance claims, life insurance, money laundering and terrorism, micro insurance, social health insurance, establishment of insurance supervision data base and to appoint insurance crime criterion and	Develop professional development program in line with a CBR access strategy.	C	C+	C+	in the case CBR we looking your coordination. We are collecting information about the micro insurance law, takaful or islamic insurance law. in the case of capacity building of AIA staff we need a budget	lack of budget	we officially requested but till now we did not received	Basic Professional Development Plans in place but no funds to implement them. Consolidated budget with DM Admin and Finance. Efforts to secure the budget include sending a proposal to HRD and in-principal approval given for 1 staff to attend an introductory course on Insurance (1 semester 1 subject - Economic Dept. at Kabul Uni). Key courses of interest to staff include: i) Malaysian Islamic Insurance Courses (all levels); ii) India and Singapore courses on Micro-Insurance (short courses are good value); iii) General Insurance in Iran provides good value training (lowest cost). High level trainings have been provided in the past, but staff left soon after to work in insurance industry because salary in Government was low. Hence CBR crucial for train and retain policy. Access to CBR status is constrained by weak consultation and promotion of CBR policy and process. Sent letter to HRD. Understanding is that they are unlikely to get the job so it is a waste of effort to apply and that if they seek to get a CBR approved position, then there is a risk that they might lose their job. There is still a general uncertainty with staff associated with the advertising of all staff positions within MoF as part of the restructuring program. Request for HR/CBR to deliver an information session. Team has

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		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
Establishment of insurance library, received Financial grants, signing memorandum of understanding with foreign insurance departments in the region and elsewhere, to earn international organization membership (ECO, saarc, Islamic development Bank and WTO). (Subject to finance).								tried to advise on Selection Criteria, which was not allowed by HRD/CBR. JDs were reviewed this year by HRD. No change was approved by HRD. NTA is being explored but loss of Taskhkeel status is set by law, which anecdotally is believed to not being applied in practice (e.g. even drivers are NTA).
	Support development of masters and doctorate degrees on insurance in domestic universities							No Funds.
	Develop a scholarship program for existing and new insurance regulators and administrators							No Funds.
4. Setting the foundations for an Independent Insurance Agency. Work towards delivering independency of insurance agency in accordance with new drafts of insurance law. Designing of new organizational function/structure, Opening of new bank account for insurance income. (subject to finance).	Continue to work towards setting the foundations for an independent insurance agency	C+	C+	C+	we send an official letter to the chief staff with all necessary document including the AIA independency draft	Poor coordination from Mof side	poor coordination	Some good progress since mid-year. Letter sent to the Chief of Staff making the case for independence. The same argument was raised in a meeting with the Economic Adviser to the President. Agreed to see a written proposal include the structural adjustment required. The adviser may raise the issue with the WB - independence and professional development Policy development including through stakeholder consultation is the first step. Approval of Policy by HEC/Cabinet. Then Draft law. Cross Portfolio Board under the DM Admin and Finance - decided that independence is a good policy position. Considering raising the issue with the HEC. Costing of the impact is worth doing including increasing revenue, wider insurance take up, stronger building standards, etc. Transition plans and pre-conditions and hurdles required for effective and efficient independence.
5. Strengthen the legislative framework for supervision of the insurance industry. Draft amendments for new insurance law, Drafting of new insurance act (takaful, third party insurance and micro insurance), Drafting of rules and regulation of (cargo regulation, insurance supervision, aviation insurance, social health insurance, life insurance, students, insurance market tariff, live stock, individual licencing, motor body, illegal insurance violation, expected and unexpected accident, micro insurance, Drafting of procedure of (public life insurance settlement of employees claims), Guidelines of insurance, prevention of illegal insurance activities (health, travel, cargo and others	Strengthen legislative framework in line with plan and resources (Islamic insurance and micro-insurance for 2016)	C+	C+	C+	third party liability law is completed and we need to share it with university student, professional, line ministries and stakeholder in the case province we need sufficient budget for this. In Islamic insurance law and micro insurance law are under the process and we need to collect information and data.	lack of budget, information sources, library, and training need for these	lack of budget	Same progress as mid-year. 1. Third party liability drafting now complete (first draft updated) - was constrained by lack of budget for multilingual stakeholder consultation process. Interdepartmental report is drafted. Consultation on the draft will be with AISA, ACCI, MOCI, MoFA, Universities, insurance companies. Published on the website and facebook. Draft done in Dari. Other languages will hopefully be used at the end of the process. Translation of others constrained by lack of funds. Request for funds for translation was not approved. Unable to allocate staff to do the translation. 2. Islamic Insurance Law status - initiated but significantly at risk due to lack of expertise and funds. Currently collecting data and developing policy options prior to any legislative drafting. Lack of budget to collect data e.g. examples of procedures, laws, structure, expertise requirements etc. No-one has Islamic Insurance Law experience in Afghanistan. 3. Micro-insurance Law Status: Same as Islamic Insurance law status - risk due to lack of expertise and funds.

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		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
illegal activities), arrangement of workshop with cooperation to government and private entiteis for regalization of insurance industry . (subject fo finance).								
6. Other activities: Social /Private health insurance and Illegal Insurance	Develop social/private health insurance policy and pursue illegal insurance	C+	C+	C+	we have completed and send it to the ministry of justice	at first they should aproved our new insurance law then these regulation so it will take to much time to complete .	take to much time to complete	<p>Incorrect wording: Should be "Private Health insurance" not "Social". Done - jointly drafted regulation done with MoPH and provided to MoJ. Role: Collected data for private health insurance policy. IA/ID is leading, with MoH in support (comments indicate that MoH are supportive of support for the technical aspects or developing and administering health insurance legislation). Other stakeholders involved. Regulations drafted only - no policy document. Needs assessment was done in 2015 in cooperation with MoPH (workshops with public and private hospital staff). MoPH provided funding for the workshops in 2015. Fiscal impact of new regulations around enforcement has not yet been costed. The team plans to do this in 2017.</p> <p>Illegal Insurance is a major problem and capacity to address the problem appears to be insufficiently financed. Three procedures are in place and described on website - complaints box, email and telephone. Secret or random checks undertaken. Reports on complaints not yet in place as only a few telephone complaints (e.g. allegations of selling of unapproved insurance from a pharmacy). Funds have been provided to investigate but amounts are insufficient - looking at possible solutions. The extent of illegal insurance is significant, with excessive levels of illegal insurance (e.g. Unapproved Danish insurance company sold insurance to Mine Cleaning Company e.g. \$50 for 1 car for 1 year. Swedish company purchased insurance from an unapproved Pakistani insurance company). Selling at lower cost and damaging reputation of the industry and destroying confidence.</p>

PLANNED MULTI-YEAR ACTION	1395-2016				1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
11.0 Internal Audit Department		C	C	C+				
11.1 IAD: Office of the DG		C+	C+	B				Generally, on track with fraud, and special investigations and random audits, but with many challenges including appointing a DG/Chief Internal Auditor. Making progress on achieving and demonstrating broad compliance with international standards for internal auditing. Getting the Audit Committee functional in line with these standards is crucial if internal auditing is to reach higher standards of effectiveness and credibility.
1. New Methods of Fraud Investigation	Studying and introduction of new methods of Fraud investigation	B	B	B+	<p>Reviewing 42 f financial cases and 18 cases from Audit attorney, for all these cases we assinged our audiorts according to our plan in 3rd and 4th quarter</p> <p>رسیده گی به 42 قضایای مالیاتی و مواصلت 18 مورد قضیه مالیاتی از طرف ادارات عدلی و قضایی. و توظیف هئیت طبق پلان بررسی طی (ربع 3 و 4)</p>	<p>Audied offices are not supporting for implementation of the audit reports.</p> <p>عدم همکاری ادارات تحت تفتیش در تطبیق نتایج تفتیش</p>	<p>Reports of Audit</p> <p>نتایج تفتیش</p>	<p>New methods of fraud investigation are delivering results. Professional development ongoing in this area (another 20-people sent overseas for training on new methods). Training is considered good because use of technical equipment (e.g. surveillance) is improving quickly. Previously just using questionnaires. The surveillance equipment is delivering forensic quality evidence. This new type of evidence has been sent to the AGs. Captured confidential information through new techniques. Claimed that many cases of ARD/Customs auditor gathered evidence using new techniques revealing efforts to extract bribes, which have been referred to the Minster, AGs and Courts (following due process).</p> <p>Cooperation with line agencies has been poor in the past, but has improved significantly this year. Afs203m additional revenue (recoveries) collected through investigations. New Ministerial directive from the Minster instructing all ministries to comply helped the team achieve this result. As a result of the better cooperation, IA was able to recommend new procedures which were adopted and delivering more revenue (e.g. new guidelines use of vehicles in Customs). Another recommendation adopted is the electronic fee collection system including charging for services under Asycuda (was charging one fee for a range of services rather a than each service).</p> <p>Team wishes to keep pursuing professional development of staff (certification).</p>
2. Updating of Policies and Manuals	Review of Audit Toolkits	B	B	B	<p>Guidance of Compliance and IT Audit and Fraud, Budget and Treasury Audit and Costoms and Revenue Audit Reviewed</p> <p>رهنمودهای تفتیش عواید، خراین و مستوفیتها و گمرکها و تکنالوژی معلوماتی و اطمینان از کیفیت</p>	<p>تثبیت بیرون نویسی ها و باقیات مصارفاتی و عایداتی به شمول سفارشات مندرج نتایج بازرسی</p>	<p>Audit Reports</p> <p>نتایج تفتیش</p>	<p>Review of toolkits done on: i) risk analysis; and ii) audit reports. Audit manual updated (internal audit mandatory guide on the charter etc., operational, customs, revenue, treasury, budget, Mustofiat, performance audit, follow-up, quality assurance, IT, procurement, fraud investigation). Manuals reviewed by international adviser (UST) - drafted by Indian adviser many years ago. Endorsed by former MfF, Committee and the WB. The manuals - 6 were done this year (Treasury, Revenue, Procurement, Mustufias, Performance, Budget) translated and distributed to internal auditors. The budget manual includes areas on proper application of carryovers and allotments. Training courses done on the new manuals routinely (every day including after hours for fraud investigations). MoU done with 4 LMs to deliver training to help other Internal Audit Units improve performance. The team are considering options to formalise guidelines and manuals to subordinate implementing legislation in 2017 (e.g. through a ministerial decree - Maqarara).</p>
3. Improvement of Work Environment	Providing electronic instruments to Audit staff (computers and Printers)	C+	C+	C+	<p>Provided all the necessary like Computer, Printer, Scanner and Internet for all the staff</p> <p>تجهیز برای همه کارکنان با وسایل تکنالوژی دفاتر تفتیش، پرینتر، اسکنر، کامپیوتر، اینترنت</p>		<p>وسایل دفتر</p>	<p>All equipment needed has been provided by PFMR2 - including internet and equipment for line ministries. Surveillance equipment has not yet been provided, but is being considered by PMFR2 TTL.</p>
4. Fighting Against Fraud & Corruption	Fraud Investigations of reproted cases	C+	B	B	<p>رسیدیگی به 42 قضایای مالیاتی و مواصلت بیشتر از 20 قضایای مالیاتی به این اداره</p>	<p>عدم مراجعه مادیان در تحویل دهی مالیات شان و عدم آگاهی شان از طرز العمل ها ی مالیاتی</p>	<p>دوسیه های مالیاتی ادارات عدلی</p>	<p>Good progress. Number of fraud investigations: 117 total cases received from Anti-Corruption Dept. of the AGO (comes through the year - not predictable). 30 complete in first 6 months. 42 completed in second half of the year. 20 remain (total 92). 25 cases have not yet commenced due to staffing constraints (but have been planned). Risk</p>

PLANNED MULTI-YEAR ACTION	1395-2016				1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
								<p>based approach followed for prioritizing investigations (some cases not able to be actioned, some less important etc.). Cases taken forward by AGs. 5-6 cases have been sent back by AGs for further classification. Quality of investigations appear strong because AGs have successfully prosecuted a number of cases (e.g. Kandahar case) based on the forensic quality evidence gathered by the IA team.</p> <p>Minister prioritized a review of tax grading of companies (large, medium small). Complaints hotline working (now in 21 provinces) and being used to assess risks.</p> <p>25 cases will be included in next year's Internal Audit Plan.</p>
5. Revising the Legal mandates regarding Internal Audit	Developing of audit regulaitons	C+	B	C+	<p>Using of the best Guidline for the internal Audit and Procurement and Costoms Procedures and conducted many courses in side the country and also out side the country for the Auditors</p> <p>استفاده بهتر از رهنمودهای انستیتوت تفتیش داخلی و طرزالعمل های مالیاتی تدارکاتی و گمرکی دایر نمودن کورسهای ارتقای ظرفیت درداخل و خارج از کشور برای مفتیشین</p>			<p>On Track. 6 new manuals done. Still need to be endorsed by the Minister. Team is looking to formalize into subordinate legislation. The manuals - 6 were done this year (Treasury, Revenue, procurement, Mustufias, Performance, Budget) translated and distributed to internal auditors. The budget manual includes areas on proper application of carryovers and allotments. Training courses done on the new manuals done routinely (every day including after hours for fraud investigations). MoU done with 4 LMs to deliver training to help other Internal Audit Units improve performance. The team are considering options to formalise guidelines and manuals in to subordinate implementing legislation in 2017 (e.g. through a ministerial decree - Maqarara).</p>
6. Quality Improvement & Assurance of Audit Reports	Review of audit effectiveness and improvements	C+	C+	C+	<p>Still going on the Auditing</p> <p>تحت بررسی قرار دارد</p>		<p>تحت کار Process</p>	<p>On track but not reported yet. Follow-up routines are revealing audit effectiveness. Report planned for the Minister revealing how audit is being effective - using data from follow-up systems. Should be considered in Audit Committee but it does not meet regularly enough. Last meeting recommended certain administrative actions as a result of audit findings.</p> <p>Toolkit No7 (of 11) on audit documents sets the framework. Every audit the team follows the 5 Cs checklist to deliver effective audits: 1. Criteria, 2. Condition, 3. Consequences, 4. Cause and 5. Commitment. Improvements in auditing found through this system have been delivered and will continue (e.g. forensic quality evidence, acceptance of recommendations, and real follow-up by audited entity). Some non-acceptance is dealt with appropriately through management response systems. 2 months provided for response (but generally 10-15 days). Unresolved issues are dealt with via committee and will remain as a follow up issue.</p>
7. Special Audit Assignments	Special audit as per instruction of Minister	B	B	B	<p>Reviewed 4 Specail cases بررسی موضوع خاص مالی 4</p>		<p>گزارش Reports</p>	<p>Done to a reasonable standard. Five (5) cases have been assigned by the Minister as a channel for complaints. Minister is happy with the response.</p> <p>Some examples:</p> <ul style="list-style-type: none"> - 1 termination actioned based on advice from IAD. Based on investigation report by IAD in Audit Committee Meeting, 3 MoF officials referred to AGs. Resulting from audit of LTO. - 1 more termination in Customs for theft. - 1 for interference in matters concerning auctions <p>Audit committee found a discrepancy on cigarette duties at the airport. Issue resolved by agreeing payment estimated by IAD (\$47k).</p> <p>Special audits on process have not yet been instructed (e.g. on carryover and on separation of duties). Mainly responding to complaints.</p>

PLANNED MULTI-YEAR ACTION	1395-2016				1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
8. Follow up of Audit Recommendations	Follow up Audit	C+	C+	B	بررسی 61 موضوع پلانی	عدم تطبیق نتایج هیات قبلی	نتایج تفتیش	Routine system working. Follow up manual drafted last year is now being implemented this year. Follow-up review report linked to audit effectiveness report above. Follow up is routine. 3 types/phases: 1. Separate teams follow-up or review. 2. Audit report with recommendations. 3. Follow-up tracking.
9. Surprise Audit	Surprise Audit	C	C	C	Audited 7 Financials cases بازرسی 7 مورد قضایایی مالیاتی	The reports of Audit is not implementing عدم تطبیق نتایج تفتیش		Satisfactory progress. Seven (7) surprise/random audits delivered this year (Financial Departments in Provinces and Kabul). This is the 4th year of doing random audits. Some good examples: STO and MTO based on complaints (mistreatment). Plain clothes investigations. Documented proof. Resulted in termination (recommended to MfF who makes decision). Authorities for surprise audits are lapsing. The team is trying to get these authorizations re-approved by the Minister. (Terminations via audit committee and via direct intervention). Some surprise audits get delayed or not approved.
10. Resolution of Complaints	Resolution of complaints	C	C	C	Solved 12 cases regarding complaints حل 12 مورد منازعه	Taxpayer have not that much knowledge and also not implementation the Audit reports عدم آگاهی از مودیان پیرامون پرداخت مالیات ذمت شان عدم تطبیق نتایج تفتیش		Satisfactory progress. Complaints hotline operating. Now in 21 provinces. A clear mechanism exists for dealing with complaints about MoF. There are systems to deal with complaints about IAD staff/operations. 45 complaints received 2nd half of the year through the hotline and other mechanisms, and all go through the complaints handling process (initial analysis assesses validity - e.g. minor and late advice). Complaints handling procedures are in the Fraud investigation manual (drafted in Dari). Referrals are based on seriousness of complaint. Report on hotline operations will be made available.
11. Feedback from auditees	Seek Feedback from auditees and respond as appropriate	B+	B+	B+	Received 57 auditees feedbacks در حدود 57 اطمینانیه دریافت نموده ایم		گزارش Reports	Good progress. 57 Feedbacks received in the 2nd half of the year (xx in the first half). Feedback is related to response to IA recommendations and finding. Feedback system is functional and creates change. Feedback is sought in 3 ways: i) form on conduct after audit (via post and confidentially); ii) physical monitoring if they present, reporting to duty station from auditees; and iii) as required by the 10th toolkit (ToC and checklist), exit meetings provide information on issues. Feedback has resulted in change. For example, changing team leaders, reassignment and review of previous audit findings/reports and resending teams to redo audit.
12. Implementation of IIA Standards	Implementation of IIA standards	C+	C+	B+	We are using 9 kinds of the Audit Guidelines while Auding تعداد 9 طرزالعمل و رهنمود در اجرای بازرسی استفاده می شود		طرزالعمل و رهنمود Procedures and Guidelines	On track, but need to start certifying all MoF internal auditors at least to CIA level. Team is working closely with the World Bank to develop on ongoing certification program. Currently following standards 12 IIA standards. IIA was first introduced in MOF IAD 8 years ago. IIA certification: None. 4-5 CIA in the PFM2 (IA) plan for support to IAD. CIA certification is sought and should be priority. Needs to be developed with Audit Academy plans as well as private certifications (CIA certificate courses are now not available in Kabul). The majority of staff want to do the course. The extent to which IAD is compliant with IIA standards is uncertain. Report on compliance with the 12 major standards and sub-standards.
11.2 IAD: Compliance and IT Audit and Fraud Investigation		C	C	C+				Work in progress with fraud investigations, risk based auditing and HR audit. Biggest challenge is adoption of IT auditing and skill development to perform the function well.
1. Capacity Development of Staff	Capacity development of Fraud Investigation Section	C	C+	C+	Total of 19 staff participated for courses in inside the country and out side of the country به تعداد 19 تن کارمندان به آموزش کورس های داخلی و خارجی معرفی شده اند		World bank Audit project اِطریق پروژه تفتیش	Satisfactory progress: 19 Staff from this section participated in overseas training in fraud investigation techniques. 20 people are on the evening training sessions. Local training progressing: Theory by ARTF consultants. On the job training. Certified Fraud Examiners not approved/available but remains a priority. IT audit training: 8 Staff from project are working on IT auditing - via mentoring. Sigta, Asycuda, Budget systems, AFMIS training progressing. All these systems are connected to the Internal Audit Office. ACL not currently being used.

PLANNED MULTI-YEAR ACTION	1395-2016				1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
2. New Methods of Fraud Investigation	Studying and introduction of new methods of Fraud investigation	C	C	C	For training staf went out of Country (Dubai) برای آموزش به خارج از کشور رفته اند (دوبی)	for professional training به ضرورت آموزش های مسلکی		See Office of the DG. Training delivered in Dubai.
3. Updating of Policies and Manuals	Review of Audit Toolkits	C+	C+	B	Article 61 of law public expenditure article of 112 guideline public expenditure ماده 61 قانون مصارف عامه ماده 112 مقررہ مصارف عامه		Audit Guidlines رهنمود های تفتیش	See Office of the DG
4. Improvement of Work Environment	Providing electronic instruments to Audit staff (computers and Printers)	B	B	B	All the department the necessary equipments and have good coordinaiton between each other. این دفاتر ریاست دارای تجهیزات مکمل میباشد و ایجاد همکاری بین ادارات تحت تفتیش شده است.		World bank Audit project پروژه تفتیش	See Office of the DG
5. Developing Checklist	Developing Checklist for Mustofiat Audit	C	C	C	Audit Questioner for Custms and revenue according to internal audit procedures سوال نامه بررسی به گمرکات و عواید طبق رهنمود تفتیش داخلی			Done and being followed: 2 checklists done by ARTF. 1 on engaging with Mustufias staff. 1 on post review of audit reports.
6. Fighting Against Fraud & Corruption	Fraud Investigations of reproted cases	C	C	C	Total case of 32 with out approved plan are have been reviewed and some of the them are under Audit 32 تعداد قضیه از بدون پلان منظور شده مواصت و رزیده است که تعداد بررسی شده و یک تعداد تحت بررسی میباشد	H.E Ministry has stoped assigned of the audit staff in provinces عدم اجازه مقام محترم وزارت درولایات و تفتیش های عانی		See Office of the DG
7. Risk Based Audit Planning	Identifying Risks and developing Risk Based Annual Audit Plan	C+	C+	B	80% of approval plan is under audit % وپلان منظور شده تقریباً 80 تحت بررسی میباشد	ممانعت اداره کنترل تفتیش داخلی prevention of internal audit contril		Satisfactory progress - Annual Audit Plan based on risk assessment and approved by Minister as head of the Audit Committee 10-15 days before the commencement of the new the year: Risk based auditing is in the toolkit no 4 (on risk analysis) and IAD are practicing - for 4-5 years now (Some support from US Treasury).
8. Revising the Legal mandates regarding Internal Audit	Developing of audit regulaitons				100% از طریق تلفون صورت 100 following bye telephone communicaiton میگیرد		مکالمات و گزارش جلسات meeting minutes	Do not score - rolled over to 2017 based on progress of manuals.
9. Supervision of Internal Auditors Activities	Supervision of Auditors activities in Kabul and Provinces	C	C	C	Telephone Communicaiton از طریق تلفون			Supervision of internal auditors is routine.
10. IT Audits	IT Audits	B	C+	B	8 Department are audited بتعداد 8 مرجع بررسی گردیده است		گزارش Reports	Audited 8 departments using IT auditing techniques. IT auditing using algorithms to detect risky areas is progressing. ACL type auditing tool is not yet being used. Checking controls of the system. Design of system reviewed. Checking forms. Validation systems. Data preservation. Segregation duties. Physical security, Data centre. 20 systems are functioning in MoF. SIGATS, AFMIS, Asycuda, budget system (SBPS), RTAS/RDD, VPP-payroll, DAD (Special Disbarment system - not system - just a form tool). AFMIS and data centre found - Data centre noting being used. As a result of the audit, the data centre is now being sued. Security strengthened by taking control of access over ISP.

PLANNED MULTI-YEAR ACTION	1395-2016				1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
								SIGTAS - improvements in user interface required, inadequate training. Checked data quality - differences found between paper sources and data on the system. Significant problem with tax assessments and tax payments not reconciling. Budget Systems: Carryover and allotments is an issue. Request for procurement of IDEA software from PFM2. Currently using SQL queries to do some basic IT risk analysis. 5 people are considered capable to do advanced IT based risk analysis (with training). Team believes that c10 (3 teams) would be sufficient to move forward.
11. HR Audit	HR Audit	C	C	C	according to approved plan طبق پلان منظور شده بررسی شده است		پلان Plan	Routine but picking up on-going problems. Conflicts of interest, time and attendance, payroll. Related ones include separation of duties. Scholarships. HR is a difficult area.
12. Follow up of Audit Recommendations	Follow up Audit	C+	C+	B	reports following after issued گزارشات بعد از صدور تعقیب میگردد		مکاتب Follwing تقیبه maktoobs	See Office of the DG
13. Surprise Audit	Surprise Audit	C	C	C	از جمله 32 قضیه از طریق تلفون و هدایات مقام محترم وزارت مواصلت ورزیده یک تعداد آن بررسی شده و یک تعداد دیگر آن باقی مانده است 32 causes recived through telephone and minister recomentation among them some are investigated and remain some are	باقی مانده تحت کار remaining under process	گزارشات بررسی تقلب Reports of complains investigation	See Office of the DG
14. Implementation of IIA Standards	Implementation of IIA standards	C+	C+	B+	در جریان بررسی تمام استندرد ها در نظر گرفته میشود. All standards investigation consider in		گزارشات reports	See Office of the DG
11.3 IAD: Budget and Treasury Audit		C+	C	C+				Good progress with annual audit planning. Getting Audit Committee functional is a pre-condition for effective internal auditing services.
1. Capacity Development of Staff	Capcity development of Fraud Investigation Section	B	B	B	8 Person has been introduced to the short term course and 10 people introduced to the long term course در 8 نفر معرفی 10 نفر کورس های کوتاه مدت و 10 تن از کارمندان برنامه تحصیلی صورت گرفته است	Capacity Building of the employee still going on برنامه ارتقای دارد ظرفیت جریان دارد	Request letter استعلام	See Fraud
2. Updating of Policies and Manuals	Review of Audit Toolkits	B	B	C+	8 guidelines have been reviewed رهنمود برای بازرسی 8 بازبینی شد	مرعی الاجرا است we are using that	Relvent Department using that Procedures and guaidlines رهنمود ها و طرز العمل های رباست مربوطه	See Office of the DG
3. Improvement of Work Environment	Providing electronic instruments to Audit staff (computers and Printers)	C	C	C			very limeted of the work space cant changes نظریه	See Office of the DG

PLANNED MULTI-YEAR ACTION	1395-2016				1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
							زینگی جای کدام تغییری صورت نگرفته است	
4. Developing Checklist	Developing Checklist for Mustofiat's Audit	C+	C+	C+	Previous Checklist are usable چک لیست قبلی مرعی الاجرا است		Second Toolket دوم	See Fraud
5. Risk Based Audit Planning	Identifying Risks and developing Risk Based Annual Audit Plan	B	C+	C	Identified all the risks area and after we audited that تمامی ساحات تحت تفتیش ریسک شناسائی و بعد ارزیابی شده است	On the base of Approval Plan we audited 22 departments (تعداد 22) مرجع طبق پلان 22 منظور شده بررسی گردیده است	From that 22 departement which are audited 12 Audit reports are under work and 11 cases have stoped by H.E Minister از جمله 22 مرجع گزارش 12 تحت کار است مرجع طبق 11 هدایت مقام وزارت معطل قرار داده شده است	See Fraud.
6. Supervision of Internal Auditors Activities	Supervision of Auditors activities in Kabul and Provinces	C	C	C			Changing in Formation we couldnt make the Supervision team تغییرات تشکیلاتی منجر به عدم ایجاد تیم نظارتی تشکیل شده	See Fraud
7. Financial Audit of All other MoF Departments Departments	Audit of All other MoF Departments Units as per annual plan	B	C+	C+	Before we have Audited Budget and Treasury department قبلاً ریاست های بودجه و خزاین بررسی گردیده است	Recommendation are included to the Audit reports but dute to assignement has been stoped by H.E Ministre سفارشات شامل گزارشات شده است و مطابق حکم مقام وزارت توظیفی اجرا نگردید		Routine. Annual Audit Plan was approved by DG before the start of the Fiscal Year - Annual World Plan by sections - goes to the DG. DG approves committee. Challenge to meet IIA standards is the lack of meeting of Audit Committee to approve the plan. Audits (AWP) generally go to plan. Some audits undertaken by SoE. Special assignments get assigned during the year by President and Minster. Draft Audit Reports (after agency review and internal reviews) do not get approved by Audit Committee as difficult to get them to meet. DG has authorities to act in certain circumstances. If something is required to go to the Mff it does not need to go through audit committee. Internal audit reports are not generally shared with Supreme Audit unless there are some circumstances that require it.
8. Follow up of Audit Recommendations	Follow up Audit	C+	C+	C+	Maktoobs of exactive department of internal Audit مکاتیب آمریت اجرائیه ریاست تفتیش	Luck of Coordination the under auditee department at the right time عدم همکاری لازم منجانب	All the reports af Audit are follwing by the exactive department of Inter	See Office of the DG

PLANNED MULTI-YEAR ACTION	1395-2016				1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS	
		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review	
						مراجع ذیربط در وقت معینه آن	Audit تمامی گزارشات از طریق آمريت اجراييه تعقيب و پيگيري ميگردد		
9. Surprise Audit	Surprise Audit	C	C	C			این فعالیت مربوط ریاست تفتیش مالی اداری بازرسی میباشد activity this depend to the admin and fincial audit section	See Office of the DG	
10. Implementation of IIA Standards	Implementation of IIA standards	C+	C+	B+	استفاده از قوانین، مقررہ ہا ، تعلیماتنامہ ہا ، رهنمود و طرز العمل های نافذہ اداره from aproved using laws and regulations manuals and regulations manuals procedure		تطبيق استاندارد implementati on	See Office of the DG	
11.4 IAD: Customs and Revenue Audit		C	C	C+				Generally, on track see comments above. Need to restructure 5 year plans more to account for the actual job functions of the directorates, rather than generic functions	
1. Capacity Development of Staff	Capcity development of Fraud Investigation Section	C	C+	C+	به تعداد 6 نفر از کارمندان این ریاست به کورس معرفی شده کورس های داخلی و خارجی. 6 Person has short been introduced to the term course in inside and outside country		پروژه تفتیش Audit Project	See Office of the DG and Fraud section	
2. Updating of Policies and Manuals	Review of Audit Toolkits	C+	C+	C+	پاسی و منول تفتیش عواید و گمرک تکمیل شد		رهنمود های تفتیش	See Office of the DG	
3. Improvement of Work Environment	Providing electronic instruments to Audit staff (computers and Printers)	C+	C+	C+	کارمندان از لحاظ کمپیوتر 100% مشکشان حل است	مشکل دفاتر کاری	کمپیوتر	See Office of the DG	
4. Developing Checklist	Developing Checklist for Mustofiat's Audit	C	C	C	چک لیست تفتیش عواید و گمرک ترتیب گردیده است		رهنمود های تفتیش	See Fraud	
5. Risk Based Audit Planning	Identifying Risks and developing Risk Based Annual Audit Plan	C+	C+	B	پلان گذاری تفتیش به اساس 80% خطر صورت می گیرد		تولگیت ها و رهنمود ها	See Fraud	
6. Supervision of Internal Auditors Activities	Supervision of Auditors activities in Kabul and Provinces	C	C	C	تیم های تفتیش به صورت 90% حضوری و تلفیونی و ایمیلی نظارت میشود		تولگیت 11	See Fraud	
7. Financial Audit of All other MoF Departments	Audit of All other MoF Departments Units as per annual plan	B	C	C	پلان تطبیق شده 75%	عدم اجازه وزیر صایب برای اجرای پلان سالانه		See Budget and Treasury	
8. Follow up of Audit Recommendations	Follow up Audit	C+	C+	B	اجراءات صورت گرفته پیگیری 100% می شود		گزارش تفتیش	See Office of the DG	
9. Surprise Audit	Surprise Audit	C	C	C	بازرسی غافلگیرانه نداریم			See Office of the DG	
10. Implementation of IIA Standards	Implementation of IIA standards	C+	C+	B+	اجراءات به اساس استانداردهای 80% بین المللی تفتیش صورت می گیرد		گزارشات تفتیش	See Office of the DG	

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11.5 IAD: Budgetary Audit and Capacity Development (line ministries)		C	C	C+				Generally, on track see comments above. Need to restructure 5 year plans more to account for the actual job functions of the directorates, rather generic functions	
1. Capacity Development of Staff	Capacity development of Fraud Investigation Section	C	C+	C+	برای 12 نفر کورس آموزشی دایر شد		پروژه تفتیش ریاست تفتیش داری و ارتقا ظرفیت	See Office of the DG and Fraud section	
2. Updating of Policies and Manuals	Review of Audit Toolkits	B	B	B	تولگت ها بر اساس طرزالعملهای تفتیش عیار شده		معیارهای بین المللی تفتیش	See Office of the DG	
3. Improvement of Work Environment	Providing electronic instruments to Audit staff (computers and Printers)	C+	C+	C+	تمام کارمندان از سیستم کمپیوتر استفاده می کنند	مشکل دفاتر کاری مناسب وجود ندارد	کمپیوتر	See Office of the DG	
4. Developing Checklist	Developing Checklist for Mustofiat Audit	C	C	C	چک لیست تفتیش داری و ارتقای ظرفیتها مطابق با م 16 و استحقاق معاشاتشان و مصارفاتی و تادیاتی بررسی می شود		رهنمود های تفتیش	See Fraud	
5. Capacity Development trainings for Budgetary audit units	Providing Trainings for 10 Budgetary audit units	C+	C+	C+	برای 4 مفتش ارتقا ظرفیت در وزارت دولت در امور پارلمانی و آکادمی علوم		گزارش	See Fraud	
6. Risk Based Audit Planning	Identifying Risks and developing Risk Based Annual Audit Plan	C+	C+	B	پلانگذاری تفتیش 70 % بر اساس خطر صورت گرفت	عدم بررسی امور مالی و حسابداری وزارت خانه ها و ادارات و مداخله اداره عالی تفتیش	تولگت و رهنمود ها	See Fraud	
7. Supervision of Internal Auditors Activities	Supervision of Auditors activities in Kabul and Provinces	C	C	C	تمام پروسه تفتیش بصورت حضوری و یا تلفونی و ایمیل بازرسی می گردد		تولگت 11	See Fraud	
8. Financial Audit of All other MoF Departments	Audit of All other MoF Departments Units as per annual plan	C	C	C		بنا به هدایت مقام وزارت کار ساحوی متوقف گردیده		See Budget and Treasury	
9. Follow up of Audit Recommendations	Follow up Audit	C+	C+	B	دوسیه های ارسال شده در حدود 95% پیگیری گردید و پیگیری جریان دارد		گزارشات تفتیش	See Fraud	
10. Surprise Audit	Surprise Audit	C	C	C	بازرسی غلغیگهانه نداشته ایم			See Office of the DG	
11. Process Audit	Process Audit	C	C	C				In Progress - tba	
12. Implementation of IIA Standards	Implementation of IIA standards	C+	C+	B+	استنداردها در حدود 85 % تطبیق می گردد	عدم تطبیق و همکاری اداره مربوطه	گزارشات تفتیش	See Office of the DG	

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12.0 Programs Implementation and Coordination General Directorate		C	C	C	Updated from late return	Updated from late return	Updated from late return	
12.1 PICGD: Directorate for Coordination of National Priority Programs		C	C	C				<p>This team did not engage with the independent validation at all. A template was returned after the Validation team had left the country. They did not complete the self-assessment on time and they did not attend the validation meeting. Partial information was provided by the DG from the MARDG from the same department whose teams have contributed to some of these activities. Discussions about the various responsibilities of the teams are ongoing. Post Brussels the responsibility for development councils, NPPs and SMAF will be with the DG MARDG.</p> <p>Same scores as mid-year as team did not do the self-assessment or attend the validation meeting.</p>
1. Secretariat function to Development Councils	Development Councils Work plans are implemented Regular high level and technical level meetings are organized	D+	D+	D+	<p>High Economical Council, Regional Connectivity Council, Land and Water Council, Rule of Law and Anti-corruption Council, Human Capital Council, Infrastructure Councils, are functional. However, some councils are not very functional at the technical levels.</p>	<p>This is a new initiative and its institutionalization requires more time. Inter-ministerial work has been also challenging. Policy department needs more support in this regard</p>	<p>NPPs under the councils, minutes of the meetings and progress reports</p>	<p>(Information provided by the DG MARDG).</p> <p>Slow progress on development councils. There is quite a lot of confusion and a need for consolidation of the policy under one decree. Policy are working on a new decree that will say what the final councils are, who is the secretariat and their role. Plan is this will be issued next year. Policy are also working on rules and procedures for all councils except Land and Water. This has been delayed by a lack of clarity on who is doing what that needs the decree to sort out. Most of this work is done by MARDG up to Brussels and is now agreed to move out of PICDG.</p> <p>Policy works with Infrastructure and HCD Council.</p> <p>IDC: Council have met to work on the Infrastructure Plan throughout the year at both the Minister and technical level and the plan was published at the Brussels Conference. Plan went to donors but no response so far. IDC also deals with regional integration issues. Council have not met since Brussels. Presidential Adviser leads the technical working group and ministries attend, but preparation for the Council meetings chaired by the President are poor. Ministry officials need to brief their Minister better. IDC has a TOR but no procedures manual or handbook. Policy sets the agenda with Head. Procedures are being drawn up.</p> <p>Challenges: Idea was to get a technical working group but with one DM in charge, other DMs will not come, this is a challenge. The idea was having the group solve problems but that has not really materialised.</p> <p>HCDC: Met regularly at the beginning but at the technical level DMs would not come because MOLSAMD were in charge. President's adviser now chairs the technical group. Finalised the HC development strategy pre-Brussels but post Brussels they have decided to do more work on it, starting with vocational training models.</p> <p>Challenges: HCDC suffers from lack of engagement. President's adviser is stretched and technical work is not done by ministries. Policy are trying to coordinate. Technical issues are left unresolved.</p> <p>Policy staff write minutes within 2 days of a meeting and send to all agencies after approved. Doesn't always go out on time. Tracking is ad hoc, no system of recording</p>

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								decisions. Policy has advised that in general there needs to be a neutral person to chair the technical groups, otherwise the technical work goes up to the Councils which becomes a burden. Looking at nominations for people outside Government.
2. Development of National Priority Programs	Finalized NPPs are integrated in National Budget The remaining National Priority Programs are drafted Drafted NPPs are consulted with stakeholders Implementation Plans of National Priority Program are developed Financial Plans of National Priority Programs are developed	B	B	B	List of NPPs finalized (10 total). Clarified role of development councils in development of NPPs in overall implementation of ANPDF. MOF as secretariat for councils will also bring in technical support to relevant council during the development process of NPPs. Citizens' Charter, WEE NPP, Infrastructure, Agriculture, and Urban Development NPPs presented at Brussels. Others are in progress (e.g. Human Capital Development) and will be completed through the development councils.	Limited capacity in line ministries and understanding of what each program is supposed to prioritize.	Post-Brussels, ANPDF implementation on package, which was presented to Cabinet and shared with international partners	Team were not present for the Annual Assessment validation meeting. Progress has been made on the Citizen's Charter, Agriculture, Infrastructure and Women's Empowerment NPPs. See MARDG assessment.
3. National budget allocation determined by national development strategy	Consultation, drafting and finalization of NDS	C	C	C	After various rounds of consultations within government, with civil society and international partners, the ANPDF was finalized in time for the Brussels Conference.	done	the ANPDF document	ANPDF was developed and presented to the Brussels Conference on Afghanistan and was a major achievement. Only the Citizen's Charter was reflected in the 1396 budget. Some adjustments will be made in the MYR of the budget to reflect completed NPPs. See some discussion in the MARDG Assessment report. Development and finalisation of ANPDF is a good achievement, though completion of the report required a lot of input from outside parties. After 8 months of drafting, the initial circulation of the draft did not receive favourable comments from key stakeholders. Complete re-write was required from external parties.
4. Coordination among government and international stakeholders for effective aid delivery to achieve the goals of NDS	Short-term SMAF deliverables implemented SMAF short-term deliverables report prepared A revised SMAF agreed with the IC for the years of 2017-2020 JCMB on preparation for the Brussels Conference convened A high level meeting on Afghanistan convened at the side event of the WB/IMF spring meeting Pre Brussels conference special JCMB convened Brussels conference convened Brussels conference follow up mechanism put in place	C	C	D+	SMAF progress report prepared for Brussels Conference and further follow up on remaining commitments since the Conference has been taking place, including presenting the list of remaining ones to Cabinet and following up with relevant government agencies/ministries. Negotiations conducted with international partners to develop new set of SMAF commitments for 2017-2018, which were finalized in time for the Brussels Conference. JCMB meeting in preparation for the Brussels Conference held in September 2016. Preparation and coordination	Capacity constraints in ministries	BCA package, Post-BCA package	Preparation and delivery of the Brussels Conference completed but no report from the team. Reports from other teams indicate this was a huge effort and was very well done.

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					<p>with EU counterparts for successful Brussels Conference on Afghanistan on 4-5 October 2016 (details of events, speakers, logistics, communiqué, etc.).</p> <p>Conference package prepared with deliverable documents including ANPDF, NPP concept notes, SMAF progress report, NUG achievements.</p> <p>Post-Brussels package to outline ANPDF implementation and achieving SMAF commitments prepared and presented to Cabinet.</p> <p>Review of coordination mechanisms between government and international partners is currently underway with UNAMA to improve current structure and eliminate duplication.</p>			
12.2 PICGD: Directorate for Policy Research		D+	D+	D+				Same scores as mid-year as team did not do the self-assessment or attend the validation meeting.
1. Policy research and development	X number of policies reviewed X number of policies developed	D+	D+	D+	ANPDF developed	Capacity constrains in line ministries	ANPDF document	Same scores as mid-year allocated as team did not do the self-assessment or attend the validation meeting.

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13.0 Monitoring, Analysis and Reporting General Directorate		C+	C	C+				
13.1 MARGD: Directorate of Program Monitoring		C+	C	C+				This Assessment is problematic as the plan does not really reflect the activities of the team. The DG has two directorates but in practice the entire policy team have been working together to deliver on the Brussels Conference, the NPPs and the ANPDF. Post Brussels there has been a discussion about the on-going responsibilities of the teams. MARGD will take on the development councils secretariat, the implementation of the NPPs and the SMAF monitoring and reporting. This may change next year as the merging of 3 DGs into 1 or 2 under the DM is being considered. This team made significant contributions to the other DG PICDG.
1. Monitoring	SMAF commitments are monitored on monthly bases. Alignment of national budget with NDS monitored biannually. Development of NPPs and functions of development councils monitored on regular bases	C+	C	C+	In London Conference the Afghan government made total of 39 commitments, out of which 23 have been completed, and only 16 are remaining. The Department is closely monitoring the development of the remaining indicators. The deadline is looming as the end of the year is coming to close. Therefore, we're working around the clock with line ministries to achieve the remaining 8 SMAF commitments by the end of the year Also follow up on the new 15 SMAF commitments that were made at the BCA . In addition , the department is heavily involved in operationalizing the ANPDF document as well as institutionalizing the 6 councils. We are Working on developing procedural documents for the Infrastructure Council as well as the Regional Economic Cooperation Council.	One of the biggest challenge for us was to get the line ministries on board with SMAF indicators and hold them to the timeline. We established a task force within the directorate to each indicator and introduced them to the line ministries as our point of contact. They've been very good at pushing the work forward in achieving the SMAF indicators..	We were able to develop the National Infrastructure Plan and the Regional Economic Cooperation paper for the Brussels Conference on Afghanistan in October, 2016. Also, the department has been able to compile the achievements of the National Unity Government and present it to the donor community in Kabul and at the BCA.	Routine reporting on SMAF and some progress on NPPs since Brussels. Post Brussels the Team have done a report on progress with SMAF indicators based on what was done by Brussels and what was agreed. A sort of stocktake. Presented to parliament by the Minister on 1-2 November. Summary of Brussels, countries that committed to support. Just for information. No analysis done yet, but a lesson learned paper on the BCA is planned. Post-Brussels also contained an update of old indicators (progress report). There were 5 indicators pending from the Government side: 1. Strategy for Business Simplification (Regulation); 2. Justice Sector Reform plan; 3. CBR 800 people against target of 590; 4. Anti-corruption plans for rest of ministries (revenue generating agencies done); 5. Elections. Progress is mixed, business simplification work on-going, needs a Cabinet decision, Justice sector is on track it is through the sub-committee of Cabinet but needs approval by Cabinet. The rest are behind schedule. There will be a final annual report. Update reports go to donors, Cabinet and parliament. Post Brussels are now published on website for the first time. Team is divided up by indicator and team is following up on each one with relevant ministries. This is where the capacity is being built with tashkeel staff. Started after the DG arrived. Staff work with ministries on their plans for delivering on indicators. This team are starting to coordinate a process for setting policy, costing it and then monitoring progress. DG and Director PMT agreed that the team should use the Performance Reports for the Fiscal Reform Program as the basis for their updates on any related indicators in SMAF or NPPs. NPPs: budget only reflects Citizen's Charter for next year. Team hope to have more work done by the MYR of the budget for inclusion. Ag, Infrastructure, Human Capital, Women's Empowerment are tracking well, the other 5 are behind, Extractives, private sector, governance, Justice and urban. Some tension between infrastructure and reform programs. Big focus for the team in first half of next year, identifying the long and short term priorities (another department). Challenges: Significant capacity constraints when the DG arrived, staff new and not experienced. The Policy department has pooled its resources to get things done, both DGs working across all activities. This DG has contributed significant resources to big activities ANPDF and Brussels preparation and the 5 NPPs. Post Brussels the two DGs have been discussing responsibilities. PICDG does NPPs design and broader policy frameworks. MARGD will be secretariat for the development councils and do analysis / M&E - SMAF, ANPDF, NPPs (implementation). This is predicated on getting agreement from the Ministry of Economy.
13.2 MARGD: Directorate for Analysis and Reporting		C+	C+	B				

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1. Analysis and reporting	<p>Monthly reports on SMAF commitments.</p> <p>Biannual reports on alignment of national budget with NDS.</p> <p>Quarterly reports on development of NPPs and functions of development councils</p>	C+	C+	B	<p>HDC council secretariat assignment was done by Department of Analysis and Reporting during 1395 both on Higher level and on Technical level. HCP was developed and approved by HE president and members of the Council. In London Conference the Afghan government made total of 39 commitments, out of which 23 have been completed, and only 16 are remaining. The Analysis and Reporting Department is closely reporting the development of the remaining indicators. The deadline is looming as the end of the year is coming to close. Therefore, we're working around the clock with line ministries to achieve the remaining 8 SMAF commitments by the end of the year. Also, the department is heavily involved in operationalizing the ANPDF document as well as institutionalizing the 6 councils. We are working on developing procedural documents for the Human Development Council as well. Also our department have a good reporting mechanism for NPPs (WEEp,HCDp,CC,UDp,RDp ...) s.</p>	<p>One of the biggest challenge for us was to get the line ministries on board with SMAF indicators and hold them to the timeline. We established a task force within the directorate to each indicator and introduced them to the line ministries as our point of contact. They've been very good at pushing the work forward in achieving the SMAF indicators and preparing reporting on SMAF To NUG and Donors . other challenges in councils are on Technical Level meetings where DM and Line Ministries representatives are not attending meetings on regular bases. substitute members are coming together and progress process delays. another challenge is lack of structural Mechanism of reporting from line Ministries to DM Policy.Data Collection and receipt of reports from Concern Ministries remains biggest challenges ahead of us but the team is already working on such</p>	<p>We were able to develop the Human Capital Plan and Women economic Empowerment plan. Our Directorate plays an important role as a Secretariat in coordination of the data collection process, review and feedback on the contents presented in the NPPs.design, coordinate, and Reporting implementation of the Government's policies in different sectors. Also, the department has been able to compile the achievements of the National Unity Government and present it to the donor community , and also our department has been able to make compression sheet between two</p>	<p>Do not score SMAF, covered above. Score here for MARDG contribution to the Brussels Conference on Afghanistan.</p> <p>Preparation was intense, meeting with the President every day based on 30 indicators of things that needed to be done. Consultation with Parliament, prepared materials, agenda for conference, agendas for the side events. MARDG did the Regional Integration side event. Infrastructure Plan was presented. A key output was the recording of the key achievements of the NUG and putting that in a document for circulation. SMAF report completed and presented to the BCA. Coordinated to have the fact sheets for the NPPs also available for the conference. Team also contributed to the ANPDF. Most outputs can be seen on the website. DG's view is that the Brussels Conference was a team effort across both DGs.</p> <p>Challenge: The institutional arrangements for the policy department have been up in the air, the team have worked hard but their efforts are not demonstrated by their 5-year rolling plan. Much more effort needs to go into the plans for next year.</p>

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						mechanism to receive reports from LM and concern departments.	document ANPDF and SDGs by MoEc coordination to relate the Indicators . An action plan for Analysis and Reporting department were developed for year 2016/1395 and our team is moving ahead in according to this plan.	

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14.0 Reform Implementation Management Unit (RIMU)		C	C	C+				
14.1 RIMU		C	C	C+				
1. Provision of support in Public Finance Management Reform PFMRII Project implementation, overall coordination and Management	1. preparation of the Project's annual budget, implementation plans, procurement plan, financial monitoring reports, performance monitoring reports and Project asset registration and PFMRII project costing by RIMU.	C+	C	C	Second and third quarter Interim Financial Report (IFR) were prepared for 1395FY and submitted to WB on time, Meanwhile PFMRII project Monitoring and Evaluation Framework updated and submitted to World Bank on quarterly basis. In addition Procurement plans of PFMRII project as well as all five components (Revenue Department, Internal Audit Department, Treasury Department, Supreme Audit Office (SAO), National Procurement Authority (NPA)) prepared and submitted to WB. Also PFMRII project budget execution planing up to end of June 2017 was prepared and submitted to WB.	No Specific Challenge	Available	<p>Some progress but still not fully aligned to budget cycle. Quarterly reports done and M&E framework updated. Sent to the WB for approval. PFMRII budget is not really aligned with the budget cycle for 1395. It is done on a project basis for the WB and sets out the Actual Budget by Component, disbursement by component up until its close in June 2017, and the balance remaining up to the close of the program. Total left in the program fund at the start of 1395 was \$43m (to be spent by June 2017 when project closes). Budget for 1395 was around \$24m and includes the additional financing that was approved at end of second quarter 1395. \$23m was included in the original Development Budget for 2016. So, far RIMU estimates that expenditure is around \$4.1m this year, reflecting an annual budget execution rate of 17%. TTL sign off of the budget figures did not occur.</p> <p>The main issue, other than an unrealistic budget to start with and poor multi-year budgeting, was the late approval of the additional financing and the time taken to approve the AFMIS upgrade. ARD had a budget of \$3.8m but only spent \$0.6m due delays in securing no-objection and consequential late hiring of staff. This is a new component. The remaining balance of the program funds (around \$38 million) will be need to be spent by June 2017 when the program closes. This forecast reflects a 927% increase in budget execution performance in the previous year(s). 2016 year was a typical spend performance for PFMRII. RIMU believes that Treasury will spend \$6.8m by June 2017, the rest is across the other various components. Treasury are of the view that the \$7m contract with FreeBalance is a multi-year contract, which incorporates rollout of modules, provincial training etc.</p> <p>The quarterly Interim Financial Report (IFR) is basically a statement of expenditure with a rudimentary bank reconciliation. It has details of variances between quarterly budgets and quarterly actuals based on revised budgets not budgets in budget papers (see also Reconciliation between IFR and initial budgets/Cost Summary for Additional financing). Variance against annual original budget is not calculated. Disclosures on when and how the original budget changes are not reported. Classification system used is theme based - there are no reports by economic, administrative unit, function, and location classification, or commitments (soft and hard). No balance sheet or operating statements are produced in the IFR.</p> <p>Challenges: Late approvals of additional finance. Costings are unrealistic. Team provided advice but not always taken. The issue is mostly the time, not the cost. NPA is also an issue, getting tender documents right and finding suitable contractors. Normally the PSC handles the reallocation but has not been meeting. Even interventions by the WB have on occasion failed to get component lead agencies to be more realistic in their costings.</p>
	2. providing secretariat services for the Project Steering Committee.	D+	C	C+	Secreteriate Services provided for Implementation Support mission Kick Off meeting and wrap up meeting held on Sunday 17 July 2016.	No Specific Challenge	Available	<p>No steering committee meetings in 1395. The steering committee used to meet but now the WB has not called any meetings and Government has also not followed up. An evaluation mission was conducted and a follow up mission to scope out on-going long-term support was also supported in October 2016. A kick off meeting was held but only with departments that are currently assisted by PFMRII. Despite requests from the government to broaden the engagement.</p> <p>Challenges: Coordination between RIMU and bank missions is difficult. The mission on</p>

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								the new program of support was not well planned and the Minister for Finance called the team in to let the know what he expected. The mission report is still pending. The Aide Memoire from the first mission was delayed. This is a challenge for the team in providing support for these missions.
2. Public Finance Management Reform II (PFMR II) Project Procurement Plan & Monitoring Report submission to WB on time	Prepare and finalize reports and plan				RIMU Procurement Plan and IOC updated, in addition procurement of Plan of all five other implementing units were reviewed and submitted to World Bank on time	No Specific Challenge	Available	Do not score as activity covered and scoring covered at item 1 above.
3. Public Finance Management Reform II (PFMR II) Project Progress and Performance monitoring reports submission to WB on time	1. Collect and analyze data.				Project Monitoring and Evaluation Reports collected from PFMR II project implementing units and analyzed according the Project Performance Objective Development Indicators (PODIs).	No Specific Challenge	Available	Do not score as activity covered and scoring covered at item 1 above.
	2. Prepare the reports				Project Monitoring and Evaluation Reports of RIMU and other implementing units were prepared on quarterly basis and submitted to World Bank.	No Specific Challenge	Available	Do not score as activity covered and scoring covered at item 1 above.
4. Preparing of MoF Technical Assistant TA reports	1. Collect & analyze data from all MoF departments	B	C	B	Technical Assistance information collected from all line departments of Ministry of Finance.	Some departments were reluctant to submit their reports.	Available	Completed. The team collected data from all line departments on TA and drafted a summary report. Including on what functions are carried out by TA and what by civil servants. The report compares TA to Tashkeel (but not yet actual staff). Big issues are CBR is slow. Analysis shows that most if not all staff from MBAW were just transferred to NTA contracts without any analysis of performance. Some good data collected on where TA are and what they are doing. This is outside the parameters of the PFMR II, it is more like a function of a policy and planning department for the MOF. Report is twice a year (both complete) and distributed to Minister's Office, DM Admin and the WB. Feedback was minimal, no sense of if this is feeding into decisions. Challenges: The data collected is good but there is not much analysis and the team have little influence over the departments in getting them to do performance management of the TA.
	Prepare draft for review.				TA draf prepared for review	No Specific Challenge	Available	Do not score, see activity above.
	3. Finalize the report				Data collected from MoF's line departments was analyzed and a comprehensive report prepared and finally submitted to the World Bank and MoF top Management.	No Specific Challenge	Available	Do not score, see activity above.
5. Preparing of MoF period 100 days and quarterly, semi annual and annual performance review reports	1Collect & analyze data from all MoF departments.	C+	C+	C+	Semi-annual Reporting data was collected from all line Departments of MoF.	Reporting activities are weak across the MoF Departments	Available	Completed. Collected data quarterly from teams. Report was originally asked to be done on 100-day plan, the quarterly and now is semi-annual. So far two reports complete. Reports are in line with the 5 year rolling plans and consultation was done with MFPD. Report done in Dari, not English or Pashto.

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								Challenges: Performance data from the mid-year assessment not used. Collecting data is difficult. Some work to harmonise the process with the TBPM system is needed.
	2. Prepare draft for review.				A draft of report prepared for review	No Specific Challenge	Available	Do not score, see activity above.
	3. Finalize the report				Final report produced and submitted to OAA.	No Specific Challenge	Available	Do not score, see activity above.
6. Preparing MoF period 100 days and annual Plan	1. Prepare draft for review.				Data related to MoF annual Report gathered from MoF line departments as per request of Office of administrations Affairs directed by the President.	Departments have some serious problems regarding preparing of their Plan, because of less coordination between offices and lack of required skills.	Available	Do not score, see activity above. Note good progress in aligning the annual plan with the 5 year rolling plans. Need to combine the two processes for the future.
	2. Finalize the report	B	B	B	MoF Anti-Corruption Plan was prepared and submitted to OAA			New wording to reflect new action handed to Team: Good progress. Anti-corruption plan prepared. Overall this is coordinated by the MEC and AOP. RIMU were the focal point in the MOF. RIMU analysed the data and prepared draft. Distributed to donors, once their comments were integrated approved by the Minister's Office. Then it went to Cabinet for approval. US asked for a concept note on implementation of the plan and DM Policy forwarded to US. No feedback so far.
7. Establishment of coordination mechanism at HRMD offices at National and Sub national	1. Training needs assessment process start at headquarter and sub national level				Technical Assistance was provided by RIMU HR consultants to HR directorate	No Specific Challenge		Do not Score. This is an activity provided by the RIMU adviser placed in HRD. TNA has been done in second half of 2016. See HRD / TPLD assessment. Work completed by RIMU consultants. Need to score this the same as the relevant departments that they have supported.
	2. Coordinate the issue with all HRD departments at headquarter sub national level.				Technical Assistance was provided by RIMU-HR specialist in all aspect of coordination and training need assessment in sub national and national level to MOF HR directorate	No Specific Challenge		Do not Score. This is an activity provided by the RIMU adviser placed in HRD. Training completed see report. Work completed by RIMU consultants. Need to score this the same as the relevant departments that they have supported.
	3. conduct training sessions at national and sub national level(subject to financing)	B+	C+	B	During the first six months of the FY 1395 , a total number of 1010 MoF's employees have trained at national and subnational level (Zones) by trainers hired by RIMU and funded through the RIMU budget.	No Specific Challenge	Available	This was done by RIMU as HRD did not get involved. Training completed see report. Work completed by RIMU consultants. Need to score this the same as the relevant departments that they have supported. RIMU happy with the outcomes of the training. Testing before or after training did not occur.

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		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
15.0 Revenue Planning Department								
15.1 RPD: Revenue Analysis and Forecasting								
1. Support Improving Revenue Target Setting	Implement plans to improve accuracy of revenue forecasting and deliver more effective revenue target system							
15.2 RPD: Monitoring and Evaluation of Revenue Targets								
1. Support Development of Revenue Recording and Reporting Systems of RRD & RTAS	Implement plans to strengthen the recording and reporting systems of RRD & RTAS							Tracking under pressure. Overall plan for development of systems was done and submitted to the Minister and then referred on to IT for their assistance. 2 staff have been assigned and work on upgrades to RRD are underway. Not working on RTAS at the moment. See notes above.
2. Support Monitoring from Revenue Collection Performance	Provide timely and high quality reports on revenue collection performance							Some good progress on routine reporting. Doing both desk monitoring and filed monitoring. New Director has focused on desk monitoring to improve the reporting. Making sure the flow of information is good, they receive data and turn it into reports then send it back out to make sure people are getting feedback. This is for all offices and mustufiats. They also collate all the reports and data to generate a report on who is sending reports, who is collecting the most who is collecting the least etc. They also analyse and compare units that are like for like and see how they are doing. Identify and report on what the issues are. This is done monthly and quarterly. Reports are sent to ARD and Customs, Minister. Not printed now but used to be when ASI was providing assistance. Lack of budget is the reason offered for non-publishing (hard copies). Reconciliation/performance against has always been done but the new and improved report is only a few months old. Before recon done for object and unit code from m29 reports. Ad hoc analysis where they would find interesting issues but now it is more systematic. Data quality is a concern. COA used to classify revenues and when they reconcile m29s with AFMIS etc. there are massive quality problems at point of data entry on the m29 forms at the local level. These are reported regularly to Treasury. Biggest problems are with the 14005 code for last year's tax arrears. This gets a special focus. This is about the capacity of the mustufiats to collect on previous years' revenue. Reconciliation systems of deposits against assessments and recorded collections is not undertaken by RP.
3. Institutional Development of Planning Directorate	Develop, enhance and implement procedures							Qatia and audit support functions at risk with transfer. Department is abolished and merged into ARD and MFPD. RP, ARD and MFPD will need to work together to ensure the transition works well. Policies and procedures will need to be reviewed.
4. Supporting the capacity building of Planning Directorate in revenue analysis and target settings and	Strengthen capacity of Departmental Officials to analyse revenue performance data							Off-track due to lack of funds. RP is trying to meet the needs of its staff but it is struggling with a lack of resources, poor MOF systems and lack of TA. They have come up with some ideas and are trying to find solutions but are finding it very difficult. They need some support from the MOF leadership to make some progress.

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16.0 Macro-Fiscal Performance Department		C+	C+	B				
16.1 MFPD: Fiscal Directorate		C+	B	B				Outstanding performance on working with the IMF with sustained efforts to solve problems. Good initial progress on developing foundations for establishing credible resource envelopes , accurate fiscal space estimates and follow-up on pension policy advice. Progress on budgeting reversed at Budget Committee , and pension policy decision making has stalled as it has not yet been scheduled for Cabinet consideration. Good efforts on trying to establish the first phase of forward estimates in the face of significant challenges including cross-team collaboration. Some progress on working towards a sustainable development policy. Mixed progress on tax policy development.
1. Support the development and implementation of medium term fiscal framework*	Produce resource envelopes and fiscal space estimates, make progress on matching funds, and follow-up on policy advice on at least 2 key proposals	C+	B	B	<p>The 1396 initial budget was designed based on the forward estimates and training was delivered on the new way of budgeting to all budgetary units at the beginning of the budget process. Based on this practice we arrived at a fiscal space of 22 billion Afs, assuming that the existing policy will continue in line with the 1394 level of expenditures and the DG budget fully agreed with the process.</p> <p>However, budget hearing started in late september 2016 and it took about a month. As a result of the budget hearings the national budget increased to Afs 522 billion, around 70% higher than the initially agreed ceiling. The ceiling was disagreed with the DG budget and the issue was taken to the Minister and it was then decided that the DG budget and MFPD shall reach a consensus. They finally they had had to compromise and reach at a consensus.</p>	<p>1) Non existence of new policy costing and life time costing of the development projects. 2) Non-existence of a framework for the non-discretionary development budget. 3) The traditional way of budgeting is being insisted upon by the departments. 4) The political challenges distorts the ground realities with the budget and budgeting process. 5) Technical problems with the carry forward figures. 6) Non-existence policy based budgeting.</p>	<p>1) FSP and the new national budget documen. 2) Brief to the Minister, the President and the Cabinet</p>	<p>Good initial progress on developing foundations for establishing credible resource envelopes, accurate fiscal space estimates and follow-up on pension policy advice. Progress on budgeting reversed at Budget Committee, and pension policy decision making has stalled as it has not yet been scheduled for Cabinet consideration.</p> <p>The team were able to successfully deliver to the HEC a good foundation for allocating government resources based on policy and past performance, as opposed to budget sharing and/or auctioning methods. Forward estimates of the costs of existing policy were calculated. Fiscal space was estimated with options to expand and fill. The HEC Agreed to the budget parameters, including calls limits for the annual budget year, forward estimates, and for new policy proposals in line with the ANPDF (e.g. jobs for peace).</p> <p>The HEC decision on the fiscal envelope, forward estimates and use of fiscal space, was not adhered to through the budget bidding and carryover system managed by the Budget Committee. For example, the poor practice of mandatory carryover requirement set by the Budget Committee of all unspent appropriations continues. Carryovers are automatically applied without request from respective State Administrations - this is in breach of the PFMEM law on Carry Overs, which says that carryovers are discretionary and can only be applied on request of the respective State Administration (see PFMEI Article 50). The law is consistent with international good practice, whereas the BC interpretation is not. In fact, the automatic carryover process would be considered world's worst practice. The Budget Committee approved a budget of AFS522b, which represented 50% more than the HEC approved fiscal envelope. The Budget Committee also agreed to not include the Forward Estimates in the Budget Papers, thereby compromising the launch of the new system of rolling forward estimates, policy based budgeting and fiscal space creation and filling.</p> <p>The Pension Paper on pension policy was completed this year. This was an IP policy trigger, which failed to be secured - losing 8.5% of the total amount (\$17m) per month. Lost money through the IP incentive system was transferred to the O&M Incentive triggered window. The paper was submitted to Minister for Finance and. The High Economic Council discussed parameters and political consequences. Stakeholder consultation occurred (MOLSA, WB). Cabinet has not yet considered it yet due to delays partially outside control of the team.</p>
2. Support the development and implementation of forward estimates framework	Establish first phase of forward estimates framework	C+	C+	B	Forward estimate framework for 1395 and 1396 national budget was developed. To continue the existing policy in 1396, the framework assumed	1) Non existence of new policy costing and life time costing of the development projects. 2) Non-	Forwarded estimate framework, 1396 FSP	Good efforts on establishing the first phase of forwards estimates in the face of significant challenges including cross-team collaboration. The process was on track until October when the Budget Committee initiated the budget hearings. Workshops for LM s had been done (16), estimates done, briefing done and HEC decision secured. MFPD did not participate in the budget hearings at the agency level, they only provided

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					that 1395 level of operating expenditures will grow in line with the rates of inflation and population; while both discretionary and non-discretionary development budget were kept constant assuming that the line ministries had only that much capacity to spend in line with 1395 level. However, we provide flexibility to the line ministries and budget units to come up with new fully costed policies, where the policies should contribute to generating employment and economic growth shall be justified part of the budget. In the absences of that, the existing policies will continue.	existence of a framework for the non-discretionary development budget. 3) The traditional way of budgeting is being insisted upon by the departments. 4) The political challenges distorts the ground realities with the budget and budgeting process. 5) Technical problems with the carry forward figures. 6) Non-existence policy based budgeting.		the ceilings and other budget parameters to BPD. BC came back with a figure of Afs522 billion, way above (50%) the HEC agreed figures. MFPD then did 3 briefs for the Minister to raise the issue of the budget not being credible and the Minister asked MFPD and BPD to come back with something more realistic. The Minister set a ceiling of Afs 350 billion. MFPD and BPD agreed on an initial step of lowering the budget to Afs466 billion based on reductions in new allocations to existing and new projects. No adjustment to carry forwards was suggested. Then MFPD and BPD briefed the Minister that detailed assessment of projects will be done to reduce the budget further in the mid-year review in 2017. The Minister agreed and advised the president who also agreed. Challenges: This issue has been subject to differing views in different departments. BPD insist that carry overs are automatic even though the law clearly states carry overs must be requested by the LM and approved by the Minister. Secondly, budget have failed to follow the instructions of the HEC and the fiscal space estimates. Aggregate fiscal discipline for the will continue to be rated as "D" for the budget as a whole under international standards (PEFA).
3. Support Development and Implementation of Sustainable Debt Policy	Review and update debt strategy and complete DSA	C+	B	B	Reviewed debt policy and updated the DSA model. Work on debt strategy requires minimum of 3 years time. Although it is part of the plan but the government cannot borrow commercial loans in the medium term in line with the government's commitments to the international community and the IMF. The current level of debt is highly sustainable since the debt is only 7% of GDP, which is highly concessional with higher grace period and lower interest rate. However, the development of the debt policy is a requirement but not very urgent to be taken as priority for 2016 and 2017. The rolling plan therefore should be updated for the next year to reflect priorities. Training was received from the World Bank on DSA.	capacity constraint and lack of government strategy on debt	A group of MFPD, DMU, DAB, and Budget are being trained to learn DSA and Debt Strategy Development	Some progress on working towards a sustainable development policy. Workshop on debt sustainability analysis has been held and debt sustainability model is functional.
4. Deliver timely and high quality advice on tax policy	Implement plan for improving tax policy advice and revenue forecasting	C	C	C+	TOR for the tax development policy committee was approved on March 30th.		Weekly revenue briefs and reports,	Mixed progress: Tax policy committee has met and tax policy development and briefing has continued. Revenue forecasting capacity continues to improve. With slow progress

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along with consistently accurate revenue forecasts					Stakeholders of the tax policy committee are identified and invited for the inaugural meeting. Operational manuals of the committee is developed and finalized. Analysis for WTO implementable tariff rates is carried out and the brief was shared with the minister. Process mapping of the tax payment system is under progress. Revenue forecast is completed for the medium term, and it is part of the budget for the next year. Weekly revenue briefs and updates are written and shared with the management.		medium term revenue forecast, ToR for Tax Policy Committee.	on establishing routine systems to integrate fiscal systems (AFMIS, SIGTAS, ASYCUDA etc.).
5. Manage and Coordinate IMF programs for successful outcomes	Successful oversight and coordination of SMP. Negotiate ECF coordinate implementation of program.	A	A	A+	SMP was successfully implemented with all structural benchmarks and policy commitments achieved within nine month time frame. ECF was negotiated and finalized and program was undertaken in June 2016. Structural benchmarks and policy commitments of the ECF are under process, which is to be implemented within the given timeline.	There are several stakeholders in implementing the program which leads coordination problems	SMP. ECF documents	Outstanding performance on working with the IMF with sustained efforts to solve problems. SMP was completed in 9 months with all indicators met. Successful negotiation of the ECF program with significant change in engagement.
16.2 MFPD: Macroeconomic Unit		C+	B	B				The Fiscal Strategy Paper (FSP) is the flagship product of the team, which is about using macroeconomic analysis to influence fiscal reallocations and supporting fiscal flexibility. Good progress in collating and reporting on fiscal risk. Mixed progress on macroeconomic forecasting - good progress on securing evidence based revenue forecasting for the fiscal strategy and budget papers - no progress linking macro-fiscal policy to budget allocations, and no progress on halting the bad practice of mandatory carryovers of unspent appropriations for development projects.
1. Deliver timely and reliable forecasts of key macroeconomic variables	Update and refine quarterly macro-risk report and improve macroeconomic forecasts	C+	B	B	Consultation with Agencies took place, third quarter macro-risk report was produced entailing a summary after approval that covers different sections on the economy. The risk indicators were refined by substituting indexes of Nominal GDP to Actual values of Nominal GDP, The existing Forecasts methods were	lack of cooperation by the agencies on providing the data. Data was not available on time for some agencies. Lack of consistency with the data received from several agencies	MFM and Risk Report	Mixed progress - good progress on securing evidence based revenue forecasting for the fiscal strategy and budget papers - no progress linking macro-fiscal policy to budget allocations, and no progress on halting the bad practice of mandatory carryovers of unspent appropriations for development projects. One macro-fiscal risk report was completed but it went nowhere. There has been some improvement in macro-fiscal forecasting models, which have been updated for setting up baselines for the forward estimates of the costs of existing policies. Wide consultation on macro-fiscal model with key stakeholders occurred including govt agencies and the IMF. Discussions with IMF led to agreement and forecasts were included in the Fiscal Strategy Paper (FSP), which went to the Higher Economic Council and was agreed as presented. The good outcome on HEC, was subsequently lost through Budget Committee operations

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					reviewed and a comparative analysis of different forecasts was conducted. The existing and comparative study is univariate analysis and for next year it will be extended to multivariate analysis			which broke the linkages between macro-framework and budget estimates. This year the revenue side of the budget was significantly improved. The budget applied revenue forecasts based on the macro-model rather than treated as a budget balancing line. The application of the mandatory carryovers by the Budget Committee was not solved this year and continues to be a major cause that breaks the linkages between the macro-fiscal framework and the budget estimates and delivers a budget that is not believable. The team debated hard on this issue but lost. Some progress has been made on improving regression-based analysis.
2. Provide highly valued macroeconomic policy advice	Improve macroeconomic analysis and pursue macroeconomic policy development work	B	B	B	Policy brief in two sequences were written for IMF meetings and Pensions policy presentation was finalized. The presentation was delivered to the Minister and Cabinet of Ministers. Macro Directorate is working on producing Economy Brief for the year of 2016 set to be completed by December 20 and Presented to the Minister by December 30th. Other briefs include analysis on WTO Tariffs, review of Ministries Economic Proposals for HEC.	Macro Directorate is newly established and it is working to expand its scope to look into country's macro environment that will assist the Fiscal policy to devise a realistic Fiscal Stance for the government. The progress has been expedited in the second half of the year compare to the first half. Macro Directorate needs time and resources to improve its performance. The resources is key element and now will be taken from the TAF project	Macro Economic briefs for IMF, HEC and ARD	The Fiscal Strategy Paper (FSP) is the flagship product of the team , which is about using macroeconomic analysis to influence fiscal reallocations and supporting fiscal flexibility. The Macroeconomic forecast was included in the FSP as something new for 1395/2016. FSP made recommendations around 3 pillars: 1. Generating growth and employment through investments (Jobs for peace); 2. Renewable energy and water / Ag management; and 3. Invest in transit to make Afghanistan a hub. MFPD presented to HEC. Provided basis for budget priorities and MY budget review and reflected reallocations to these priorities. Team will be improving the quality of briefing to better engage with decision makers. The FSP updated for ANPDF. Good progress in collating and reporting on fiscal risk. Team is considering ways to work towards international best practice in analysing and managing fiscal risks.
16.3 MFPD: Admin and Reporting Unit		B	B	B				The team's Flagship Achievement is operationalizing HECS - the HEC is the only functioning Council, which is due primarily to the work of the HECS team. Good progress on implementing new structure with 17 new staff appointed, with HECS team upgraded to Director level.
1. Set up Macro-Fiscal Performance Department	Continue implementation of new structure for MFPD	B	B	B	New structure of the MFPD has been adopted	Negotiation with HR, IACSC, long process of hiring staff	revised MFPD Structure	Good progress on implementing new structure with 17 new staff appointed including for the Higher Economic Council Secretariat (HECS) work and the Performance Management Team. Short term staff have been hired through NTA for prioritized CBR positions. While, some positions remain vacant, MFPD has still been able to fulfil many core functions and high priorities to a high standard. HECS team has been upgraded to Director level. The team's Flagship Achievement is operationalizing HECS - the HEC is the only functioning Council, which is due primarily to the work of the HECS team. Working procedures have been established (SoPs/Handbook). Evaluation checklists, proposal template. Legal opinion is included as requirement. More formal coordination comment is not yet a requirement. PPPs are a major area of work. Unfortunately, fiscal risk and fiscal impact is assessed by the Secretariat rather than the entities that are bring forward submissions. Consequently, the team is planning to make sure fiscal, legislative

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								and fiscal risk impact is assessed independently prior to submission to the Secretariat. the team is also trying to set a system that ensures that all PPPs must to be considered by the PPP unit first. Not one PPP has been approved through the HEC, indicating that the Secretariat and HEC are functioning well. The team is delivering some effective gatekeeping functions also. The Team is setting up database with access provided to MoF teams. it is being designed to track which MoF teams are providing coordination comments on proposals. The team feel that setting up submission rules will not in itself deliver the gatekeeper function, as submitters will find a way. The database will also track decisions of the HEC, which is currently being done in Excel. Basic HECS Procedures are working well: Minutes are done on the same day; Press release done on same day and issued on same day; and Decisions are tracked routinely.
2. Deliver Professional Development Opportunities for MFPD Staff	Agree and implement a plan for ongoing professional development program							Not Scored. These activities will be addressed in 2017. MFPD is still being established and financing via WB TAF has only just been finalized. DG level budget are still not in place. Dialogue with donors linking funding to plans is ongoing.
16.4 MFPD: Performance Management Team		C+	B	B				Good progress in delivering on annual plan: PMT established and staffed, 5-year plans established for all MoF teams and two external agencies, Mid-year review completed (late), PIMS system developing only in excel (due to defunding, drive dialogue with donors to link funding to plans (slow progress), good briefing of DG, but briefing of wider leadership group is failing due to lack of meetings of leadership group.
1. Establish and Strengthen the PMT	Adjust PMT structure and professional development plans as required	C+	B	B+	New director has been appointed, an upgraded structure based on functional analysis have been put forward to DG for approval from the minister and the President.	the ceiling of the number of employees in the DG MFPD, the approval is pending	Tashkeel document	Good progress. Slow start on staffing but on got done near year end. The Performance Management Team is approved and Tashkeel positions are still with CSC. Loss of an existing team member to a USAID project returned voluntarily. Good efforts to get CBR approved for MFPD (and PMT) for NTA. All job descriptions are complete. Professional development plans are still delayed due to delays in financing, but they will be agreed with staff in due course including for on-the-job training (regular team meetings, calendar management and mission preparation), IT training (excel), formal learning (Distance MSc PFM at London Unit), short courses (GFS and PEFA). PMT missions were compromised due to delays. Director identified and nominated through due process. 2 NTA (transition to CBR) staff out of 3 have been appointed. Ad-hoc support from donors in 2016 prepared the way for the performance management system to deliver results. However, the absence of ongoing support from Donors have compromised plans for 2017 including provision of support for the existing 2-person independent validation team, expansion of validation team to cover new agencies and workload set by the SMAF indicator expansion to other central agencies and line agencies. Consequently, there is a very high risk that roll-over of new plans for existing agencies and agreement of 5-year plans for new agencies will be delayed by 6-12 months, or even cancelling of the program. Funding from DFID was stopped by UK in July. Funding from Australia is currently paused pending security review and uncertainties of policies of other donors. Similarly, additional funding via Norway was not realized, and notification of non-support did not happen in time to enable the 2016 annual performance review to run as planned, compromising plans for 2017, including rollover of the 5-year plans, creation of new plans for new agencies, and team expansion. Director has committed to getting professional development plans submitted to DG before the end of the year.
2. Develop and Maintain a Performance Information Management System	Enhance PMIS as required and implement systems integration plan	C+	C+	B+	An overall plan of integration and implementation plan has been submitted for the	Resources are yet to be identified	the integration plan and the	Off track. Funding approvals for database reversed 4 four times by contractor. Donors have not agreed to fund database. Government agreed to some financing, but has not been secured. Government now considering to fully fund work, potentially through a

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					development of a Performance Management System		development plan	retroactive financing arrangement with the new World Bank TAF or some other mechanism. Initial discussions with Hopkins, MIT, and Facebook have occurred. Progress is s.t. to a credible agreement on medium-term funding for the system. The Director submitted an integration plan for Performance Intelligence Management Solution (PIMS). The team is still using an excel based solution for tracking, rating and analysing team performance.
3. Establish First 5 Year Rolling Plan and expand reach	Expand reach of 5 year plan to more agencies as agreed	C+	C+	B	The Five Year Rolling Plan has been extended to Six agencies, Nothing has been done on the integration of the ACPs	lack of an MoU, ACPs are highly political, requires a lot of communication, trust building measures and political will	Communication documents	<p>First 5 year plans done for all MoF teams and two external agencies (AEITI and NPA) - expanding reach agreed but lack of funding means that expansion is at risk. Agreements have been reached with Défense, Interior, IDLG, CSO, SAO and IDLG to participate in the FPIP and team-based performance management system. 3 rounds of meetings were held during the year (including with other prospective line agencies - energy and water, education and Mines.) Templates have been sent to the 6 agencies. Letter is to go out to request returns. New team members engage very well with new agencies. The President called in all the Minister's of the participating agencies to formalize arrangements. This was communicated to the public via the President's website - http://aop.gov.af/english/3415/President+Ghani+Chairs+Meeting+on+Public+Financial+Management</p> <p>Major risk is that expansion cannot occur compromising one key SMAF indicator - due to withdrawal of support from Donors (UK, Norway and Australia). Validation team requires at least 2 more experts and new 5-year plans need to be agreed through peer review by January/February. Political risks remain significant.</p> <p>Some progress in liaising with donors to link funding to 5-year plans. Major risks remain in this area. DG is optimistic.</p> <p>Integration of anti-corruption plans not formally done.</p>
4. Run workshops on key unresolved issues	Run workshops on key unresolved issues as required	C	B	C	arranging logistics for the planned workshop on Tuesday 13th december, have conducted one to one trainings and support as required to the clients and the new agencies	Logistics and security	Communication documents	<p>Limited action on policy based budgeting, forward estimates, new policy costing and public investment management, carryover, and costing of 5-year plans. Team distracted with other work. Quality of content is good in dealing with gaps in understanding of good practice budgeting. Worked with UST on providing support on costings.</p>
5. Brief and report	Brief leadership group in line with work plan	B	B+	B+	Requests are put to the concerned authorities for arranging the briefing	Full schedule		<p>Partly off-track, with high risk of leadership group meetings not occurring. Two leadership group meetings have been held. Routine leadership group meetings not yet in place. Regular oral and written briefings are routinely provided to DG on progress, as well as the Minister and the President. Briefings are having positive impacts. President agreed to the \$20m financing but was not approved by MoF. Team is struggling to help establish a culture of routine quality briefing.</p>
6. Deliver Routine Operations for the PMT	Tracking Report (May/June) and Annual Performance Report (Nov/Dec) produced	B+	B+	B+	The mid year tracking report has been produced the final report is in the making	Lack of clear policy on sharing of the performance with the public	the report	<p>Sufficient progress (late and not quite to standard). Mid-year plan delayed (should be May). Mission preparations were only adequate partly due to lack of staffing. Running performance system without database has led to increased complexity. Bilingual template has attempted to solve language problems, but not very well. Plans for scheduled workshops remain. DG and team were proactive in getting letters out, securing agreement and prioritizing team work. Preparations were compromised due to lack of routine leadership meetings.</p> <p>Report used at Brussels and presented by Minister at a Side Event. Positive feedback</p>

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								<p>from participants.</p> <p>Poor engagement from MoF officials and donors on providing detailed comments on drafts. Good general feedback on reports. Good feedback from UST-OTA.</p> <p>Quality of self-assessment is still highly variable. Some teams are well prepared, while others do not prepare. Commitment to fair scoring in accordance on grading rules is also variable (i.e. C=delivered on time and to standard).</p> <p>Poor results on transition of documents. Team were not able to secure staffing and TA data.</p> <p>Generally good engagement at the team level during the peer review/validation sessions.</p> <p>Validation meeting with leadership group still needs work: i) off topic discussion; ii) discussion too long; iii) minister left 2/3rds the way through the meeting; and iv) no feedback on drafts.</p> <p>DG rightly believes it is critical that budgets are linked to the 5 year plans and performance.</p>

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17.0 Aid Management Directorate		B	C+	B				
17.1 AMD: Aid Management		B	C+	B				
1. Draft and Implement Aid Management Policy	(1) AMP endorsed and introduced to GIROA and donors; (2) AMP implementation plan finalized and endorsed by the relevant stakeholders; (3) Drafting and revision of required guidance notes; (4) Implementation is begun; (5) Monitoring and Evaluation frameworks is finalized and is being used to measure compliance with policy.	C+	B	B	1. AMP consultation/awareness workshop was held with 15 government agencies and their feedback was integrated into the policy. 2. The AMP has not been shared with HEC for approval.			On track. Completed consultations, bi-lateral meetings with LMs and workshop. Work now is to bring all the comments together. Plan has been pushed back a bit, but might not finish by the end of the year. It depends a bit on whether LMs respond on time, and getting this on the agenda for the HEC to get it approved. Draft Policy and M&E plan are done, pending comments. For details on policy see mid-year assessment. The main objective is to improve coordination and set a standard approach through the national budget. AMD has participated in the budget hearings but not all. Implementation plan covers role of AMD in getting this policy to work. Challenge: Staff turnover means awareness of the plan is low. Did not have sufficient TA to complete, CBR process has been slow. Got 1 NTA for 6 months.
2. Administer the Self-Reliance through Mutual Accountability Framework (SMAF)	(1) Coordinate the implementation of donor's commitment under area 6 of STAFF; and (2) Evidence based monitoring and reporting of the mutual commitment expressed by the donors and the government under area 6 of STAFF is conducted on biannual basis and (3) Negotiation with the DPs on the long-term commitment on aid effectiveness.	B	C+	B	A presentation on Area 6 of SMAF was delivered at the HEC. The Matrix is updated on Monthly basis.			Good progress. SMAF has two parts, AMD works with Policy Department. AMD is involved in the annex on Aid Effectiveness. This involves a report on how donors are performing. AMD produces evidence and discusses with donors. Eg, donors will sign financing agreements on all projects but donors don't meet it. There is a matrix which was twice been reported to the HEC. Some progress on NTA rates, US have sent a letter out to implementing partners to comply with the rules and rates. No agreement on the verification mechanism - trust me self-assessment. Challenges: getting the donors agree to reporting. Donors have only met 2 out of 10. Taxation, working group formed, did a report but no follow up.
3. New Deal Enagement	(1) The New Deal Study is completed; (2) In collaboration with MoFA, g7+ ministerial meeting is organized in Kabul during which the New Deal Study is launched; (4) Implementation and advocacy plans of New Deal Study is finalized; (4) Multistakeholder dialogue between the Govt., the DPs, and civil society on the implementation of the broader New Deal Agenda and the g7+ processes is established and strengthened; (5) (1) New Deal Implementation Project is designed and resource mobilization activities are completed.	C	C+	B	1. With support from ADB, the Fragility Assessment is being updated. Report is due by end January 2017. The updated report will be presented to HEC.			Steps to go past the fragility assessment to implementation in conflict affected states. See mid-year assessment for progress to August. ADB have been helping with conflict specialist and two NTA to help with moving from the fragility assessment to implementation. Design of tools that you can use in projects. Focus is initially on infrastructure, looking at the peacebuilding aspect. Fragility assessment is being updated for progress, finish that in January, draft is done, being reviewed. This will form the baseline for the work with ADB. Also, sought input from the OECD (conflict area), particularly looking at resilience. Next step is to present to the Development Councils. Challenge: understanding of state building is low on all sides. need to make sure that the tools are focussed on how the budget is formulated, not how projects are formulated.
4. Management ODA Data and Information	1. ODA data collected from Afghanistan development	C	B	C+	1. ODA data has been collected and the			As per mid-year. System is updated for the year and data is being validated. Link between DAD and AFMIS, no work this year. Presented quarterly and on the website

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	parnters in accordance to the ODA Data Cycle and entered in the DAD; (2) DAD system improving concept note completed; (3) ODA data analysis conducted and the results commnicated to the DPs; (4) DAD and FMAS compitability is resloved; (5) DAD rolled out to at least 3 ministries by offering sector specific DAD trainings, preparing of a user guide (6) dissementation of donor specific ODA Data Score-Cards on quaterly basis; (7) Work with Budget and MFPD on developing systems and processes for the the new rolling forward estimates process; (8) Review International Aid Transparency Initiative				verification/validation process is in progress. Due to lack of budget, no changes have been introduced to the DAD system.			through the AMD portal. Challenge: Need budget for the link to AFMIS. DAD numbers need to be aligned. problems with the way these are done.
5. Drive Development Cooperation Dialogue	(1) Development Cooperation Dialogues with bilateral donors, militi-lateral/UN programs and agencies and Trust Funds are managed effectively.	A	A	A	No further progress			Good outcomes securing on-going donor support. Brussels Conference on Afghanistan, AMD were part of the core team working on ANPDF, looking at the aid structure, framework agreements and the priorities embedded. AMD was on the negotiating team for the SMAF on the donor reforms. One good achievement was getting forward spending plans from donors. This need follow up. Negotiation the aid commitment. Good outcome from the OECD donors, maintained the contributions, increase from IDA (double), Indian contribution also up. Out of the \$15.2 billion EU is the main donor, then the US. Japan fell. AMD estimates where pretty close to the actual outcome. AMD works on NDP, SBC (EU) plus the EU IP. AMD are working on concept note on follow on commitments including political visits and roadshows. US visits are very important, Minister needs to widen his circle of meetings. He also needs to work on other major donors. Challenge: Understanding of the aid commitments, separating the existing commitments with new commitments, is low. This is related to the way the budget is costed.
6. Review and Reporting	(1) Portfolio review of at least with top 5 provider of ODA is conducted;(2) Annual DCR is published and launched; (3) Afghanistan's input into relevant international development partnership platforms/forums/surveys-namely the Global Partnership for Effective Development	B	C+	B	1. The Portfolio reviews with ADB and World Bank has been conducted 2. The Annual DCR has been completed and ready to be published but due to lack of financing its on hold. 3. AMD has participated in the HLF forum in Kenya.	1. Due to the preparation and post brussels activities delayed the portfolio reviews with Germany, US and EU. However, with US the PR preparatory work		Good progress but very significant risks if the budget cycle doesn't change. The work on operationalising the ANPDF now includes portfolio reviews, starting with the 5 biggest on budget donors, WB, ADB, IB, EU and the US, plus the biggest 5 off budget providers, Germany, Japan etc. This is partly about creating fiscal space. Government's view is that we need institutional reform - councils, budget and the reviews fit into that framework. Target is that by the MYR of the budget they hope to get closer to alignment. Challenge: Tough decisions need to be made to cancel projects. some political capital needs to be spent. New budget cycle needs to start now.

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	Cooperation and OECD surveys is facilitated.					has already been completed with Germany, the annual review will take place in Feb 2017. 2. MOF has not allocated USD 3600 for design and editing of the report.		
7. Communication and Advocacy	(1)AMD webpage designed and uploaded; (2) Facebook and Twitter accounts activated; (3)Donor profiles developed for bilateral, UN and multilateral and Trust Funds;(4) Aid Management Policy and New Deal Engagement advocacy activities at the national level conducted; (5) Donor score cards released on quaterly basis; and (6) Policy briefs are prepared and shared with the management.	C+	C+	C+	No further progress			As per mid-year. 2015 multi-year communications strategy developed and implemented. (1) AMD webpage designed and uploaded - High quality. Managing IT for ensuring updates to website. Challenge is to ensure single backbone, single network, single system starts to work for MOF. AMD website marks a start pending MoF-led IT system. (2) Facebook and Twitter accounts activated - hit data indicate increasing use. Challenge ensuring MoF-wide policy on social media. AME accounts marks a start pending MoF-led policy. Key publications on track - updated as required: - Donor profiles developed for bilateral, UN and multilateral and Trust Funds; - Aid Management Policy and New Deal Engagement advocacy activities at the national level conducted; - Donor score cards released on quarterly basis; and - Policy briefs are prepared and shared with the management (MfF gets a brief every time for a meeting).
8. Institutional Capacity Building	(1)To recruit new staff to fill-in the current gap that exist in the human resouces of AMD; (2) AMD's structure is revised to reflect gov't new priorities; (3) Transition to the MoF Civil Servant is initiated by providing on-the-job training; (4)To mobilize resouces for AMD's function; (5) To offer specific trainings to enhance capacity of AMD; (6) develop office procedures and rules for improving communication, information management and coordination functions.	C+	C+	B	1. 4 of the NTA staff have been transferred to the CBR. 2. The AMD structure has been revised and MOF added additional 10 new positions yet to be recruited.	1. No budget for AMD. 2. The CBR Process is very slow and too engineered. 3. Lack of reporting unit or staff to work on the score cards		Good progress. Tashkeel is finalised and approved and added 10 new positions. 4 already recruited through CBR. 15 NTA positions are available to recruit new staff and move to CBR (deal worked out for 100 positions across the MOF). Position descriptions done and announced. Challenge: Still need some TA with specific skills particularly for the portfolio Reviews. Can do through TAF (DG MFPPD has already agreed).
9. Project/Program Coordination	(1) Financing Agreements are signed for on and off-projects; (2) Development Framework Agreements are signed with	B+	B	B	1. 100% FA for the On budget projects have been signed. Financing Agreements for Off budget has been signed but	2. Donors that have reported projects in the DAD has been asked for the copy		Good progress. Two agreements that have been stuck are moving. Germany, hoping to have signed by the time Minister goes to Berlin early next year. Swiss is also finalised. Japan still has a few issues, but team is working through them.

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	the donors; (3) MoU and other project agreements are negotiated with the involvement of technical ministries;				<p>does not cover all off-budget ODA.</p> <p>2. Work on the DFAs is in progress. The DFA for Germany and Swiss in an advanced stage and expect signature by early 2017.</p>	of the agreements signed for them. It might help in to know who they are signing agreements with if they do so.		<p>Financing Agreements: some progress, many more are being signed. The process is much more important than the agreement. It is through the process that AMD can check if the LM is aware of the program and agrees with it. Mostly done through negotiation. These are also good for publicity.</p> <p>(1) There are more Financing Agreements for former off-budget projects: 41% now. Up from 30% at the end of 2015. On budget projects get fund code and get in to the Budget systems. Off-budget FAs get reported in an annexe which LMs can see. Data also goes into DAD (Not AFMIS). On-Budget means using General Ledger in AFMIS. Projects without FAs are in the DAD but not reported in the off-budget annexe.</p> <p>(2) 4 New Development Framework Agreements are on track to be signed with 13 already in place. 3 negotiated this year to be signed soon. 1 signed this year already. Guidance note on FA's in place and being followed.</p> <p>(3) Good progress on MoUs; 4-5 MoUs done this year. 1. MoU done with EU on refugees, 2. MoU with Germany on Refugees. 3. Joint economic agreement with Pakistan. 4. IFC agreement. AMD work closely with MoFA.</p>

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18.0 Office of the President		A	A	A				
18.1 National Procurement Authority (NPA)		A	A	A				
1. Institutional Reform	<ul style="list-style-type: none"> - Develop NPA's Strategy and Plan - Ramp up NPA's oversight role and ramp down its procurement facilitation role - Service delivery by NPC and ARC - Recruitment of consultancy firm to conduct assessment for establishment of NPI - Feasibility Study report on special mechanism for high volume low value common items 	A	A	A				<p>Outstanding progress in one of the most difficult operating environments. Concept was to enable the President's vision by undertaking wide stakeholder consultation (PPU, Secretariat for Procurement Commission, CSTCA, etc.). Presentations to World Bank and ADB have been delivered. These meetings transformed the perceptions of the World Bank and ADB. World Bank have indicated that ARTF resources should be made available for NPA to help implement their plans (under the replacement program for PFMR2). Team effort in developing the strategy and plans. Safeguarding personal was a key objective. Challenges with cooperation with access to data, systems and asset transfers. Concept was approved by the President. Then the 5-year plan helped turn the strategy into a sequenced plan of action over time. Refining and fine-tuning plans continues to be an interactive process and based on policy decisions made by President. NPA have almost tripled the number of Tashkeel staff (46 to 134) who have been moved to CBR - 134 staff with AOP endorsed top-up provision. An additional 100 NTA funded via PFMR2. NPA's preference is for financing not advisory assistance. Consultancy on analytical work are contracted in line with NPA plans. New secretariat procedures delivering results as above. There are no backlogs. Turnaround times are as specified in the law and are being followed - 28 days is the standard in the law but the targeting used is 7 days if a package is complete and meets internally set standards. Most of the cases are considered with 1 week (70-80%). No cases have gone past the legal requirement of 28 days (automatic approval). No automatic approvals awarded. Gatekeeping function working well to deliver savings (Afs18.3b). 2136 cases considered this year. 1900 have been approved (with 151 successful returns - with 43 returns remaining - total 194 returns). Savings example: MoPW highway project: \$254m. Difference in cost-estimate was a lot lower. NPC recommended to rebid, which resulted in a new award of \$201m - delivering a saving of \$53m. New methodology for calculating savings has been developed for use in 2017.</p> <p>NPA is delivering transparent and accountable service. Current status of complaints.: 450 (up from 160 at mid-year) complaints received and processed with almost all resolved. 65 were assessed as requiring in-depth review - responded with some in favour of complainant. Responses are posted on the NPA website. 385 received standard response via initial assessment system. Most complaints resolved within a few days as they were bogus and/or frivolous complaints (system is still free for genuine complaints in line with international standards). Full complaints tracking system in place. Results of complaints handling systems are published on the website. Complaints can be through multiple mechanism. Debarment committee working well. 97 companies have been barred from bidding on government contracts and all sent to the AGO for prosecution. NPA are following up with AGO. AGO have responded on only 1 case - not taking forward to prosecution. The remainder are uncertain. NPA will be meeting AGO personally. \$3m from forgone bid guarantees has been sent to Treasury.</p> <p>Membership of Open Government Partnership awarded in December, which was heavily influenced by NPA. Eligibility criteria met. Was a commitment at London Conference on Corruption.</p>
2. Legal and Regulatory Reforms	- Followup on approval of the Procurement law by the parliament	A	A	A	Debarment Procedure revised and improved, new SBDs enacted for major health and			Outstanding progress - above and beyond expectations 54 procedures revised and consolidated into a single document. For the first time in the history of Afghanistan a world standard procurement law has been passed by the Parliament. Intense opposition

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	<ul style="list-style-type: none"> - Comprehensive revision of ROPs, SOPs and SDBs - Develop new Procurement threshold mechanism - Review draft PPP regulation - Framework agreements/contracts mechanism developed 				<p>construction procurement, procurement regulation has been drafted and submit to Ministry of Justice</p>			<p>to law - attempts to delay consideration. NPA worked with stakeholders (e.g. workshops on international standards which helped bring support). Observers used as part of the process. Joint house committee established to review law reaffirmed passage. Reached out to key influencing MPs technically and politically to help achieve this transformational outcome. Translation into English and Pashto is progressing. Subordinate legislation to the Procurement Law in place - regulations developed and with MoJ. Regulation requirement was part of the deal with parliament in passing the law. All Standard Bidding Documents (SDBs) have been revised and new SDBs have been prepared and enacted for major health and construction projects. Available on the website.</p> <p>Development of a Framework policy is progressing. Framework agreements for big multi-year contracts for general provision of goods and services. Currently increasing knowledge to inform policy development in this area, which is very new in Afghanistan but a crucial area for timely and efficient (via exploiting WoG purchasing powers) delivery of goods and services. New agency being established for procuring commonly used/procured items. NPA worked closely with MoD and MoI on moving to Framework agreements via consolidation of requirements under single contract (that were previously provided under more than a thousand contracts). This delivered significant savings in terms of money, human resources and administrative overhead. Major challenges were in the provinces as the move was challenging existing interests. This required high level intervention from the President and the NPC. Investigation committees and oversight committees were put in place for the transition period for consolidated contracts - set outside of MoI and MoD.</p> <p>Outstanding progress - The Incentivized Threshold Mechanism - ITM has been developed and will be applied through FY 1396 to be effective as of FY 1397. NPA leading the way globally on incentivizing good practice in procurement. Procurement thresholds were set in the law - bracket creep meant that thresholds became very low. Now taken out of law and in regulations (Cabinet).</p>
<p>3. Procurement Professionalization and Certification</p>	<p>PCBC continues to deliver essential procurement trainings to procurement entities</p> <p>Conduct capacity and certification assessment of PEs</p>	A+	A+	A+			<p>Do not score - covered above. On track and heading in the right direction. Procurement Capacity Building Centre (first step to NPI). 1200 procurement staff trained since start of 2015. Training tracking system is operational. Prioritizing requests for training - Security Sector and Infrastructure first, Health and Education etc.). Training effectiveness: Framework contract is an example of effectiveness of training. On-the-job training provides assistance on key points (e.g. bid opening). Certification based on evaluation of on-the-job performance. 4 key stages being assessed: Reactions, results, behaviour change etc. Nominations are a key problem to resolve. Non-procurement staff not being nominated and it is difficult to quality assure nominations. Testing will be through certification now. Currently considering basic testing of procurement staff for numeracy and literacy. Online training courses are being considered. Team continues to work at improving the effectiveness of training.</p> <p>Culture change priorities include: PCMBC/NPI and strategic communications and outreach.</p>	

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4. Electronic Government Procurement E-GP systems Development	<p>Developing E-GP readiness assessment report and strategy</p> <p>Upgrading PMIS and E-purchasing</p> <p>Upgrading NPA website in accordance with the new functions of PMIS</p>	A	A	A				<p>On track in a very difficult area. An international consultant was hired in Oct 2016 to conduct E-GP readiness assessment and develop E-procurement implementation strategy. Work is under way. Plan is full integration of e-Procurement into the accounting, purchasing and contract management systems. Treasury, Budget and NPA will need to work closely together to find a fully agreed integrated solution. With the help of five ISO 9001 LA certified personnel of NPA a total of 223 processes are mapped and 34 processes are re-engineered to ensure further efficiency in those processes. The online version of Contracts Implementation Monitoring System is developed and is currently being piloted in 7 organizations. ISO 9001 certification awarded in December 2016.</p> <p>Online tracking of NPA processing of ministry applications (procurement and contract implementation). Plans for further refinement. Trilingual website has been enhanced including with linkages with PMIS. Website is well managed with up to date information with full disclosures. Dari and English is complete. Pashto not as comprehensive. Access has been significantly widened and deepened with 9 modules (3 operational). Delivering on plans to reach above international standards for transparency. A brand-new website is under development and is related to recruitment. Higher compliance with PEFA standards.</p>
5. Phased-out procurement facilitation services with increased due diligence (during procurement process and award approval through NPC)	<p>Continue to provide procurement facilitation and due diligence in tandem with progress made on certification and professionalization</p> <p>Continue to conduct due diligence and prepare reports to NPC regarding proposed contracts for award approvals</p>	A+	A+	A+				<p>Outstanding progress. NPA has reviewed over 2,100 cases and conducted 80 consecutive weekly sessions all chaired by the President. 1,900 cases have been approved with a total value of 230 billion AFN. Total savings increased from 15 billion AFN to at 18.3 billion. Many investigations have been highly effective (e.g. in MoI). NPA is leading the way in uncovering mismanagement etc. NPA's Procurement Facilitation Directorate continues to provide facilitation services to non-certified entities. It has facilitated 496 cases so far. Out of which 259 cases are under facilitation, 135 have been awarded and 85 cancelled at the discretion of the relevant entities. Training provided to MoD and MoI. These Ministries were conducting their own procurement operations. MoI lost their authority based on weak performance assessment by NPA.</p>
6. Strengthening Transparency, Anti-corruption and Public Outreach mechanisms	<p>Register all assets of NPA staff members with High Office of Anti-corruption</p> <p>Prepare, Implement and strengthen strategic communication plan and framework</p> <p>Increase public access to procurement information in line with Open Contracting Partnership guidelines</p> <p>Strengthen relationship with civil society and transparency organizations (such as Open Contracting Partnership and Transparency International and Integrity Watch Afghanistan)</p>	A+	A+	A+	<p>NPA continues to build on its Coalition for Reform with its key stakeholders at government and Civil Society levels. Transparency International has assessed procurement reform as a successful process in its latest report.</p> <p>NPA has established new relationship with Anti-Corruption Network, Artlords, Major Crime Task Force, Joint Anti Corruption Task Force.etc. NPA has already signed a tripartite MOU with Open Contracting Partnership and Integrity Watch Afghanistan. Further Cooperative MoUs will be signed with Major Crime</p>	<p>NPA has made progress on receipt and completing of forms for asset declaration; however, procedural concerns have created hiatus in the process.</p>	<p>MoUs with anti corruption and civil society organizations. New Tashkeel Unit for Anti Corruption, Integrity and Compliance.</p>	<p>Outstanding progress in all areas - see self-assessment. NPA has established new relationship with Anti- Corruption Network, Artlords, Major Crime Task Force, Joint Anti-Corruption Task Force.etc. This provides basis for high quality red flagging systems. NPA signed a tripartite MOU with Open Contracting Partnership and Integrity Watch Afghanistan. Further Cooperative MoUs will be signed with Major Crime Task Force, JTAC, FIU, MoCIs.</p> <p>Outstanding progress on asset registration: Forms done. Discussed with HOAC. Plans for a major press event to declare assets of all procurement staff. 90% of all high-ranking officials and Cabinet Ministers have declared assets to the HOAC. Perverse incentives do exist with asset declarations held in an insecure environment.</p> <p>Communication on track to high standard. Coalition of the likeminded for reform is building well.</p> <p>Increasing access to procurement info progressing to a high standard - See Website comments above and complaints systems in comments below.</p> <p>Civil Society engagement is progressing well: Integrity watch partnership in place. Working on enhancing joint monitoring. Transparency International engagement continues to be regular, with plans to establish a local office.</p>

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	<p>and hold joint transparency forums and workshops</p> <p>Establish procurement complaints hotline and whistle blow mechanism</p> <p>Training of NPA staff to become certified anti corruption officers by the Malaysian Anti Corruption Commission</p> <p>Implement Polygraph (lie detection) test on all NPA staff and recommend to all procurement staff of PEs</p>				<p>Task Force, JTAC, FIU, MoCIs.</p> <p>NPA has proposed to establish a new unit under its Tashkeel for Anti Corruption, Integrity, stratcom and compliance.</p> <p>An Anti Corruption Specialist has been hired with a qualified candidate.</p> <p>NPA has attended several national and international forums conducted by TI, IWA, ACN and also attended the 17th International Anti Corruption Conference in Panama where it showcased its progress on adoption of open data standards.</p> <p>NPA also catalyzed the process of membership of Afghanistan in Open Government Partnership by attending the recent OGP Summit in Paris and declaring NUG's intention of membership. NPA has vastly been active in terms of public outreach through mass media and social media.</p>			<p>Procurement Complaints systems are meeting international standards: Anonymous email system is operational - advertised on website, Facebook, with plans for advertising and seminars. Will be teaming up with a media company. Facebook receiving private messages (which are followed-up) and many public comments. Law specifies the complaints handling process. Appeals Review Committee. 90 companies have been backlisted in one year based on clear rules. Every 10 days a company gets backlisted. Beneficial ownership rules are being pursued (see above). Membership of the committee: Chamber of Commerce, MoC, Legal Dept. of AoP with NPA as secretariat - in line with international standards for appeals committee.</p> <p>Certification on track - See self-assessment. International conference on ant-corruption was very useful on blacklisting (prior to getting off black list - option to agree integrity pact between any company and government to get on the "White List"). Independent verification of audits has found poor compliance with Audits - many audits not being done - just being paid for. Random audits of audits need to be more routine. Black and white lists of accountancy firms/individuals being explored.</p>

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19.0 Other Partner Agencies		B	B	B				
19.1 AEITI Secretariat		B	B	B				
1. Timely publication of complete and accessible EITI Reports	Complete the 4th Report covering 1391 and 1392 Fiscal Years, and complete work on 5th report covering 1393 and 1394.	B+	B+	B+	Independent Administrator has already been hired; scoping study of the report in progress, once completed, MSG will set the threshold and finalize the report	The procurement process got delayed a little but the development of the report is within time		<p>Good progress with good problem solving - on time and to standard with good risk management. Delivered 4th report as planned and on track to get 5th report done by February. Slight delay was associated with collection of data by government agencies. Team dealt with data difficulties, and have made recommendations for improvement to government systems. Team has now initiated work with 3 pilot provinces to collect tax (MoF - ARD, ACD and Mustufiats) and non-tax (MoM) revenue and contract data. Quality has improved compared to previous reports based on assessment from the EITI Secretariat based in Oslo. Challenges were included in the 4th report for the first time. 12 areas for reform will be tracked proactively. Good levels of problem solving. See narratives of progress on sub-activities.</p> <p>SMAF indicator 12: Amendments to mining law to facilitate EITI data collection.</p>
2. Communication and outreach activities conducted, including to the regions	Deliver communications and outreach program as planned with focus on priority provinces	B	B	B+	AEITI outreach trip to Herat, Meetings with CSO and Government organizations interested in AEITI, MSG Meetings	Communication Specialist position is vacant		<p>Good progress. Communications strategy developed, published and being implemented. Target audiences are Government, civil society and private sector. Team delivered successful outreach programs at the provincial level including: The Southern region (e.g. Kandahar, Kabul, Urozgan), Western Region (e.g. Herat, Nimroz) and Eastern Region (e.g. Kunar, Nooristan and Nangarhar). Covered Herat in addition. Team is working on plans to reach out to Bamian, Baghalan. Reports on each province available on the website. Mustufiats and MoM director relationships have improved through this outreach program - by bringing people together and brokering discussion. Parties agreed that communication breakdown was a major source of problems being faced.</p>
3. Follow-up on Recommendations of the EITI reports produced by the Independent Administrator	Deliver workshops, communication training and undertake stakeholder consultations on recommendations of the Independent Administrator	B	B	A	A committee by the MoF has been established to look into the recommendations but no further progress has been made	Needs government commitment		<p>Good progress. ARD follow-up committee (with AEITI reps) is working well. Example: This led to streamlining 3 types of mining companies under one ARD department to minimize problems of fragmentation and lack of clarity of ARD departmental responsibility. All under LTO. MoM is not yet working. Quality constraints are related to the difficulty of the activity (i.e. high risk of failure). Good problem solving working with the EITI Secretariat. Systems in MoM a major area of focus.</p> <p>President Ghani takes a keen interest in AEITI and has engaged with the former chair of the EITI Clare Short (former Head of DFID). See press release "President Ghani puts mining reform at heart of the government's anti-corruption efforts".</p> <p>AEITI MSG Action Plan for Recommendations for the 4th Reconciliation Report: i) record keeping (MoMP financial systems in MOMP and MoF); ii) Assurance: Government and Companies; iii) Completeness of Data; iv) Flows to Sub-National Government; v) Chairmanship of the EITI; and vi) Companies Omitted from the MoMP list of reporting companies.</p>
4. Improving quality of data collection and addressing gaps from previous reports	Improve data quality	B	B	B	The MSG has agreed to include as many companies into the upcoming report where the issue of a centralized data system, and some companies missing are being tracked by the IA	Centralized record-keeping system within MoMP and MoF is missing, many companies are not registered with directorates which creates confusion		<p>Data quality has been achieved compared to previous reports. 4th report is 100% better in terms of data quality. Plenty of evidence to challenge past claims. Team dug deep within the ministry to get the data. Scope of reporting is expanding quickly improving data quality (including for triangulation): 5th report looking at taking from 50 to 120 activities. LTO are helping to identify mining companies that have been missed in the past.</p> <p>4th Report was discussed at the Anti-Corruption Conference in Kabul.</p> <p>The team is doing very well on this challenging activity. Progress at political level to prioritise systems reform will require a strong government commitment. The Team has</p>

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		T	Q	E	Progress	Challenges and Problem-Solving	Evidence	First Review
								secured assurances from new acting Minister of Mines to undertake reforms. MSG is the primary forum to drive progress. Data quality improvement now a priority under the IMF program (with support from MFDP)
5. Support adoption of reforms within the extractive industries sector	Work with the public and extractive sectors to adopt and implement reform	B	B	B	AEITI has been encouraging companies to work on improvement of their financial systems	Government's especially MoMP responsibility to force companies to adopt EITI standards		Very good progress. Helped established committee in ARD and a joint committee between MoF and MoMP. The team has also provided numerous recommendations in the AEITI MSG Action Plan for Recommendations for the 4th Reconciliation Report: i) record keeping (MoMP financial systems in MoMP and MoF). Other challenges identified: 1. Certain AEITI activities not in the 5-year plans of relevant departments (other than generic reforms under the FPIP); 2. lack of intelligence management systems for the Extractives Sector. 3. Strengthening follow-up procedures. AEITI is engaged in the FPIP, which is a key mechanism to influence KPIs.
6. Paving the way for increasing investment, infrastructure and security	Successfully implement EITI agenda to ensure transparency in the sector and attract investment and ensure investors of their contributions to the growth of the country							
7. Strengthen Multi-Stakeholder Group (MSG) structure, function and processes	Continue to Strengthen MSG	C+	C+	B	Several meetings between CSOs has been taken place to prepare a charter for CSOs for better involvement into MSG; recent MSG meeting on agreeing MSG elections and a charter for CSOs and Private sector is a progress; an MSG capacity building workshop was held in Turkey; roping in of a member of parliament to strengthen the process	CSOs interest in the process, more CSOs are interested but the current CSO coalition isn't ready to accommodate them		Good progress and proactive problem solving: A member of the Natural Resource Committee of Parliament is now formally represented on the MSG, brings Afghanistan into line with good practice under EITI. ToRs addressed participation problems; distribution of duties clearer; voting rights improved via quorum reform and virtual approvals. EITI Secretariat advised good practice on ToRs. TORs to improve the MSG are done, but high level political commitment to the EITI agenda is not as strong as it could be. Identifying a champion would be a good step forward. Several meetings between CSOs and private sector has taken place. Charter for CSOs now progressing for better involvement into MSG. Conference for MSG held in Turkey, which resulted in good discussion including on dealing with the massive challenges.

ATTACHMENT K: 2016 TEAM PERFORMANCE ONE-PAGERS

1.0 Office of the Minister	Grade	Score	Rank (out of 19)
Raw Performance Score	C+	0.58	7
Standardised Raw Score	B	0.03	
Standardised Risk, Impact, TA adjusted Score	B	-0.02	6

Progress Highlights

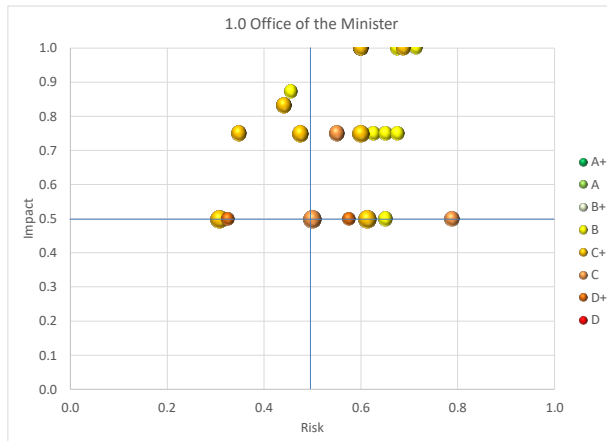
1. Since the mid-year review the Chief of Staff's (CoS) office have hired significant numbers of new staff in line with the needs assessment. A new head of Archives has been appointed along with 4 Tashkeel. Around 17 more national technical advisers (NTA) were hired for the scanning work for archive. All were put through a comprehensive process including a security check, multiple interviews and background / health checks. In addition, the COS hired a Senior Communications Coordinator (NTA) who reports to the COS. Their main task is liaison with MPs. Training has been designed and delivered and the productivity of the office has increased.
2. Handbook for the COS Office is complete and approved by the COS. Handbook has been distributed and workshops are planned for next year. Manual is translated into Dari.
3. Good progress on tracking Cabinet, Council of Ministers (COM) and National Security Committee decisions and their implementation. Tracking of progress is done in an annual report for the Office.

Major Challenges Being Faced

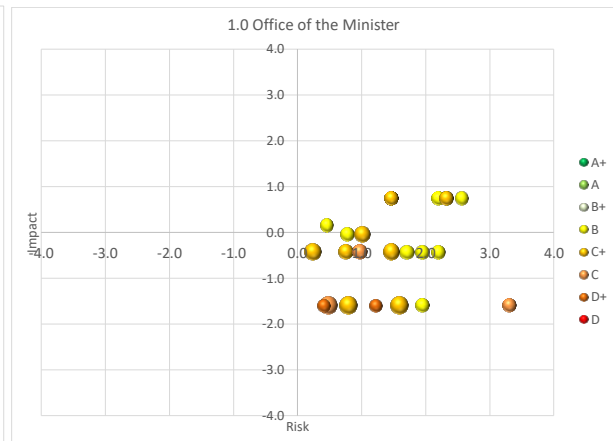
1. Huge workload, a large number of ad-hoc tasks are assigned from the President's Office and Cabinet making routine schedules difficult to maintain. Leadership Group meetings are not held regularly making the Minister's schedule unmanageable.
2. Staff capacity, tashkeel staff require significant training starting with basic administration.
3. Information flows and the quality of briefing by departments needs to be more standardised and of more consistent quality.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



1.0 Office of the Minister		Grade	Score	Rank (out of 66)
1.1 OoM: Office of the Chief of Staff	Raw Performance Score	B	0.61	21
1.1.1 OoCS: Chief of Staff Operations	Standardised Raw Score	B+	0.33	
	Standardised Risk, Impact, TA adjusted Score	B+	0.33	20

Progress Highlights

1. Since the mid-year review the CoS office have hired significant numbers of new staff in line with the training needs assessment already conducted (TNA, see progress report). The team have used the data from the TNA to develop teaching materials for workshops. Testing of staff is done before and after workshops and compared. All four departments on the Office of the Minister (OoM) have been given training. A post workshop follow up assessment was done of whether people are implementing what they learnt.
2. A new task tracking system to improve the efficiency of the office has been designed and is being trialled. All staff are now using the system. Good progress on tracking Cabinet, Council of Ministers (COM) and National Security Committee decisions and their implementation. Logs of deadlines are now kept.
3. Changes to the physical office space including setting up a reception area on the ground floor to manage the flow of visitors to the Office and improve client services. Reception Unit is operating and systems are in place but there is still some work to do to improve the system.

Major Challenges Being Faced

1. Huge workload, a large number of ad-hoc tasks are assigned from the President's Office and Cabinet making routine schedules difficult to maintain.
2. Staff capacity, tashkeel staff require significant training starting with basic administration.
3. Information flows and the quality of briefing by departments needs to be more standardised and of consistent quality.

1.1 OoM: Office of the Chief of Staff		Grade	Score	Rank (out of 66)
1.1.2 OoCS: Correspondence Office	Raw Performance Score	C+	0.55	39
	Standardised Raw Score	B	- 0.19	
	Standardised Risk, Impact, TA adjusted Score	B	- 0.16	36

Progress Highlights

1. Training of staff plus the refurbishment of their office space including new IT equipment has improved productivity.
2. Staff now have a log of correspondence, when they take correspondence to another office and when they receive it they record the date and time.
3. Detailed assessment for E-Maktoob system has been done and requirements sent to IT department, IT department are currently developing E-Maktoob system. The system designed by IT (see mid-year update) is being used for all correspondence starting from November 2016

Major Challenges Being Faced

1. Changing the culture of the office takes time, and training needs to be followed up to ensure what is learnt is implemented.
2. Recruitment is slow.
3. Introduction of new systems like the correspondence tracking and task monitoring systems, take time to become routine for staff.

1.1 OoM: Office of the Chief of Staff		Grade	Score	Rank (out of 66)
1.1.3 OoCS: Archive Office	Raw Performance Score	C+	0.58	27
	Standardised Raw Score	B	0.07	
	Standardised Risk, Impact, TA adjusted Score	B	- 0.02	30

Progress Highlights

1. Huge effort to get data backlog scanned and indexed. The archive team have put on additional staff (see above) and have been working double shifts (24 hours a day, 7 until 7 two shifts a day including Thursday). Minister's deadline for scanning was 3 months but work is on track to be completed in 2 months by 25 December. Not just scanning, documents are being filed in line with the established system, not just for the MOF but also other agencies like property.
2. Database was developed by the IT section in house. Users can search the database and access scanned copies. At the moment, the database is only on the MOF server and users are not yet accessing it via the internet. Testing phase is complete and system is ready for roll out. Users will be restricted as the documents are confidential.
3. Backlog of documents that are owned by other ministries has been cleared, apart from somewhere the ownership is not clear. All non-MOF documents identified by MOF have been returned.

Major Challenges Being Faced

1. Digitalization of the Archive System is a very sensitive project, it can lead to criminal charges. So, system has to be very robust. Must have representatives from Attorney General's Office, the President's Office etc. involved at every step. Also need to connect up to other offices like the land management office.
2. Progress took longer than expected due to coordination issues.
3. Government institutions took almost a month to reclaim their documents, then the documents from the Archive were moved to a temporary place, in order to renovate and redesign the current storage facility.

1.1 OoM: Office of the Chief of Staff		Grade	Score	Rank (out of 66)
1.1.4 OoCS: Translation Board	Raw Performance Score	D+	0.46	61
	Standardised Raw Score	D+	- 1.11	
	Standardised Risk, Impact, TA adjusted Score	D+	- 1.34	62

Progress Highlights

1. Two qualified translators have been recruited, with three more pending approval, all of them are national technical assistance (NTA).

Major Challenges Being Faced

1. Recruitment process takes a long time and ensuring the quality of staff often takes a longer than it should.
2. It is difficult to attract and retain good translators, as Tashkeel pay rates are insufficient to attract good people, so all translators are national technical assistance (NTA).

1.1 OoM: Office of the Chief of Staff		Grade	Score	Rank (out of 66)
1.1.5 OoCS: Protocol Office	Raw Performance Score	C+	0.56	38
	Standardised Raw Score	B	- 0.16	
	Standardised Risk, Impact, TA adjusted Score	C+	- 0.45	43

Progress Highlights

1. Recruitment for the position as Head of Protocol is underway. Short list is with the Minister.
2. A new Senior Communications Officer was hired (national technical assistance) who has brought some good changes.
3. Procedures and policies now on the IT systems so all staff can access them.

Major Challenges Being Faced

1. The established culture of how things are done will be difficult to change.
2. Creating a team culture with both existing and new staff will take time.

1.1.6 OoCS: Non-Allocated Advisor Pool		Grade	Score	Rank (out of 66)
1.1.6 OoCS: Non-Allocated Advisor Pool	Raw Performance Score	-	-	64
	Standardised Raw Score	-	-	
	Standardised Risk, Impact, TA adjusted Score	-	-	64

Progress Highlights

1. The Banking Adviser is working on a Banking Sector policy. No update from the mid-year assessment.

Major Challenges Being Faced

1. All advisors are effectively grade 1 and do not report to the Chief of Staff (COS). They report to the Minister and performance management is therefore difficult.
2. Assessment of current business operations of advisory team was started but not completed. Needs to be followed up with Minister to resolve the terms of reference for advisers.

1.0 Office of the Minister		Grade	Score	Rank (out of 66)
1.2 OoM: Legal Board	Raw Performance Score	B	0.61	19
	Standardised Raw Score	B+	0.37	
	Standardised Risk, Impact, TA adjusted Score	B+	0.45	17

Progress Highlights

1. Outstanding progress - legislative program implemented as planned, with additional drafting done on new priority legislation. Legislative program for each quarter is in place. It is coordinated with MoJ who must approve it. It is reviewed internally routinely. Two major changes occurred this year: i) VAT law amended for higher rate and wider base; and ii) Assets Law (move from reg to law). Procurement law passed in first quarter. Income Tax Law (ITL) is progressing (legal work done) and Tax Administration Law (TAL) is promulgated. Some regulations required for TAL, which will be pursued in 2017.
2. World Trade Organisation (WTO) membership secured requiring 27 pieces of new and amended pieces of legislation.
3. A large number of agreements reviewed and finalized. Including with Non-Government Organisations such as Aga Khan Foundation, CSTCA, World Bank, Civil Aviation Safety Authority, hydro power, and other investments reviewed. These agreements are signed by the Minister of Finance. Policy is done by Aid Management Department but once there is a contract or legal agreement it is reviewed by the legal board. Legal board are looking at Government responsibilities, for example tax issues - exemptions. Legal board check the MOU level agreements at the country level to see if they are consistent with the proposed contract or agreement. Also, financial commitments, is it in the budget, is there an appropriation. They also make sure the agreement is consistent with Afghan Law.

Major Challenges Being Faced

1. Attracting and retaining qualified staff will be hard and transferring this function to tashkeel will take a long time.
2. Coordination across Ministries / Departments is difficult and general understanding of the financial implications of legislation is very low. Tax exemptions are routinely proposed.

3. Business processes need to improve. Draft legislation often arrives with short notice before Cabinet and Legislative sub – committee meetings putting pressure on the quality and timeliness of briefing for the Minister.

1.0 Office of the Minister		Grade	Score	Rank (out of 66)
	Raw Performance Score	C+	0.57	31
1.3 OoM: Communications and Public Relations Directorate	Standardised Raw Score	B	0.01	
	Standardised Risk, Impact, TA adjusted Score	B	0.01	28

Progress Highlights

1. Outstanding work on Brussels. This was a strategy for the whole Government. Strategy was done on time and to a high standard and approved by the Minister and the President. Implementation went well and was the first time that the Government presented a professional standard communications product for an international conference.

2. Good progress on multi-media packages. Three videos already produced for Brussels, on Youth, Regional Cooperation and Government Achievements. See website for Brussels Conference on Afghanistan in the gallery section and Ministry of Finance YouTube. These will form the basis of a broader strategy in 2017.

3. Excellent progress on social media. Tolo survey showed that for social media activates for government, MOF was at the top. More than the Administrative Office of the President. For the website, news, jobs and tender notices are also up to date according to Tolo. Facebook followers for the Minister and the MOF, likes are 52,000 for MOF and over 300,000 likes for the Minister. Some evidence is there that media are using the Minister's Facebook page for information. When there is a post there are usually around 60,000 views / comments.

Major Challenges Being Faced

1. Coordination across Ministries / Departments and creating a media culture will take time and training.

2. Attracting and retaining qualified people in this field under current HR conditions and processes.

3. Insufficient resources and budget to sustain the necessary media and public relations presence the Government needs. Need to allocate more money for media campaigns.

2.0 Customs Department	Grade	Score	Rank (out of 19)
Raw Performance Score	B	0.63	4
Standardised Raw Score	A	0.55	
Standardised Risk, Impact, TA adjusted Score	B+	0.45	4

Progress Highlights

1. Customs are starting to create a new institutional culture focused on performance - they are ahead of their revenue targets with a doubling of revenue from mobile collection units.
2. Roll out of Customs Information Management (ASYCUDA) system to more provinces with increased functionality is progressing.
3. Stronger tracking and monitoring of containers entering Afghanistan through the establishment of the Container Control program.

Major Challenges Being Faced

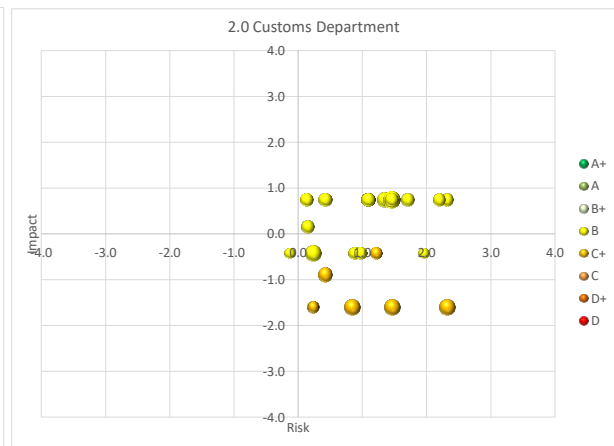
1. Need for greater investment in the institutional capacity and structure. One DG is inadequate for the scale and complexity of the operational requirements.
2. Significant institutional culture change is needed. This will require moving to a strong performance culture and big investments in human resources, training and professional development.
3. Lack of dedicated corporate backbone and budget for HR, IT, procurement, operations and maintenance.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



2.0 Customs Department		Grade	Score	Rank (out of 66)
2.1 CD: Customs Support and Development	Raw Performance Score	B	0.66	10
	Standardised Raw Score	A+	0.87	
	Standardised Risk, Impact, TA adjusted Score	A	0.64	13

Progress Highlights

1. The Afghanistan Tax and Customs Academy is now operational with solid foundation laid for proper adult teaching and learning.
2. Initial infrastructure works for construction of the Customs Datacentre is progressing well - construction has commenced, with fit out to start soon. Good research to help ensure specifications for the centre are appropriate.
3. Legal services have exceeded targets for review and refinement of customs procedures. Two highlights are: 1. Passengers Precious Goods Transfer Procedure: Provides provisions on how much jewellery, cash movements etc. This is a new procedure.

2. T2 - Foreign Trade Guidelines: International transit documentation requirements.

Major Challenges Being Faced

1. Insufficient budget for publishing and distributing reports.
2. Progress is heavily reliant on consultants.
3. The quality of the Customs curriculum needs to be checked by an appropriately qualified specialist. Testing and examination procedures will need to be strengthened next year.

2.0 Customs Department		Grade	Score	Rank (out of 66)
2.2 CD: Law Enforcement	Raw Performance Score	B	0.67	7
	Standardised Raw Score	A+	0.95	
	Standardised Risk, Impact, TA adjusted Score	A+	0.92	9

Progress Highlights

1. Big culture change being achieved this year - Success is due to new leadership bringing a new culture, promoting high performing individuals, moving under-performing staff. Mobile Valuation Team revenues have increased by 270% year on year. 1393 was AFS72m1394 AFS120m, 1395 AFS278 - 300m. The Container Control Program (CCP) is delivering results. The CCP team has seized Ammonia Nitrate (14.1 tonnes in Kabul and 12.2 and 12.7 in Torah), and Hashish (23 kilos Nangarhar).
2. There has been a successful transition of customs police from Ministry of Interior (MOI) to Ministry of Finance (MOF) with a total of 618 staff moving to Move, with 30 staff transferred back to Moil for poor performance, with more planned if performance does not improve. 200 staff recruited - all literate and minimum high school degree, well above existing standards for police. Graduates have been put on an emerging graduate program to fast track development. A joint paper being prepared by Ministry of Justice (Mojo), Move, Afghanistan Customs Department-Legal, President's Office (Office of Administrative Affairs) and Law Enforcement looking at new privileges, wages and rights of the customs police. All staff have a complete uniform and badge kit.
3. New management team is successfully breaking down of silos. Mobile Valuation Team, Intelligence and investigation are working together as a team for the first time. Incentives in the past were not conducive to a team environment. World Customs Organisation Diagnostic Study complete. This will inform the Afghanistan Customs Department (ACD) Management Team to reset the ACD reform and performance culture agenda.

Major Challenges Being Faced

1. Continue to successfully manage underperforming officers. Transfers back to Ministry of Interior (MOI) and other sanctions will need to be balance with awards to officers for good performance.
2. Team will need to be vigilant of emerging perverse incentives, including through the use of frequent rotation of responsibilities and recognition schemes.
3. A more robust budget for the Afghanistan Customs Department (ACD) and Law Enforcement in particular is required. This will need to build on the emerging new vision for the ACD.

2.0 Customs Department		Grade	Score	Rank (out of 66)
2.3 CD: Customs Technical Affairs	Raw Performance Score	C+	0.57	34
	Standardised Raw Score	B	- 0.04	
	Standardised Risk, Impact, TA adjusted Score	C+	- 0.20	38

Progress Highlights

1. ASYCUDA valuation module is being implemented in Kabul airport facilitating the removal of the manual system. Training has been done in Kabul and this model will be implemented in Khost province soon.
2. Conducted market assessment and analysis in relation to value of goods, market testing will be done by the end of this year.
3. Good progress on procurement of Lab equipment. Will deliver equipment to 12 labs around the country by the end of the year.

Major Challenges Being Faced

1. Determination of value, confirmation of status and entry in system takes more time at first. Different Commodities come every day through Airport customs making operations complex.

2. Determining the real price of goods is very difficult because businessmen & shopkeepers do not give the exact sales price to staff conducting market assessments.
3. Interpretation of documents require Technical Assistance and more time to translate. It also requires budget for proof reading.

2.0 Customs Department		Grade	Score	Rank (out of 66)
2.4 CD: Operations	Raw Performance Score	B	0.62	15
	Standardised Raw Score	B+	0.48	
	Standardised Risk, Impact, TA adjusted Score	A	0.58	15

Progress Highlights

1. Implemented ASYCUDA T1 and T2 between Sherkhan and Torkham border which has indirectly increased revenue.
2. Solved trade dispute between Pakistan and Afghanistan through high level meeting.
3. Trained all custom officers and brokers to use ASYCUDA as per job responsibility.

Major Challenges Being Faced

1. Internet to access AYSCUDA is still limited, slowing down the roll out of the system.
2. Due to security issues the Audit team cannot go to many regional offices.
3. Lack of approved plan / procedure for implementation of ASYCUDA.

2.0 Customs Department		Grade	Score	Rank (out of 66)
2.5 CD: Department of Monitoring and Preventing Customs Violations	Raw Performance Score	B	0.64	13
	Standardised Raw Score	A	0.59	
	Standardised Risk, Impact, TA adjusted Score	A	0.72	11

Progress Highlights

1. 20 investigation reports done.
2. Will complete new 5-year roadmap by the end of this year; produce some reports on investigations at centre and province, produce an annual plan for investigations; and an annual report on complaints and investigations.
3. Received training by ASYCUDA on risk management, training for new staff on Investigation techniques; Complaints handling; Annual Report Writing; and Certifications.

Major Challenges Being Faced

1. Current plan is not in line with work program and priorities - will need to complete a new 5-year plan by the end of the year;
2. Need to be get systems in place to deliver routine annual report on complaints and investigations.
3. Need to produce an annual plan for investigations.

3.0 Revenues Department		Grade	Score	Rank (out of 19)
	Raw Performance Score	B	0.65	3
	Standardised Raw Score	A	0.59	
	Standardised Risk, Impact, TA adjusted Score	A+	0.83	2

Progress Highlights

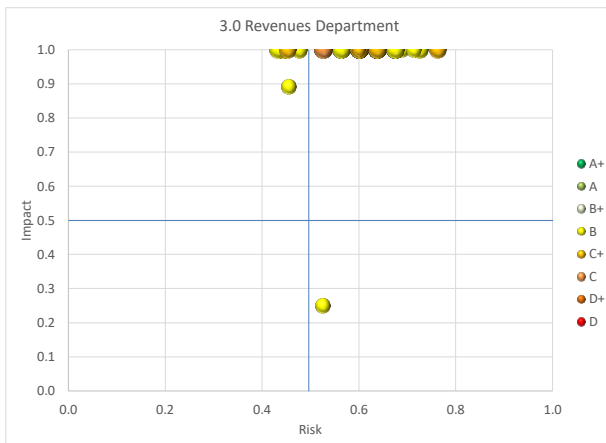
1. Clear change in culture across all of the Afghanistan Revenue Department (ARD), with a strong stance on anti-corruption. Professionalism of staff through training and recruitment is helping with the change in culture, and all systems are now being rolled out to reduce the face to face interaction between staff and clients and to make sure data is up to date and accurate.
2. Significant achievements in amending and implementing key laws on tax, in particular the Income Tax Law, the Tax Administration Law, and the new Value-Added Tax. This lays the foundation for a sustainable tax system.
3. There is a strong vision for the future of the ARD with a plan to reorganise the department along functional lines in both Kabul and in the provinces. This will remove the inherent conflicts of interest in the teams at the moment by creating specialist cadres of client services, accounting, enforcement and audit.

Major Challenges Being Faced

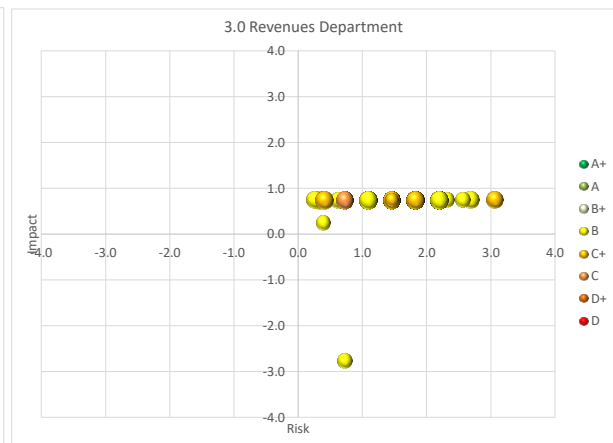
1. A bigger vision is needed for the Revenue Department. Need for greater investment in the institutional capacity and structure. A single Director General is inadequate for the scale and complexity of the operational requirements. The functional reorganisation needs support from the senior leadership and the donors.
2. Significant institutional culture change has begun but it will need to be sustained over many years. This will require moving to a strong performance culture and big investments in human resources, training and professional development.
3. A dedicated corporate backbone and budget for HR, IT, procurement, operations and maintenance is needed to support the bigger vision.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



3.0 Revenues Department		Grade	Score	Rank (out of 66)
3.1 RD: Office of the DG (Revenue)	Raw Performance Score	B	0.73	2
	Standardised Raw Score	A+	1.47	
	Standardised Risk, Impact, TA adjusted Score	A+	1.40	2

Progress Highlights

1. Excellent leadership of the department in managing the 5 year plans. Director General (DG) thinks about the plan every day and every meeting has an agenda item on the 5-year plan. Two staff from the Afghanistan Revenue Department (ARD), policy and executive office to follow up on plans. Tax Administration Diagnostic Assessment Tool (TADAT) developed by the World Bank is the standard and the DG considers the plan to be ambitious. Good engagement across the department is evident in the assessments with all teams.
2. Big effort to change the culture of the ARD on fighting corruption. DG takes this very seriously, President is very engaged and the Minister is even more serious about this than the President. This is the number one priority for the DG. This is clearly evident in the assessment of other teams. There has been a big change, people are being warned, sacked and prosecuted in a way that has never happened before.
3. Great leadership in reorganising the ARD on a functional basis to remove inherent conflicts of interest and to drive the performance of the department. The DG and his leadership team have a clear plan for the future.

Major Challenges Being Faced

1. Staff turnover and long-term under-investment mean that there is a lot to do to establish a cadre of professional tax staff.
2. Insufficient, unpredictable and/or inflexible development financing - delays in securing sustainable financing.
3. Salaries and allowances need to be in line with the work ARD does and the nature of the business.

3.0 Revenues Department		Grade	Score	Rank (out of 66)
3.2 RD: Large Taxpayers Office	Raw Performance Score	B	0.70	4
	Standardised Raw Score	A+	1.21	
	Standardised Risk, Impact, TA adjusted Score	A+	1.27	3

Progress Highlights

1. All business processes are being done through SIGTAS. Including Audit, enforcement, client services, and accounting. Risk based compliance is still being worked on.
2. Changed culture with regards to corruption. Staff rotation policy is in place and Director is taking a hard line on poor behaviour with warnings and sackings. Enforcement activities have been stepped up leading to increased collections.
3. Value-Added Tax (VAT) law amended (joint with Afghanistan Revenue Department (ARD) legal). Has been through the parliament and waiting final approval. The first version of the VAT Law was approved by the parliament and signed by the President but has not been implemented. Legal proposed an amendment to the law. 1. Original proposed rate of 10% was not agreed by parliament, they made it 5 % in the final law. Now legal have proposed to raise it to 10% and parliament have agreed. 2. Threshold for registration reduced from Afs200 million per year to Afs150 million per year. 3. Zero rate for all transportation was changed to only for land transportation. 4. Postponed date of implementation to 2019 in line with discussion with the International Monetary Fund (IMF) and the World Bank.

Major Challenges Being Faced

1. Lack of Personnel Capacity, lack of equipment, lack of on job training for system of automation. The Large Taxpayer Office (LTO) are working on a new building and single window for their clients.
2. Transformation of old cases to SIGTAS, lack of adequate support from the SIGTAS team.
3. There is budget limitation on hiring qualified staff through NTA.

3.0 Revenues Department		Grade	Score	Rank (out of 66)
3.3 RD: Medium Taxpayers Office	Raw Performance Score	B	0.68	6
	Standardised Raw Score	A+	0.97	
	Standardised Risk, Impact, TA adjusted Score	A+	1.05	7

Progress Highlights

1. Outstanding progress in making use of SIGTAS routine for all business operations including risk management and audit.
2. Significant progress in putting in place systems to reduce opportunities for corruption, particularly at the Medium Taxpayers Office (MTO) office, including cameras, new arrangements for dealing with the public, such as a reception window and random ticket based allocation of the public to an MTO officer to deal with their inquiries. Five staff have been jailed over corruption in the last few months.
3. Outstanding progress in managing and monitoring the Medium Taxpayers Office (MTO) 5-year plan, including regular meetings and follow up of activities. This was reflected in outstanding preparation for the assessment and use of evidence to back up their performance scores. A Tax Administration Diagnostic Assessment Tool (TADAT) assessment is almost complete and will drive the MTO plan from next year.

Major Challenges Being Faced

1. Attracting and retaining suitably qualified staff remains a challenge. Use of Capacity Building for Results (CBR) and temporary national technical assistance (NTA) contracts helps in the short term but is not a long-term solution.

2. There are still major issues with data on non-filers. While Medium Taxpayers Office (MTO) has issued 39,000 Taxpayer Identification Numbers, data from the Ministry of Commerce suggests the number of firms that should be registered is around 160,000. Some good steps are being taken to use third party data to help address this issue, but it is manual and slow going.

3. With the introduction of the Tax Administration Law, the responsibilities of taxpayers and the powers of the Afghanistan Revenue Department (ARD) are clear, but staff put themselves at considerable risk at times in enforcing the law. They need strong political support for their work, and significantly more resources, both financial (budget) and people, if they are to continue to grow the revenue base.

3.0 Revenues Department		Grade	Score	Rank (out of 66)
3.4 RD: Small Taxpayers Office	Raw Performance Score	B	0.61	20
	Standardised Raw Score	B+	0.35	
	Standardised Risk, Impact, TA adjusted Score	A	0.51	16

Progress Highlights

- All officials in central offices (e.g. Client services, case management and accounts) have been trained and issued with a user ID for SIGTAS. SIGTAS is now routinely used for all business processes except audit which will be done in 2017.
- Very good progress - the small taxpayer office (STO) moved from 50 to 900 cases registered on Da Afghanistan Bank's movable property database since the mid-year. This is a new process. Taxpayers who are non-compliant and have arrears, the STO can put a seizure on assets - cars, warehouses etc.
- Tax Arrears Reports are prepared and updated on monthly basis and the report of collection through M30 form to Revenue planning and revenue department. Based on the report from Afs180 Million total arrears Afs141 Million has been collected and Afs34 Million is remaining - 80% arrears collection rate - this is equivalent to a score of B under Public Expenditure and Financial Accountability (PEFA) up from a D in previous assessments.

Major Challenges Being Faced

- The directorate is sometimes not in a position to detect cases because of the lack of reporting of corruption by taxpayers. Even though there are governmental offices open for the taxpayers.
- Tax Payers' presence to accept the tax liability is sometimes challenging to initiate timely audit and enforcement of actions.
- Less care given to tax and tax related issues and illiteracy is a problem. Creating a culture of paying tax amongst small businesses will take time.

3.0 Revenues Department		Grade	Score	Rank (out of 66)
3.5 RD: Appeals	Raw Performance Score	C	0.54	43
	Standardised Raw Score	C+	- 0.32	
	Standardised Risk, Impact, TA adjusted Score	B	- 0.07	32

Progress Highlights

- Training workshop for 4 sub-districts, the Appeals (Objections) Department, and legal staff was completed in Kabul 17-19 October. The training was in Tax Administration Law, articles related to tax disputes, discussion about the manual, and the procedures for the Tax Dispute Resolution Board and a presentation on other countries, particularly US, and a presentation on the Tax Administration Diagnostic Assessment Tool (TADAT).
- Team have updated the objections manual. The previous manual was from 2011 and needed to be updated for the TAL and the changes to the income tax law.
- New Tashkeel has been proposed with a dedicated Director and 2 sub-directorates instead of the previous 1 sub-directorate under another Director, proposing 3 additional staff.

Major Challenges Being Faced

- The Tax Dispute Resolution Board is not established. Brief for the Minister is done but progress is slow.
- Lack of budget for publishing and distributing brochures and guides among taxpayers and concerned departments.
- There is generally low capacity amongst employees to understand the 5-year plan and performance management system. Need to build ownership of the team's plan.

3.0 Revenues Department		Grade	Score	Rank (out of 66)
3.6 RD: Legal	Raw Performance Score	B	0.67	8
	Standardised Raw Score	A+	0.90	
	Standardised Risk, Impact, TA adjusted Score	A+	1.04	8

Progress Highlights

- Good progress. Income Tax Law amendment was finalised in November and included feedback from World Bank, International Monetary Fund, USAID, Line Ministries, and the business community. The manual for the Tax Administration Law has been distributed to all stakeholders. 500 copies printed and sent out across the whole country. Available on the Revenue Department website.
- Amendments to the Value-Added Tax Law have been agreed by the parliament and are with the President for his approval. The changes include increasing the rate to 10%, lowering the threshold to Afs150 million, reducing the exemption for transport to just land transport and mandating the introduction of the law from 2019. This provides a key foundation for the long-term sustainability of the tax base.

3. Good progress in double tax agreements with discussions completed with UAE, Pakistan and Turkey.

Major Challenges Being Faced

1. Reviewing and updating old laws like the Land Law and the Arrears Law will probably lead to new laws rather than amendments.
2. Political issues and lack of expertise make negotiating double tax arrangements quite difficult.
3. Attracting and retaining qualified staff under the current arrangements, especially with regards to remuneration is a challenge, particularly since qualified lawyers are in demand outside of government.

3.0 Revenues Department		Grade	Score	Rank (out of 66)
3.7 RD: Non-Tax Revenue	Raw Performance Score	B	0.62	17
	Standardised Raw Score	B+	0.43	
	Standardised Risk, Impact, TA adjusted Score	A	0.61	14

Progress Highlights

1. The Non-Tax Revenue (NTR) team is Afs6 billion in front of target. The target for the NTR team at the start of the year was Afs21 billion, then it increased to Afs24 billion. Actual revenue is around Afs27 billion (Dec), with a forecast of Afs28 billion for the year. This is a 30 per cent increase in actual revenue year on year.
2. As a result of trend analysis and on the basis of past data increased fees for weapons permits, pilot's licenses, flight engineering permits, and helicopter pilot licenses. Excellent progress in improving the quality of licences for weapons and armoured vehicles, as well as for transport logbooks.
3. Team translated 5-year plan into Dari and Pashto. A lot of discussion had within the team and with DG. Team worked hard to ensure good ownership and understanding of the plan. Action plans were developed for each month.

Major Challenges Being Faced

1. Lack of Technical Staff, less access to Telecommunication Companies existing systems than is optimal, lack of coordination with the Ministry of Communications and Information Technology. Also, a lack of office equipment.
2. Disagreements by stakeholders on the increase to the Fee for Passports, Vehicle Documents, Licenses, Valuable Documents, Penalties, Arms and Ammunitions.
3. Low level capacity of staff, lack of resources for professional development.

3.0 Revenues Department		Grade	Score	Rank (out of 66)
3.8 RD: Technical and Provincial Liaison	Raw Performance Score	C+	0.59	25
	Standardised Raw Score	B	0.14	
	Standardised Risk, Impact, TA adjusted Score	B+	0.42	18

Progress Highlights

1. Good progress on monitoring performance of provincial teams in revenue collection and in assessing skills gaps. Team ran examinations of all provincial staff in Nov 21-24 (for grade 3 sub-director) for all provinces. Exams covered the Income Tax Law - including calculations in accordance with law, tax definitions.
2. The team delivered code of conduct training in 8 provinces and 2 more provinces will be complete by end of December 2016. The training was more than theory. The team used practical examples of how to be client focussed and good behaviour (talking with the Customs Department, how to do self-assessments, how to communicate audits).
3. Risk Based Compliance committees established and ahead of schedule for 5 key provinces and three tier 2 provinces - with 2 more to go (one more to be done before the end of the year).

Major Challenges Being Faced

1. Lack of resources, high turnover, lack of space for proper client service centre.
2. Lack of budget and bureaucracy for getting Mustofiats connected to system.
3. Lack of Staff in Provincial Revenue Offices.

3.0 Revenues Department		Grade	Score	Rank (out of 66)
3.9 RD: Revenue Services and Support	Raw Performance Score	B	0.67	9
	Standardised Raw Score	A+	0.88	
	Standardised Risk, Impact, TA adjusted Score	A+	1.07	6

Progress Highlights

1. Good progress on improving systems and business processes. Reduced opportunities for corruption. Significant increase in revenue. e-tax forms near completion estimated to be around end Jan 2017. e-Filing feasibility study complete and pilot commences in Feb 2017 (ahead of schedule).
2. SIGTAS rollout and implementation now routine. On target for new provinces with minor delays, particularly in Group 3 due mostly to issues in Small Taxpayers Office (STO). User activity reports done monthly (standard report). Logons and activity monitoring are done routinely. Team has seen big increases in demand by users, which has also driven good progress on fixing bugs in the system.
3. Customs interface (Asycuda) is now operational 6 months ahead of schedule. This data is being used by Tax Auditors (profits, business operating etc.) DGs cooperating well.

Major Challenges Being Faced

1. Major delays in new hardware for SIGTAS and not enough investment in backup systems (servers, data centre etc.).
 2. Delays due to prolonged discussions with the World Bank on funding under PFMRII.
 3. Low capacity of staff in some offices and provinces leading to the demand for additional (repeated) training.
-

4.0 Treasury Department	Grade	Score	Rank (out of 19)
Raw Performance Score	B	0.65	2
Standardised Raw Score	A	0.75	
Standardised Risk, Impact, TA adjusted Score	A	0.53	3

Progress Highlights

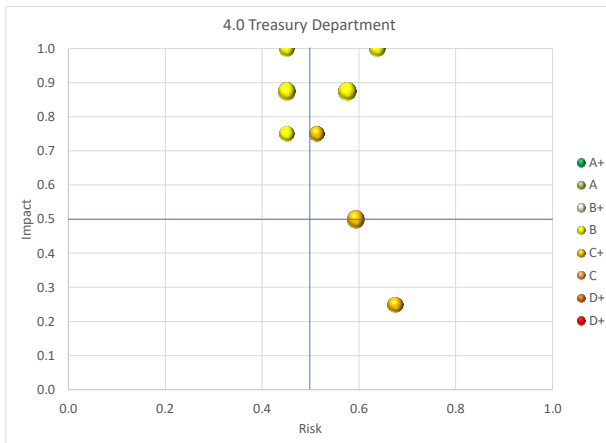
1. Plans for major upgrade to Afghanistan Financial Management and Information Management System (AFMIS) are approved and the contract will be awarded in early 2017. This is a long-term investment in additional functionality that will improve financial management and lower risks.
2. Significant improvements in cash management systems, including by establishing zero balance accounts for all budget units. Treasury has also been part of the discussion over allotments and is ready to implement a full commitment control system with the line ministries once the final decision is made. This will remove the problem of allotments being done separately from AFMIS and will significantly speed up budget execution for line ministries in the first half of the year by removing unnecessary administration.
3. Outstanding progress delivering significant reductions in fiduciary and deployment risk. Central agencies and provinces already covered for direct deposit to individual bank accounts for salaries for all staff. For districts with no access to commercial banks, Treasury has tested and implemented a mobile banking solution. 11,000 of the 15,100 local and national police registered are now being paid by this method, covering 12 provinces. A fully integrated whole-of-government system needs to be agreed on. The team is trying to reach the remaining 22,000 police who are receiving cash payments in 2017. This can only be achieved with local level support from the Ministry of Interior (MOI) to get the registrations done (accurately). Mol 5-year plan should set up joint key performance indicators for this system.

Major Challenges Being Faced

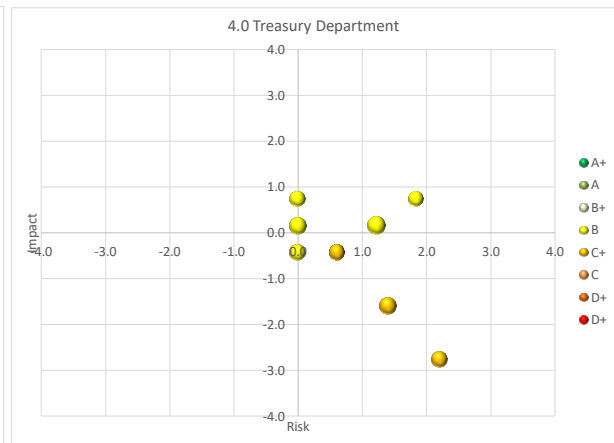
1. Heavy reliance on external assistance to both manage operations and develop new systems. Low capacity of staff on financial accounting and reporting. AFMIS does not provide sufficient performance information. The system upgrade needs to be matched with investment in professional development for staff.
2. Delay in the decision about allotments will affect the way Treasury manages commitments in 2017.
3. Accelerating the roll-out of AFMIS to the provincial and district levels, and expanding the functionalities of AFMIS to make it a truly integrated financial management information system (commitment controls, payroll and HR, procurement and purchasing, contract management and payment milestone management, invoice management and arrears tracking).
4. Public sector accounting standards need to be established in law and there needs to be a Chief Accountant appointed outside Treasury to monitor standards.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



4.0 Treasury Department		Grade	Score	Rank (out of 66)
4.1 TD: Treasury Systems Development	Raw Performance Score	B	0.66	11
	Standardised Raw Score	A+	0.86	
	Standardised Risk, Impact, TA adjusted Score	A	0.80	10

Progress Highlights

1. Outstanding progress on getting approval for the Afghanistan Financial Management and Information Management System (AFMIS) upgrade. Contract has been approved by the National Procurement Council on 5 December. The contract covers the following additional modules procurement and contracts, (payroll and budget are available if deemed appropriate).
2. Significant improvements in cash management systems, including by establishing zero balance accounts for all budget units. Treasury has also been part of the discussion over allotments and is ready to implement a full commitment control system with the line ministries once the final decision is made. This will remove the problem of allotments being done separately from AFMIS and will significantly speed up budget execution for line ministries in the first half of the year by removing unnecessary administration.
3. Treasury has adopted a Systems Standards approach as opposed to AFMIS roll-out to the Independent Directorate for Local Government (IDLG) and municipalities. Standards are only at the general ledger level at this stage. Further standards for account internal controls will be looked once general ledger system is working. Treasury is helping IDLG improve performance of municipalities.

Major Challenges Being Faced

1. Accelerating roll-out of AFMIS: Getting AFMIS at provincial and district level, and expanding the functionalities of AFMIS to make it a truly integrated financial management information system (integrating, commitment controls, payroll and HR, procurement and purchasing, contract management and payment milestone management, invoice management and arrears tracking). A systems review of other widely and effectively used integrated financial management information systems such as used by Ministry of Defence, Ministry of Education, and Ministry of Finance, is still required but has been delayed due to problems securing technical advice.
2. Addressing key constraints, such as: i) those between Da Afghanistan Bank (DAB) and Treasury in rolling out zero-balance accounts to all ministries, provinces for revenues and expenditures; and iii) getting new commitment controls in place and functioning, with training and line agency system change done in time for the next fiscal year (2017).
3. Negotiating and managing the new FreeBalance contract continues to be complicated and carries certain fiscal and project risks. Strong contract management and negotiation capacities are critical, with significant investment required.

4.0 Treasury Department		Grade	Score	Rank (out of 66)
4.2 TD: Accounting	Raw Performance Score	C+	0.57	33
	Standardised Raw Score	A+	0.86	
	Standardised Risk, Impact, TA adjusted Score	C+	- 0.37	42

Progress Highlights

1. The Accounting Law has been delayed due to some technical issues of disagreement. Accountancy Board rules are drafted and terms of reference for board members done.
2. Draft curriculum and certification mechanisms are done for certification of accounting qualifications, in line with international standards. Treasury has reimbursed 540 students (non-government organisations, provinces) for their tuition and examination fees this year for the first time. Interns are becoming a good source for staff recruitment.
3. Good progress on moving staff to tashkeel and Capacity Building for Results (CBR). 27 Treasury national technical assistance (NTA) will be moved to CBR. 107 interns will become tashkeel under Pay and Grading (standard).

Major Challenges Being Faced

1. The Accounting Law has been delayed due to some technical issues of disagreement. Discussions are on-going.
2. Plans need to be developed for public sector accounting standards monitored by an independent Chief Accountant.
3. Staff capacity in accounting across the government is low and professional development to fill the gap will take time, leaving dependency on external assistance high for some time.

4.0 Treasury Department		Grade	Score	Rank (out of 66)
4.3 TD: Payments	Raw Performance Score	B	0.72	3
	Standardised Raw Score	A+	1.42	
	Standardised Risk, Impact, TA adjusted Score	A+	1.16	5

Progress Highlights

1. Good progress in strengthening payment and collection systems. All of the salary components of the operational budget are now covered by EFS in the centre. Mustofiat and secondary budgets units are not covered. Further discussion with Da Afghanistan Bank (DAB) required to make progress in this area.
2. Outstanding progress delivering significant reductions in fiduciary and deployment risk. Central agencies and provinces already covered for direct deposit to individual bank accounts for salaries for all staff. For districts with no access to commercial banks, Treasury has tested and implemented a mobile banking solution. 11,000 of the 15,100 local and national police registered are now being paid by this method, covering 12 provinces. A fully integrated WoG system needs to be agreed

on. Team is trying to reach the remaining 22,000 police who are receiving cash payments in 2017. This can only be achieved with local level support from Mol to get the registrations done (accurately). Ministry of Interior (MOI) 5-year plan should set up joint KPIs for this system.

Major Challenges Being Faced

1. Inaccessible locations and security for replacement of bonded trustees with electronic funds transfer mechanisms in all provincial centres.
 2. Assessment for developing interface between human resources system in the Ministry of Finance and payroll generating software is completed but not compatible, Currently Ministry of Finance wants to go with a different system. This issue needs to be resolved. Inconsistent approvals being given to different leaders.
 3. Move away from paper based system initially resulted in resistance to change because of fears of job losses.
-

5.0 Budget Department	Grade	Score	Rank (out of 19)
Raw Performance Score	D+	0.46	17
Standardised Raw Score	D+	- 1.03	
Standardised Risk, Impact, TA adjusted Score	C	- 0.90	17

Progress Highlights

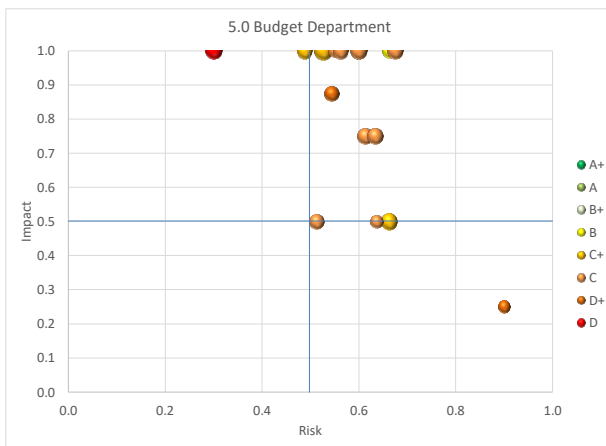
1. Actual expenditure increased in 2016 by around 16 per cent year on year, driven mostly by efforts to increase spending, rather than reforms to make costing and budget planning more credible.
2. The budget management system (SBPS) is rolled out to 35 units, who successfully updated their Budget Circular 1 and Budget Circular 2 data in the system. In the upcoming 2 years will roll out to all 64 budgetary units.
3. Provincial Budget Policy is approved (jointly with the Independent Directorate for Local Government (IDLG)). Terms of Reference for the provincial finance management committees done. Workshops done in zones, which covers all provinces. The change for next year is how the Public Financial Management Committee can collect Budget Circular 1 and Budget Circular 2 data from the line directorates. Mustufias is the Director, has Director Women's Affairs, IDLG, Dir Economics and Provincial Budget Specialist. Some capacity building training done for BC2 before the budget submissions were issued. Goal is more responsive provinces to Budget Circular 1 and Budget Circular 2.

Major Challenges Being Faced

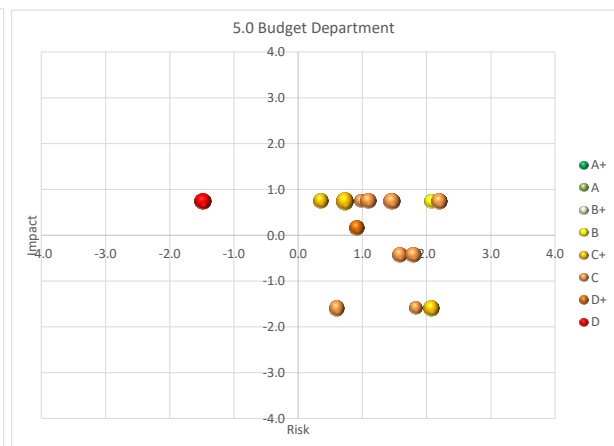
1. Despite significant progress in the first half of the year, the Budget Department failed to deliver on key reforms. There was no progress on: using economic / fiscal parameters and fiscal space calculations to drive revenue forecasts or budget allocations; costing of existing and new policy; constructing forward estimates; developing a plan for consolidating the national budget under one currency and a single classification and accounting system; and removing allotments and shifting the focus to the quality of expenditure. As a result, the key budget outcome of having a comprehensive and credible budget that can be readily compared to actual spending outcomes is not being achieved. Without reform the budget will not move to better alignment with the national priorities (the Afghanistan National Peace and Development Framework).
2. Priority setting is still problematic, staff understanding of sequenced reforms is still relatively low. There is a need to focus on basic foundations rather than more complex approaches like program budgeting that involve poor sequencing of activities.
3. The budget system is not connected to the Afghanistan Financial Management Information System, this needs to be resolved sooner rather than later. This is both a compatibility issue (technical) and a policy issue (agreeing with Treasury what functions are required).

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



5.0 Budget Department		Grade	Score	Rank (out of 66)
5.1 BD: Budget Execution	Raw Performance Score	D+	0.41	63
	Standardised Raw Score	D	- 1.57	
	Standardised Risk, Impact, TA adjusted Score	D+	- 1.38	63

Progress Highlights

1. Actual expenditure increased in 2016 by around 16 per cent year on year, driven mostly by efforts to increase spending, rather than reforms to make costing and budget planning more credible.
2. On track but no progress on consolidated budgeting or single currency budgeting. The Budget Information Management System (SBPS) is rolled out to 35 units, who successfully updated their Budget Circular 1 and Budget Circular 2 data in the system. Upcoming 2 years will roll out to all 64 budgetary units.
3. Weekly, monthly and Quarterly budget execution reports are done. Published on the budget website routinely. Done by budget execution unit. A team was assigned to visit 16 line ministries to assess execution of budget based on financial plan.

Major Challenges Being Faced

1. Need to improve the way budget execution is monitored. This will require better costing of policy and more credible budget estimates, including establishing forward estimates and separating existing and new policy.
2. There are strong political influences that make it hard to reallocate money from poor performing low priority activities to higher priorities during the year. The MOF have flagged a more detailed review of the budget in the mid-year and will need greater discipline from processes to make good on promises to get the budget right.
3. Donor processes remain relatively inflexible making it hard to reallocate money during the year.

5.0 Budget Department		Grade	Score	Rank (out of 66)
5.2 BD: Budget Policy	Raw Performance Score	C	0.50	51
	Standardised Raw Score	C	- 0.67	
	Standardised Risk, Impact, TA adjusted Score	C+	- 0.58	45

Progress Highlights

1. Some good work this year that was not implemented in the budget. This is a joint activity where Budget policy lead on the framework for putting in place forward estimates in partnership with the Macro-Fiscal Performance Department (MFPD). The frameworks used to improve budget discipline through more consistent costing of policy, especially separating existing and new policy and setting robust and consistent costing rules for the 1396 Budget. While considerable work was done in the first half of the year to establish the system, it was not put into practice for the Budget Circular 2 and budget submission process.
2. Provincial Budget Policy is approved (jointly with the Independent Directorate Local Government (IDLG)). Terms of Reference for the provincial finance management committees done. Workshops done in zones, which covers all provinces. The change for next year is how the Public Financial Management Committee can collect Budget Circular 1 and Budget Circular 2 data from the line directorates. Mustufias is the Director, has Director Women's Affairs, IDLG, Director Economics and Provincial Budget Specialist. Some capacity building training done for Budget Circular 2 before the budget submissions were issued. Goal is more responsive provinces to Budget Circular 1 and Budget Circular 2.
3. Some progress made on including functions in the budget in future years. Some introductory training on functions (COFOG and GFS) was done. Function or GFS compliant tables were not included in the budget papers presented to Parliament. When the budget is returned, the Team want to introduce some new tables on functions in the budget. Bridging tables are done mapping activities to 5 digit functions.

Major Challenges Being Faced

1. Budget disclosures including delivering comparability between budgets and financial accounts were not improved at all this year. A consolidated national budget, (e.g. single currency, single classification system, single budget), and budget estimates by function must be established in order to make progress, especially on goals associated with program budgets.
2. Further progress towards program budgeting requires a number of foundations to be put in place, including constraints supporting other key initiatives such as forward estimates, new policy proposals, a consolidated national budget and comparability of budgets and financial statements.
3. There are significant differences of view at senior levels on policy including on allotments, program budgets, forward estimates and fiscal forecasts that need to be resolved urgently.

6.0 Admin Department	Grade	Score	Rank (out of 19)
Raw Performance Score	C+	0.57	11
Standardised Raw Score	B	- 0.05	
Standardised Risk, Impact, TA adjusted Score	B	0.04	9

Progress Highlights

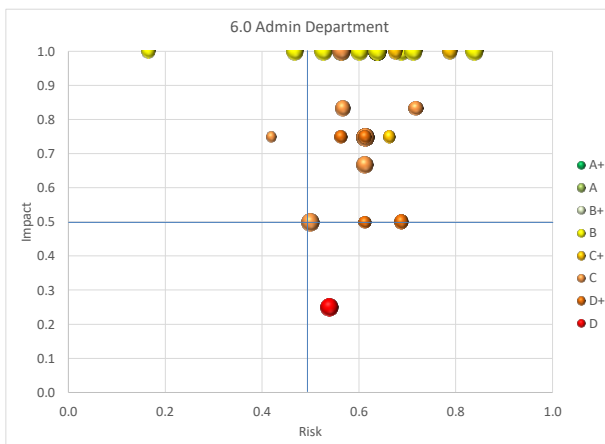
1. Total budget execution will reach 83% this year, up from 62% last year, through some hard work by the Finance and Procurement Departments. Systems still need improvement but with some leadership from the Minister, the Deputy Minister and Director General the culture is beginning to change in this department. More work and some significant investment in people and capacity is required to sustain this improvement.
2. Investment of around \$9m in the Information Technology (IT) backbone and Information and Communication Technology capacity of the Ministry of Finance (MOF). This is a well overdue investment and seems to be progressing. It needs to be followed up with good business processes and better consultation with other stakeholders in MOF, like Treasury, Budget, the Revenue Department and the Customs Department. Significant improvement in internet connectivity with a change of supplier. The IT Department has connected all offices in Kabul and is now providing faster internet for all at a much lower cost. Internet issues are now largely hardware not software or connections.
3. Improved budget execution performance in 2016 on major building works, 62% budget execution performance this year. On track at 80% physical progress for buildings as well. Team is delivering around 100 designs as a result of hiring 4 new national technical assistance engineers/architects this year. Engineering dept. works on designs. Done in-house.

Major Challenges Being Faced

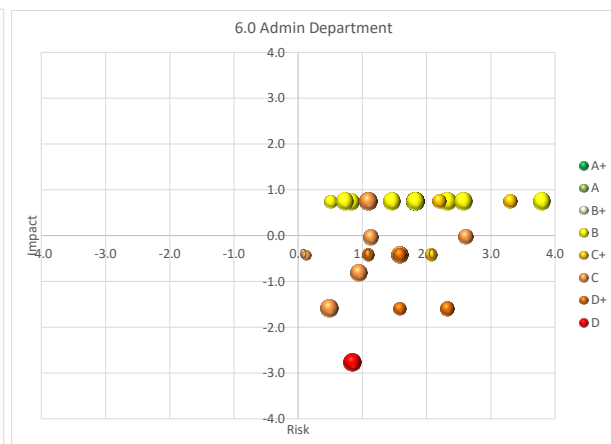
1. The MOF should be setting the standard for the Government in finance, admin, human resources, procurement, operations and maintenance. A permanent Deputy Minister needs to be appointed.
2. This is probably the weakest area in the whole of the MOF. There has been a huge under investment in corporate functions. Significant resources in technical assistance and support need to be invested across all teams in the Administration Department and staff given appropriate training and professional development opportunities.
3. The culture is not one of service delivery or of reform. There is a strong culture of the status quo with little appetite for change or improvement. Staff are poorly qualified and in desperate need of training and professional development.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



6.0 Admin Department		Grade	Score	Rank (out of 66)
6.1 AD: Procurement and General Services	Raw Performance Score	D+	0.48	56
	Standardised Raw Score	C	- 0.90	
	Standardised Risk, Impact, TA adjusted Score	C	- 0.65	47

Progress Highlights

1. Procurement plan was significantly improved. Improved from 64% to 83% of development budget spent.
2. The establishment of an internal database system, connecting procurement and finance directorates is in use. Tracking of the procurement plan is improved a new shareholder has been put in place to make it easier for the staff to access data. Management and team work were also good, with the Minister himself tracking progress routinely.
3. Additional staff hired and sourced some assistance from an international adviser to provide on the job training for the staff.

Major Challenges Being Faced

1. There is a major problem with the procurement plan not being driven by the budget. Activities are not properly or consistently costed by departments and the procurement plans effectively does the costing after the budget is approved. MOF departments are unable to estimate their needs and often provide plans late. This needs to be addressed in partnership with the Finance and Admin Department (MOF) by putting place a robust internal MOF budget process with costings done routinely.
2. Procurement budget is not credible. Procurement plan is often bigger than the budget. Often there are projects with higher budget than they ask for so the Procurement Department ask the Directorate General for Budget to reallocate from one to the other if it is in the discretionary or operational budgets. Operational budget is always too little but the development budget is too large. Not enough flexibility.
3. There are lots of problems with provincial staff not following procedures. Training has been proposed and training material has been developed, particularly for Revenue and Mustofiat but as yet no progress. More progress needs to be made at the provincial levels but launching procurement training in remote provinces is difficult.

6.0 Admin Department		Grade	Score	Rank (out of 66)
6.2 AD: Finance and Accounting	Raw Performance Score	D+	0.48	55
	Standardised Raw Score	C	- 0.88	
	Standardised Risk, Impact, TA adjusted Score	C	- 0.86	57

Progress Highlights

1. Discussions have started on key areas of reform including integration, human resources, payroll systems, annual reports and portfolio budget statements.
2. Clear recognition that assistance is needed to implement key reforms.
3. Developing financial database covering all units of directorate finance to deal with central system/AFMIS constraints.

Major Challenges Being Faced

1. Efforts need to be made from senior leadership and partners to provide more support to the Directorate of Finance and Accounting.
2. Currently there are separate accounting systems in line agency budget units and there a there is a need to have an integrated accounting system.
3. No professional development program.

6.0 Admin Department		Grade	Score	Rank (out of 66)
6.3 AD: IT	Raw Performance Score	B	0.69	5
	Standardised Raw Score	A+	1.08	
	Standardised Risk, Impact, TA adjusted Score	A+	1.19	4

Progress Highlights

1. The progress on building the information technology (IT) foundations for an effective public financial management system has been outstanding. This was ignored for a long period of time and the Minister has now put significant resources behind it.
2. Significant improvement in internet connectivity with a change of supplier. The IT Department has connected all offices in Kabul and is now providing faster internet for all at a much lower cost. Internet issues are now largely hardware not software or connections.
3. Team has made significant progress on rolling out new VOIP phones and with upgrades to security through new biometric scanning systems in the Ministry of Finance (MOF) offices. These changes along with upgrades to physical security (gates) will be complete by mid-2017.

Major Challenges Being Faced

1. How to improve stakeholder consultation and mapping business processes to ensure IT solutions are fit for purpose for the problems being identified.
2. Long term sustainability of delivering IT solutions and developing sustainable in-house capacity.
3. Alignment with existing infrastructure and software solutions for critical PFM functions including, FreeBalance version 7, SIGTAS, payroll and human resource systems.

6.0 Admin Department		Grade	Score	Rank (out of 66)
6.4 AD: MoF Project Implementation Unit	Raw Performance Score	B	0.62	16
	Standardised Raw Score	B+	0.47	
	Standardised Risk, Impact, TA adjusted Score	A	0.68	12

Progress Highlights

1. Improved budget execution performance in 2016 on major building works, 62% budget execution performance this year. On track at 80% physical progress for buildings as well. Team is delivering around 100 designs as a result of hiring 4 new national technical assistance engineers/architects this year. Engineering department works on designs. Done in-house.
2. Three (3) key reports produced: General, discretionary and non-discretionary reports are now produced. Started last year, under an improved format and systems. Financial Plans (monthly cash forecasts) were not produced prior to 2016.
3. Conducting regular meetings with focal points with formal minutes. Coordination meetings are done routinely. Team meetings now held twice a month (generally), compared to last year, which was only once a year. Emergency meetings are also held.

Major Challenges Being Faced

1. Duplication of work between the PIU and RIMU and how to merge functions.
2. Moving towards higher international standards on public investment management including issues associated with allotments, budgeting, procurement and performance reporting.
3. Establishing an adequate remuneration framework for technical staff and accelerate efforts to use CBR.

6.0 Admin Department		Grade	Score	Rank (out of 66)
6.5 AD: Auctions and Disposals Unit	Raw Performance Score	D+	0.48	54
	Standardised Raw Score	C	- 0.85	
	Standardised Risk, Impact, TA adjusted Score	C	- 0.89	58

Progress Highlights

1. Team ran workshops on implementing the 1354/1975 Auction Law. Workshops were conducted for all Provincial Customs department and Musto fiats as they are high users of the auction system (seized and abandoned assets and end-of useful life). Held in Khyber Hall (100+ people attended, 43 from Mustofiats rest from Customs and Ministry of Finance).
2. Team did some good work in recommending changes to the law as problems were being faced every day. Proposal was put to the Minster who accepted. Auction and Disposal Law 1354/1975. Amendments drafted 3 months ago: i) disposals regarding airplanes (couldn't be done on old law); ii) 6 articles amended and 4 new articles - for 29 articles in total. Currently with Ministry of Justice, with discussions on going.
3. Team drafted directive to address problems raised in workshops and got the Minister's agreement. Problems included routine interference of disposals at local levels (e.g. single source disposal without auction).

Major Challenges Being Faced

1. Lack of budget and resources is a constraint to overcome the perverse incentives and conflicts of interests.
2. There is no regular summary reporting of activities or tracking reports. There are no systems for any of the processes including valuations, distribution of assets, remittance of revenue from auctions. This needs to be addressed.
2. There is no program for professional development.

6.0 Admin Department		Grade	Score	Rank (out of 66)
6.6 AD: Gender Unit	Raw Performance Score	D+	0.50	52
	Standardised Raw Score	C	- 0.72	
	Standardised Risk, Impact, TA adjusted Score	C	- 0.74	51

Progress Highlights

1. Provision of scholarships, educational workshops, trainings and English language courses to men and women. 16 women who have been recommended for scholarships, with another 4 in process (likely to be complete next year because of security problems). 36 was the target estimate but Kunduz (2) battles had a big impact on plans.
2. 75 Ministry of Finance (MOF) female employees attended gender workshops. 135 employees of Move (40) and external ministries (gender heads) attended an introductory gender awareness workshop - trainer provided by Ministry of Women's Affairs. Workshop covered. Gender awareness, implementation of workplans for women, Civil Service Women's Committee.
3. Gender unit is involved in the selection on recruitment of staff.

Major Challenges Being Faced

1. Meeting the deadline for university acceptance is a challenge because complete documents from provinces are not received timely.
2. Approximately 6.5% of Move civil servants are female. Move does not have any specific policy to increase the number of civil servants and there is not currently reporting or analysis looking at the ratio of female civil servants across geographic or technical areas of Move.
3. Limited resources.

7.0 SOE Department	Grade	Score	Rank (out of 19)
Raw Performance Score	D+	0.45	18
Standardised Raw Score	D+	- 1.12	
Standardised Risk, Impact, TA adjusted Score	D+	- 1.05	18

Progress Highlights

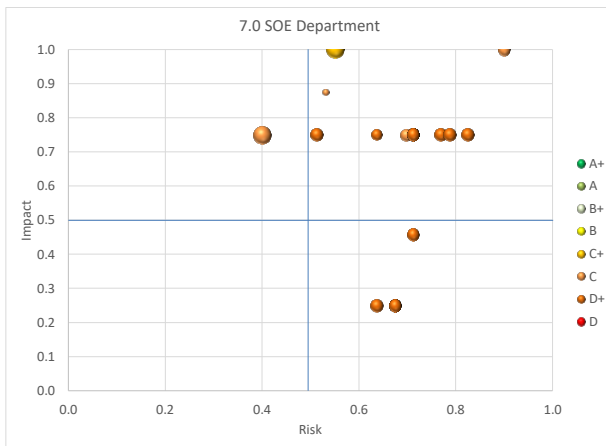
1. A Director General has been appointed to lead the reform of this area, but will need qualified staff and political support to be successful.
2. Analysis of all State-Owned Enterprises (SOEs) / State-Owned Corporation (SOCs) has been done, looking at both financial health and functional efficiency. The analytical reports have been sent to relevant stakeholders.
3. Analysis of SOE / SOC financial plans and balance sheets has resulted in some increase in profits from both lower expenditure and higher revenue.

Major Challenges Being Faced

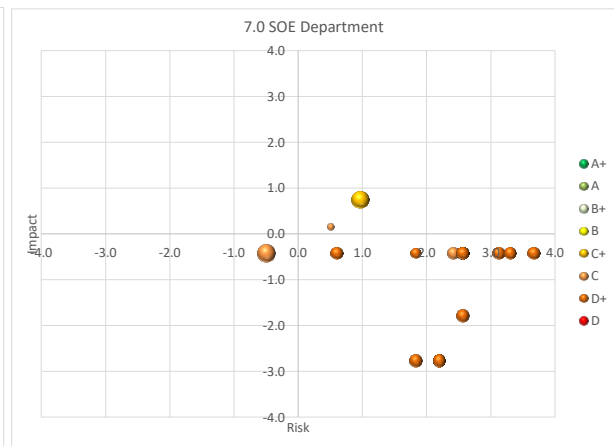
1. Fiscal Risks are not being systematically monitored and managed due to capacity and resource constraints.
2. This is a key risk for the Government and requires a significant increase in resources and budget, particularly for training, professional development and some technical assistance to put some systems in place.
3. Despite asking for resources, SOE has not been given staff of resources to match the complexity of their work and the risks to the Government.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



8.0 Property Department	Grade	Score	Rank (out of 19)
Raw Performance Score	C+	0.58	8
Standardised Raw Score	B	0.03	
Standardised Risk, Impact, TA adjusted Score	B	- 0.06	10

Progress Highlights

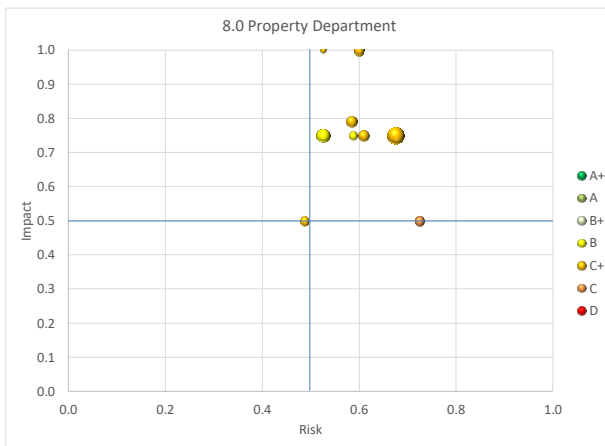
1. The new Director General is working on a new vision and plan for the property department.
2. Outstanding progress in solving problems - the team has set up sub-accounts to ensure reliable data is collected on provincial property revenue collection. Likely to have exceeded the target for 2016, but couldn't be verified in the Afghanistan Financial Management Information System (AFMIS) due to lack of a dedicated sub-account. Original target of Afs440m is for Kabul (Afs240) and Provinces (Afs200). Property reports indicated Afs262m for provinces Afs214m for Kabul - Total Afs486m, well above Afs440m target. AFMIS reports Afs300m for the capital and provinces (but there is gap of 6 months because of sub-account reform).
3. The team are working very hard tackling some very tough issues where individuals with powerful backers either owe the Government rent, or are hanging on to Government owned property for below market rents.

Major Challenges Being Faced

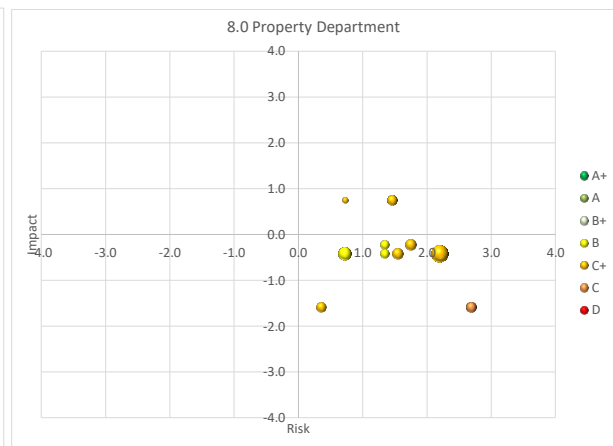
1. Requires significant political backing to challenge the status quo. Staff need physical protection related particularly to seizing assets - funding needs to be prioritized for security.
2. Gains in Kabul are not matched by the provinces where the Mustofiats are responsible for property and collecting revenue.
3. The status of the department might need to be elevated in the way procurement was if sustained progress is to be made.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



8.0 Property Department		Grade	Score	Rank (out of 66)
8.1 PD: Provincial Property Directorate	Raw Performance Score	C	0.55	40
	Standardised Raw Score	C+	- 0.22	
	Standardised Risk, Impact, TA adjusted Score	C+	- 0.23	39

Progress Highlights

- Two agencies are now covered by the Property Department: Ministry of Transport and Culture are now earning Afs14m extra per year and all funds are now being deposited in to the Treasury Single Account. Increases in revenue are expected to be at least fourfold (Afs56m) when the Property Department starts charging market rents for the properties next year. Provincial level improvements expected with system reforms being achieved.
- Arrears tracking is done for the provinces but it is hard to enforce in the provinces compared to Kabul. System improvements are continuing. Sub-accounts set up for provinces for deposit of property revenues - driving a reduction in fiduciary risk.
- The team met the new contract target for the year, total number of 152 contracts (target is 150 contracts).

Major Challenges Being Faced

- The Revenue Planning Department gave a target for Kabul but not for provinces. So, the team is not working to a target except in Kabul. Also, the Property Department is not responsible for collecting provincial revenue. It is the responsibility of the Mustofiats. So, property has no influence over collections. Mustofiats used to put all revenue in one code, M29 forms didn't split out property and so no way to get a property revenue report from the Afghanistan Financial Management Information System (AFMIS). The proper use of new sub-accounts will be crucial if provincial revenues are to be properly collected. Enforcement on use of the sub-account will be key challenge.
- There is no funding for operations and maintenance, though the Property Department has developed a policy. The document was produced by looking at some examples from other countries and cutting and pasting into a local document, so there is room for improvement.
- Getting people to vacate their properties at the end of their lease is a challenge and creates significant safety risks for staff.
- No funding is provided for professional development. The team needs resources and the on-going help of the Ministry of Finance leadership.

8.0 Property Department		Grade	Score	Rank (out of 66)
8.2 PD: Registration and Resolution Directorate	Raw Performance Score	C+	0.59	24
	Standardised Raw Score	B	0.15	
	Standardised Risk, Impact, TA adjusted Score	B	0.03	27

Progress Highlights

- Outstanding progress in solving problems - the team has set up sub-accounts to ensure reliable data is collected on provincial property revenue collection. Likely to have exceed target, but couldn't be verified in Afghanistan Financial Management Information System (AFMIS) due to lack of A sub-account. Original target of Afs440m is for Kabul (Afs240) and Provinces (Afs200). Property reports indicated Afs262m for provinces Afs214m for Kabul - Total Afs486m, well above Afs440m target. AFMIS reports Afs 300m for capital and provinces (but there is gap of 6 months because of sub-account reform).
- Team is well ahead of target for registration of properties. 1,000 was the target for 2016, 3,618 is the current level of new registrations this year. This was achieved by securing authority from the President. Total revisions are 18,000. (last year was 12200). Big effort from the team to increase the number of registrations this year. Last year was around 500-600. The big increase is due to more support from management and a concerted effort to chase up line ministries.
- Four (4) properties have been released by powerful interests but there is still low political support and no additional protection for staff. 2 more cases are in the courts. Team was threatened. The Team are working on evaluations.

Major Challenges Being Faced

- Limited legal expertise. Lack of support from key Government departments especially the Attorney General's Office, the Courts, and the President's Office. Employees need to be empowered against powerful interests low political support and no additional protection for staff.
- There are 1410 properties occupied by powerful people. These have been flagged with the Ministry of Justice (MOJ) and the courts. They have asked for a range of documents on these properties and the Property Department has been collecting information and establishing files for MOJ. So far 300 have been compiled and sent on to MOJ, but there are major challenges in getting information, dealing with "Mafia", and political pressure.
- Ministry of Finance will need to work as an institution to properly address problems associated with former Banks (Agricultural, Industrial, Mortgage and Construction Banks) including release of funds from guarantees, to meet the entitlements of retired staff (pensions).

8.0 Property Department		Grade	Score	Rank (out of 66)
8.3 PD: Capital Properties (Kabul) Directorate	Raw Performance Score	C+	0.59	26
	Standardised Raw Score	B	0.12	
	Standardised Risk, Impact, TA adjusted Score	B	- 0.01	29

Progress Highlights

1. Two agencies now covered by Property Department: Ministry of Transport and Ministry of Culture are now earning Afs14m extra per year and all funds are now being deposited in to the Treasury Single Account. Increases in revenue are expected to be at least fourfold (Afs56m) when the Property Department starts charging market rents for properties next year.

2. Outstanding progress in solving problems - the team has set up sub-accounts to ensure reliable data is collected on provincial property revenue collection. Likely to have exceed target, but couldn't be verified in Afghanistan Financial Management Information System (AFMIS) due to lack of a dedicated sub-account. Original target of Afs440m is for Kabul (Afs240) and Provinces (Afs200). Property reports indicated Afs262m for provinces Afs214m for Kabul - Total Afs486m, well above Afs440m target. AFMIS reports Afs300m for capital and provinces (but there is gap of 6 months because of sub-account reform).

3. The team have met the new contract target for the year, total number of 156 contracts (target is 150 contracts).

Major Challenges Being Faced

1. Many tenants have strong political connections and it is difficult to collect rents and arrears on certain properties. Strong political support is required as well as more resources to protect staff. The Director General needs to see the Minister more often or have regular Leadership Group Meetings. This is a tough area with lots of political issues, needs lots of support.

2. There is no funding for operations and maintenance, though the Property Department has developed a policy. The document was produced by looking at some examples from other countries and cutting and pasting into a local document and so there is significant room for improvement.

3. Currently overseas property is managed by the Ministry of Foreign Affairs (MOFA) but property thinks there are a number of properties, some commercial, where more revenue could be collected. A report on overseas property has been done and submitted to the President's Office but no follow up as yet. Needs consideration by Cabinet and the team might consider talking to the High Economic Council (HEC) Secretariat about getting HEC to consider this issue.

4. No funding is provided for professional development. Need budget support and help of the Minister for Finance.

9.0 Human Resources Department	Grade	Score	Rank (out of 19)
Raw Performance Score	C+	0.57	9
Standardised Raw Score	B	0.01	
Standardised Risk, Impact, TA adjusted Score	C+	- 0.22	12

Progress Highlights

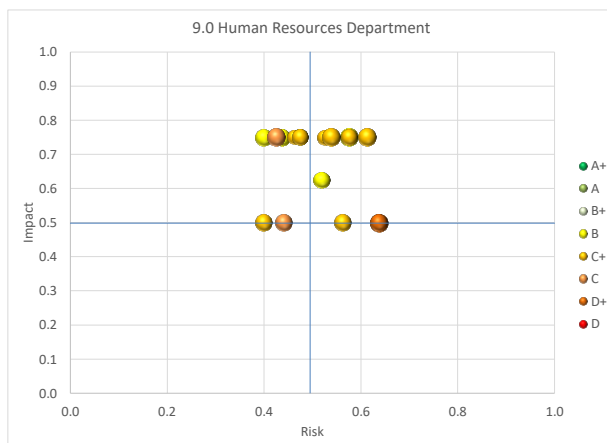
1. Exceeded female recruitment target. As at mid-year the Human Resources Department (HRD) had filled 45 positions with women recruits, when the target was set at 30 (this represented 25% of the 180 recruits as at mid-year). The Minister interviewed all short-listed applicants.
2. HRD made good progress at trying to make the individual performance appraisal system more credible by sending out letters to all Directors instructing them to take the process seriously, running an awareness campaign, which included training on performance appraisal system to senior, middle and lower level staff.
3. Specifications for new biometric time and attendance systems developed by HRD includes provision for establishing linkages to HR, payroll and FreeBalance systems. This sets a foundation to improve payroll systems towards best practice under the Public Expenditure and Financial Accountability (PEFA) assessment framework.

Major Challenges Being Faced

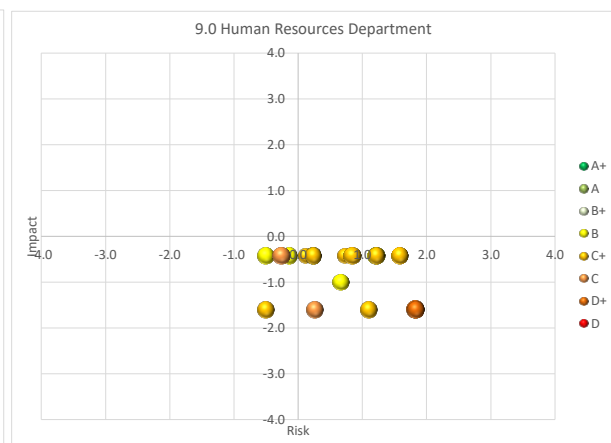
1. The individual performance appraisal system is not yet credible. HRD will need support from senior leadership within the Ministry. Linking individual performance with independently validated team performance will be a crucial reform moving forward - if team-based performance management continues. A key indicator will be that underperformance is actually recorded. This result is compromised by the link between individual performance and salary increments.
2. The rightsizing and performance management of staff remains a big challenge. The combination of downsizing the number of approved Ministry of Finance (MOF) positions, and the transfer of national technical assistance (NTA) staff to the Capacity Building for Results (CBR) program via vacant and new tashkeel positions means that the actual size of the MOF has not changed (85 staff - less than 1% - retired under the new retirement age policy set by the President). Progress has been made in moving former UNDP supported staff under the Making Budgets Work program and British government supported staff under the SAB2 program to CBR in that now these consultants are more likely to be invested MOF as public servants. However, merit based selection process was not followed. Given Afghanistan's PEFA scores have not improved since 2008, and there has been no documented performance of national or international consultants for 14 years, the performance of existing consultants is uncertain. Team based performance management will be crucial in addressing these issues moving forward.
3. A credible professional development program for all staff is not yet in place. The Training Needs Assessment (TNA) done by HRD, was basically a list of requested trainings. Scholarships and overseas and local training is dependent on offerings from donors and is not predictable. The MOF training budget was cut by the Budget Department from \$500k to \$400k in the middle of 2016, which is equivalent to \$4pp across the MOF, which is clearly woefully inadequate (HR spent 94% of its 2016 training budget). There is no testing of staff for any PFM competencies, numeracy and literacy, and only certificate of attendances is offered for standard training. Assessment of learning outcomes is not routine. Costing of options for a professional development program is being considered.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



9.0 Human Resources Department		Grade	Score	Rank (out of 66)
9.1 HRD: Training & Development	Raw Performance Score	C	0.55	41
	Standardised Raw Score	C+	- 0.23	
	Standardised Risk, Impact, TA adjusted Score	C+	- 0.35	41

Progress Highlights

1. Progress in upgrading certificate course in public policy and analysis to a masters level course. Likely to be available in 2017.
2. The internship program continues to deliver a pipeline of young talent to Move.
3. Exams used to ration scholarships improving perceptions of fair and merit-based process.

Major Challenges Being Faced

1. A credible professional development program for all staff is not yet in place. The Training Needs Assessment (TNA) done by HRD, was basically a list of requested trainings. Scholarships and overseas and local training is dependent on offerings from donors and is not predictable. The MOF training budget was cut by the Budget Department from \$500k to \$400k in the middle of 2016, which is equivalent to \$4pp across the MOF, which is clearly woefully inadequate (HR spent 94% of its 2016 training budget). There is no testing of staff for any PFM competencies, numeracy and literacy, and only certificate of attendances is offered for standard training. Assessment of learning outcomes is not routine. Costing of options for a professional development program is being considered.
2. Need to develop and manage a credible budget for training at the director level for all departments.
3. Need to formalise the internship program as a pipeline for junior professionals entering Move.

9.0 Human Resources Department		Grade	Score	Rank
9.2 HRD: Recruitment Development	Raw Performance Score	B	0.62	18
	Standardised Raw Score	B+	0.42	
	Standardised Risk, Impact, TA adjusted Score	B	0.13	24

Progress Highlights

1. Exceeded female recruitment target. As at mid-year the Human Resources Department (HRD) had filled 45 positions with women recruits, when the target was set at 30 (this represented 25% of the 180 recruits as at mid-year). The Minister interviewed all short-listed applicants.
2. Taking steps to introduce and strengthen merit based recruitment systems - within the limits set by the CSC
3. Good progress in getting positions approved under both the Capacity Building for Results (CBR) program and for national technical assistance staff - meeting targets in 5-year plan.

Major Challenges Being Faced

1. Streamlining CBR approvals process and further minimising significant delays.
2. Strengthening systems, processes and budgeting for recruitment of National Technical Assistance that delivers value for money.
3. Culture and politics, bedding in merit based selections across the board will take time.

9.0 Human Resources Department		Grade	Score	Rank (out of 66)
9.3 HRD: Organizational Development	Raw Performance Score	B	0.65	12
	Standardised Raw Score	A	0.72	
	Standardised Risk, Impact, TA adjusted Score	B+	0.35	19

Progress Highlights

1. Ministry of Finance (MOF) restructure completed and is expected to be approved by the President soon.
2. New policy position from the Minister to reduce the number of tashkeel in the MOF by 7% was successfully implemented.
3. Tashkeel planning done, Civil Service Commission (CSC) has endorsed and it is waiting on the President's Office to approve.

Major Challenges Being Faced

1. The rightsizing and performance management of the Move staffing remains a big challenge. The combination of downsizing the number of approved Ministry of Finance (MOF) positions, and the transfer of national technical assistance (NTA) staff to the Capacity Building for Results (CBR) program via vacant and new tashkeel positions means that the actual size of the MOF has not changed (85 staff - less than 1% - retired under the new retirement age policy set by the President). Progress has been made in moving former UNDP supported staff under the Making Budgets Work program and British government supported staff under the SAB2 program to CBR in that now these consultants are more likely to be invested MOF as public servants. However, merit based selection process was not followed. Given Afghanistan's PEFA scores have not improved since 2008, and there has been no documented performance of national or international consultants for 14 years, the performance of existing consultants is uncertain. Team based performance management will be crucial in addressing these issues moving forward.
2. Need ensure that reform (the Fiscal Performance Improvement Plan (FPIP)) activities are covered by Job-Descriptions - e.g. by having a generic issue of job descriptions, but work with teams to better link them to the 5-year rolling plans of departments.
3. Better use of website to transparently communicate policies and progress.

9.0 Human Resources Department		Grade	Score	Rank (out of 66)
	Raw Performance Score	C+	0.58	28

9.4 HRD: Performance Appraisal & Record Keeping	Standardised Raw Score	B	0.07	
	Standardised Risk, Impact, TA adjusted Score	B	- 0.07	33

Progress Highlights

1. The Human Resources Department (HRD) made good progress at trying to make the individual performance appraisal system more credible by sending out letters to all Directors instructing them to take the process seriously, running an awareness campaign, which included training on performance appraisal system to senior, middle and lower level staff.
2. New Mandatory Retirement Age in place (65), with 85 staff retiring under the new system in 2016. 8.5% deduction for contributions to retirement benefit scheme.
3. All technical staff (3200) covered by the individual performance appraisal system. All 34 provinces done for the first time.

Major Challenges Being Faced

1. The individual performance appraisal system is not yet credible. The HRD will need support from senior leadership within the Ministry. Linking individual performance with independently validated team performance will be a crucial reform moving forward - if team-based performance management continues. A key indicator will be that underperformance is actually recorded. This result is compromised by the link between individual performance and salary increments.
2. Linking team performance results to individual performance appraisals will require good coordination between the Performance Management Team and HRD.
3. Coming up with a plan to lead and work with the Civil Service Commission on improving the appraisal system - including on increments - will be a challenge given the prevailing culture of silos in both institutions.

9.0 Human Resources Department		Grade	Score	Rank (out of 66)
9.5 HRD: Employee Relations	Raw Performance Score	C	0.52	44
	Standardised Raw Score	C+	- 0.53	
	Standardised Risk, Impact, TA adjusted Score	C	- 0.84	54

Progress Highlights

1. On track to process target for complaints. 97 received in 2016, with 47 resolved.
2. Improving working environment for Move staff most recently through a new Gym.
3. Good progress recently in securing funding for employee health care policy.

Major Challenges Being Faced

1. Better implementation of complaints handling and conflict management system.
2. Better implementation of an effective conflict management system.
3. Implementation of female harassment policy and systems in line with London conference commitments and existing regulations.

10.0 Insurance Department		Grade	Score	Rank (out of 19)
	Raw Performance Score	C+	0.57	12
	Standardised Raw Score	B	- 0.06	
	Standardised Risk, Impact, TA adjusted Score	B	- 0.08	11
10.0 Insurance Department		Grade	Score	Rank (out of 66)
10.1 ID: Insurance Affairs	Raw Performance Score	C+	0.57	32
	Standardised Raw Score	B	- 0.03	
	Standardised Risk, Impact, TA adjusted Score	B	- 0.08	34

Progress Highlights

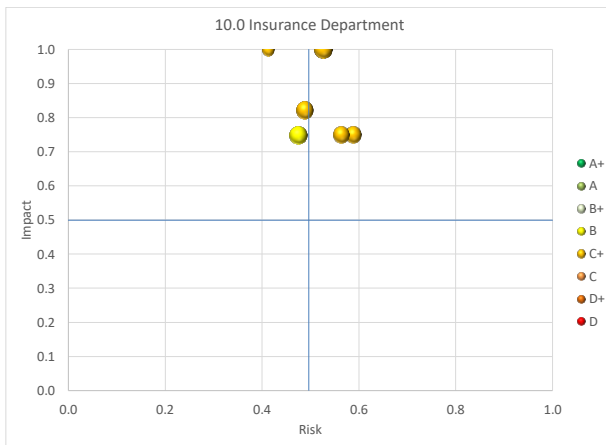
1. The team are doing a good job with the resources available. There are still large issues with insurance in the aviation industry that the team as struggling to resolve. Needs to be elevated to a political level (Deputy Minister and Minister) for action.
2. Impact of a public awareness campaign appears to be significant with a 67% increase in customers purchasing insurance in 2016 (c12,000 in 2015). Insurance customers in first 11 months rose by 20,000.
3. Three public insurance companies were audited in 2016.

Major Challenges Being Faced

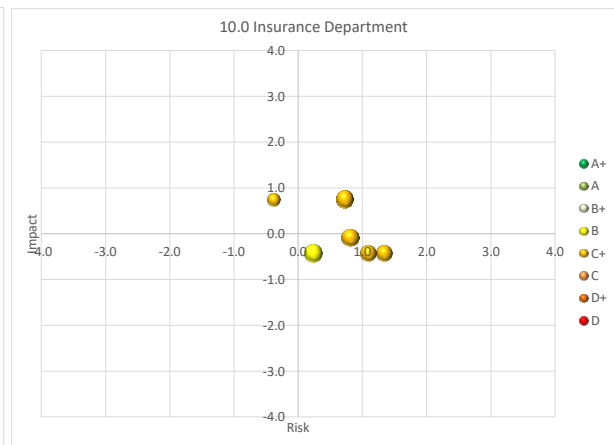
1. The Insurance Department is generally under-resourced both for funds and skills.
2. Lack of funds for awareness campaigns and workshops to help drive demand for insurance services.
3. Lack of expertise and budget for laws such as the Third-Party Liability, Islamic and Micro Insurance Laws.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



11.0 Internal Audit Department	Grade	Score	Rank (out of 19)
Raw Performance Score	C	0.52	14
Standardised Raw Score	C+	- 0.51	
Standardised Risk, Impact, TA adjusted Score	C+	- 0.60	14

Progress Highlights

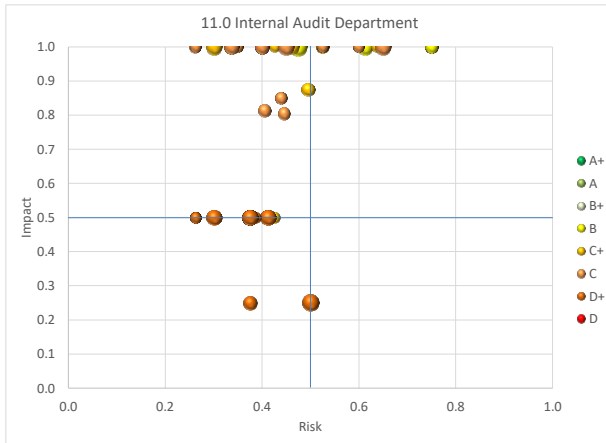
1. There is good progress on fraud investigations following referrals, with new fraud investigation techniques being utilized. There is evidence that the quality of investigations is improving as the number of successful prosecutions has gone up.
2. The team is responsive to the Minster in implement special audits on instruction.
3. Audit follow-up tracking system and feedback mechanism are both working to improve compliance and audit quality.

Major Challenges Being Faced

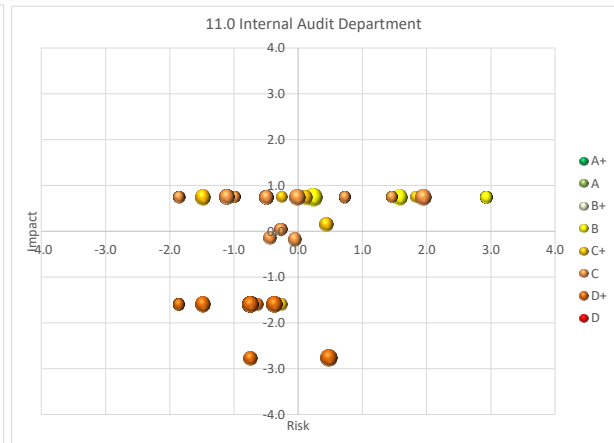
1. Audit Committee is not functioning as intended. It does not meet regularly and has delegated much of its authority to the acting Director General.
2. The team needs to make more progress in complying with international internal audit standards.
3. The lack of certification for auditors means the team has no access to the Capacity Building for Results (CBR) program to top up staff salaries. This is making it hard to attract and retain qualified staff.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



11.0 Internal Audit Department		Grade	Score	Rank (out of 66)
11.1 IAD: Office of the DG	Raw Performance Score	C+	0.56	37
	Standardised Raw Score	B	- 0.15	
	Standardised Risk, Impact, TA adjusted Score	B	- 0.18	37

Progress Highlights

1. New methods of fraud investigation are delivering results. Professional development ongoing in this area (another 20-people sent overseas for training on new methods). Afs203m additional revenue (recoveries) collected through investigations.
2. Good progress on number of fraud investigations, there are 77 fraud investigation in progress,30 completed and 117 in the courts or with the Attorney General's Office.
3. The team has done some random audits on the Small taxpayer Office and the Medium Taxpayer Office based on complaints, this resulted in termination of employees who used to mistreat the people.

Major Challenges Being Faced

1. Challenge in appointing a Director General (currently vacant) and in ensuring the Chief Auditor and internal auditors are fully qualified. The Minister needs to empower the Director General to drive a culture change in this team and throughout the Ministry.
2. Getting tashkeel staff included in the Capacity Building for Results (CBR) program: some positions were announced almost two years ago but there is no response (slow CBR) process.
3. Massive behaviour change required. Auditees often do not provide relevant documents on time.

11.0 Internal Audit Department		Grade	Score	Rank (out of 66)
11.2 IAD: Compliance and IT Audit and Fraud Investigation	Raw Performance Score	C	0.51	46
	Standardised Raw Score	C	- 0.61	
	Standardised Risk, Impact, TA adjusted Score	C	- 0.72	50

Progress Highlights

1. Information Technology (IT) auditing using algorithms to detect risky areas is progressing. Audited 8 departments using IT auditing techniques.
2. Annual Audit Plan based on risk assessment was approved by Minister as head of the Audit Committee 10-15 days before the commencement of the new the year.
3. Doing Human Resources audits on a regular basis. Investigation in two provinces completed. Routine but picking up on-going problems. Conflicts of interest, time and attendance, payroll. Related issues being found include separation of duties and scholarships.

Major Challenges Being Faced

1. Lack of tashkeel in central and provincial offices.
2. Lack of cooperation of auditees in specified time.
3. Adoption of IT audit. Need to have access to tools and training to improve this function.

11.0 Internal Audit Department		Grade	Score	Rank (out of 66)
11.3 IAD: Budget and Treasury Audit	Raw Performance Score	C	0.51	45
	Standardised Raw Score	C+	- 0.57	
	Standardised Risk, Impact, TA adjusted Score	C	- 0.65	48

Progress Highlights

1. Annual Audit Plan was approved by the Director General (DG) before the start of the Fiscal Year.
2. See office of the DG
3. See Office of the DG

Major Challenges Being Faced

1. Challenge to meet International Internal Audit (IIA) standards due to Audit Committee failing to meet to approve the plan.
2. Special assignments get assigned during the year by President and Minister. Draft Audit Reports (after agency review and internal reviews) do not get approved by Audit Committee as it is difficult to get them to meet.
3. Team level plan for this Directorate needs to be further developed.

11.0 Internal Audit Department		Grade	Score	Rank (out of 66)
11.4 IAD: Customs and Revenue Audit	Raw Performance Score	C	0.51	48
	Standardised Raw Score	C	- 0.63	
	Standardised Risk, Impact, TA adjusted Score	C	- 0.70	49

Progress Highlights

1. See Office of the Director General (DG).
2. See Office of the DG.
3. See Office of the DG.

Major Challenges Being Faced

1. Team level 5-year plan needs to be further developed for this Directorate.

11.0 Internal Audit Department		Grade	Score	Rank (out of 66)
11.5 IAD: Budgetary Audit and Capacity Development (line ministries)	Raw Performance Score	C	0.51	49
	Standardised Raw Score	C	- 0.63	
	Standardised Risk, Impact, TA adjusted Score	C	- 0.76	52

Progress Highlights

1. See Office of the Director General (DG).
2. See Office of the DG.
3. See Office of the DG.

Major Challenges Being Faced

1. Team level 5-year plan needs to be developed for this Directorate.

12.0 Programs Implementation and Coordination General Directorate	Grade	Score	Rank (out of 19)
Raw Performance Score	D+	0.47	16
Standardised Raw Score	C	- 0.96	
Standardised Risk, Impact, TA adjusted Score	C	- 0.78	15

Progress Highlights

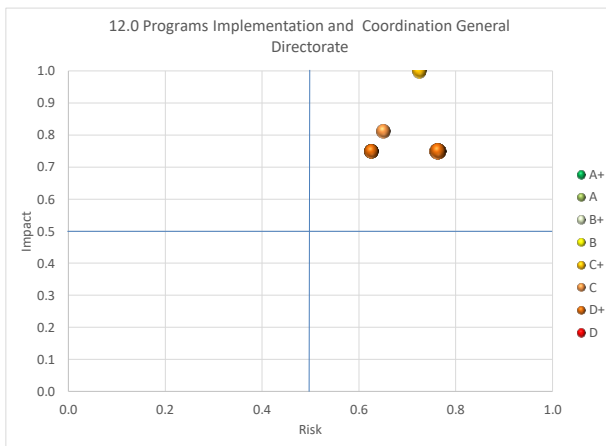
1. Coordination of the Brussels Conference on Afghanistan in partnership with the Presidential Palace and line Ministries.
2. Coordination of the development of the Afghanistan National Peace and Development Framework (ANPDF).
3. Coordination of development of National Priority Programs (NPPs) including the Citizen's Charter, Agriculture National Plan, Infrastructure Plan, and Women's Economic Empowerment Plan.

Major Challenges Being Faced

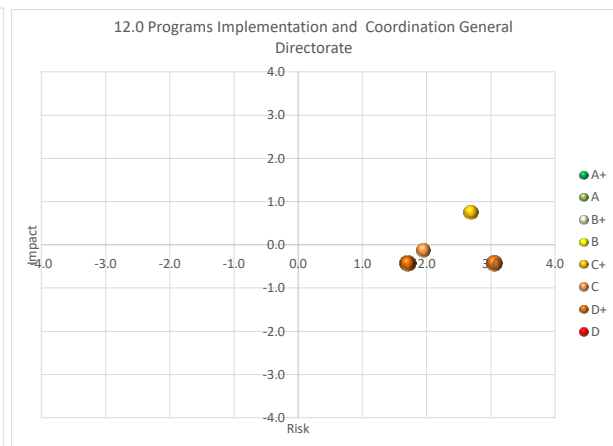
1. This team did not complete the self-assessment and did not attend the validation meeting. Partial information was provided by the Director General (DG) from the Monitoring Analysis and Reporting Directorate General (MARDG) from the same department (Policy). The MARDG has contributed to some of these activities. Discussions about the various responsibilities of the teams are ongoing. Post Brussels the responsibility for development councils, NPPs and SMAF will be with the DG MARDG.
2. A vision for the policy department needs to be developed. This team is heavily reliant on external assistance with most of the work done by international and local technical assistance. Plans to move to civil service positions under the Capacity Building for Results (CBR) need to be prioritised.
3. Despite significant external resources there is still low capacity for analysis. The ANPDF was an example where the team struggled to facilitate the process due to a lack of capacity.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



13.0 Monitoring, Analysis and Reporting General Directorate	Grade	Score	Rank (out of 19)
Raw Performance Score	C	0.53	13
Standardised Raw Score	C+	- 0.43	
Standardised Risk, Impact, TA adjusted Score	C+	- 0.39	13

Progress Highlights

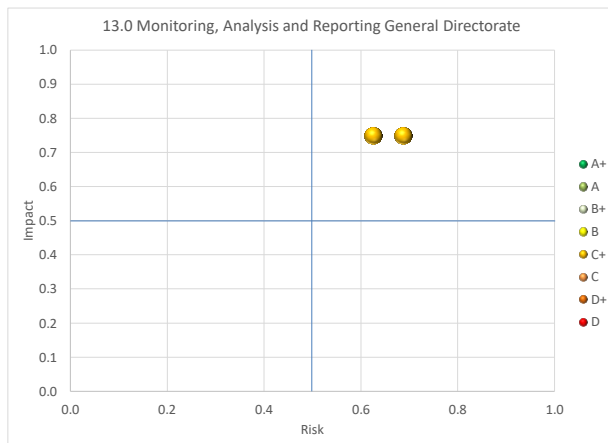
1. Team made a significant contribution to the Brussels Conference on Afghanistan, particularly on the development of National Priority Programs (NPPs), the development of the Afghanistan National Peace and Development Framework (ANPDF) and the delivery of the Regional integration and Investment side event at the Brussels Conference.
2. Team is in the process of taking over responsibility for the secretariat support to the Infrastructure Development Council and the Human Capital Development Council. A new Presidential decree is being developed to clarify roles and responsibilities.
3. Monitoring and reporting on the Self-Reliance through Mutual Accountability Framework (SMAF) indicators has been comprehensively managed with good regular engagement with the donors in the lead up to Brussels.

Major Challenges Being Faced

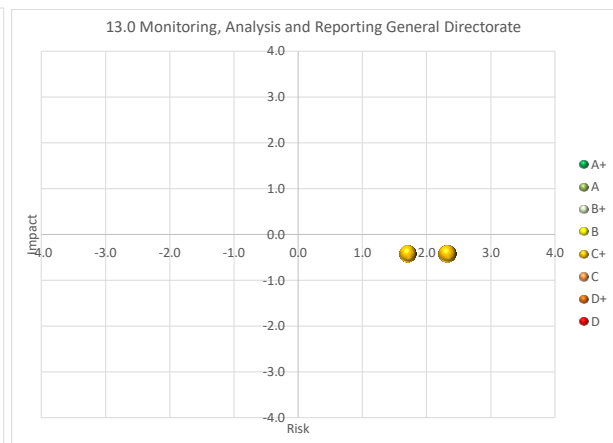
1. This Assessment is problematic as the plan does not really reflect the activities of the team. The Director General has two directorates but in practice the entire policy team have been working together to deliver on the Brussels Conference, the NPPs and the ANPDF. Post Brussels there has been a discussion about the on-going responsibilities of the teams. The Monitoring Analysis and Reporting Directorate General (MARDG) will take on the development councils secretariat, the implementation of the NPPs and the SMAF monitoring and reporting. This may change next year as the merging of 3 DGs into 1 or 2 under the Deputy Minister Policy is being considered. This team made significant contributions to the other Directorate General Policy Implementation and Coordination.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



14.0 Reform Implementation Management Unit (RIMU)		Grade	Score	Rank (out of 19)
	Raw Performance Score	C	0.50	15
	Standardised Raw Score	C	- 0.66	
	Standardised Risk, Impact, TA adjusted Score	C	- 0.79	16
14.0 Reform Implementation Management Unit (RIMU)		Grade	Score	Rank (out of 66)
	Raw Performance Score	C	0.50	50
14.1 RIMU	Standardised Raw Score	C	- 0.66	
	Standardised Risk, Impact, TA adjusted Score	C	- 0.79	53

Progress Highlights

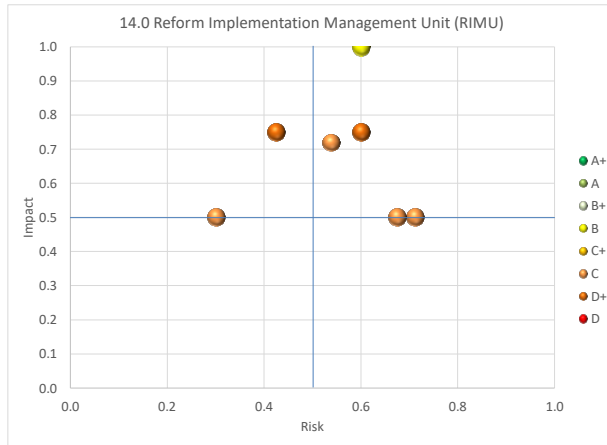
1. Provision of support to the World Bank funded Public Financial Management Roadmap II (PFMR II) Project implementation, overall coordination and management.
2. Preparation of the Ministry of Finance (MOF) 100 days and quarterly, semi-annual and annual reports.

Major Challenges Being Faced

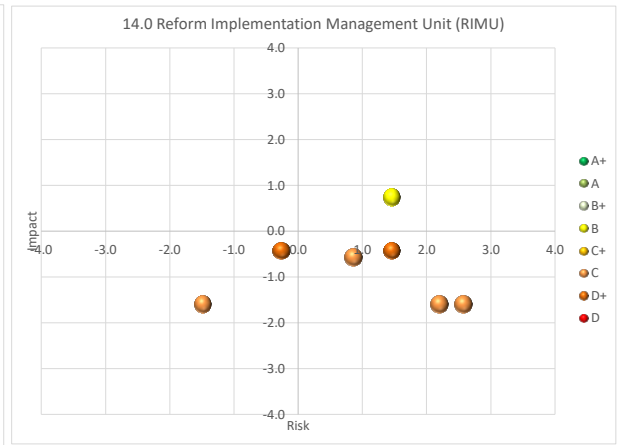
1. Some departments had not reported based on their plans and had to contact them again and again to make correction.
2. Need to formulate a plan to phase out PIU as PFMR II ends.
3. Need to coordinate with PMT to ensure that performance reporting meets the World Bank's needs.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



15.0 Revenue Planning Department	Grade	Score	Rank (out of 19)
Raw Performance Score	-	-	19
Standardised Raw Score	-	-	
Standardised Risk, Impact, TA adjusted Score	-	-	19

Progress Highlights

1. This Directorate General has been abolished and its functions shifted to the Revenue Department and to the Macro-Fiscal and Performance Department. No self-assessment was received and no validation meeting conducted during the annual assessment. A new 5 year rolling plan for the team will be included in the 2017 rolling 5 year plans.

Major Challenges Being Faced

16.0 Macro-Fiscal Performance Department		Grade	Score	Rank (out of 19)
	Raw Performance Score	C+	0.59	6
	Standardised Raw Score	B	0.17	
	Standardised Risk, Impact, TA adjusted Score	B	0.09	7

Progress Highlights

1. Successful inclusion of an economic and medium term fiscal framework in the Afghanistan National Peace and Development Framework that was presented to the international community in Brussels.
2. Outstanding progress in establishing a secretariat to the High Economic Council (HEC) and putting in place essential business processes including an advisory board, agendas, rules and procedures for submissions, minutes of meetings and tracking decisions.
3. Good efforts on coordination of the Staff Monitored Program and the Extended Credit Facility negotiations with the International Monetary Fund.
4. Finalisation and launch of the inaugural rolling 5-year Fiscal Performance Improvement Plans and completion of the first mid-year and annual assessments of progress by teams against their plans.

Major Challenges Being Faced

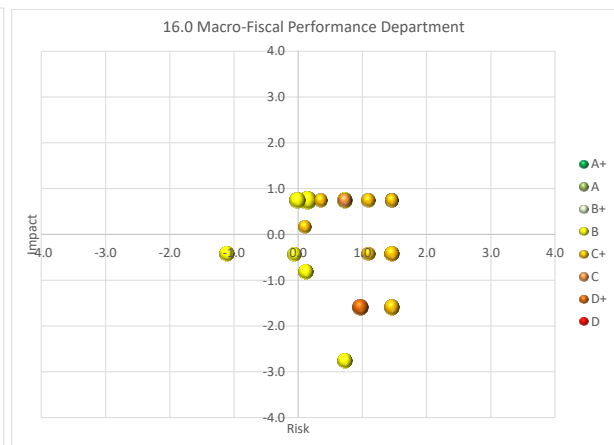
1. HEC and Budget Committee are not yet coordinating. The first steps on establishing a credible system of forward estimates and costing of existing and new policy have not progressed as reported in the mid-year assessment. The 2017 budget was based on the same approach as in previous years and meaningful budget reforms have not been achieved.
2. Effectively managing the HEC and ensuring the integrity of the process will require clear rules and procedures and strong political support.
3. A multi-year professional development program is needed to help deliver high quality macroeconomic analysis that actually influences policy and budgets.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



16.0 Macro-Fiscal Performance		Grade	Score	Rank (out of 66)
Department				
16.1 MFPD: Fiscal Directorate	Raw Performance Score	C+	0.58	29
	Standardised Raw Score	B	0.06	
	Standardised Risk, Impact, TA adjusted Score	B+	0.21	21

Progress Highlights

1. First steps were taken towards developing the medium-term expenditure framework with credible forward estimates system. Good cross-team collaboration but only minor progress towards linking policy to budget allocations despite some good ground work.
2. Successful inclusion of an economic and medium term fiscal framework in the Afghanistan National Peace and Development Framework that was presented to the international community in Brussels.
3. Successful completion of the Staff Monitored Program and the successful negotiation of the Extended Credit Facility with the International Monetary Fund founded on new principles of engagement.

Major Challenges Being Faced

1. A credible fiscal framework for: i) fiscal space estimation; ii) new policy costings including the full lifetime cost of investments; iii) strengthening the integrity of the forward estimates process - including clear rolling over and disclosures, and methodologies needs to be adopted for the budget process.
2. Improving information on the non-discretionary budget to feed into the fiscal framework and calculation of fiscal space.
3. Influencing policy makers and getting HEC and Budget Committee to follow consistent policy parameters. Establishing real cross-team collaboration with the Budget Department, the Aid Management Department, the Treasury Department, the Administration and Finance Department, the Minister's Office and Line agencies.

16.0 Macro-Fiscal Performance		Grade	Score	Rank (out of 66)
Department				
16.2 MFPD: Macroeconomic Unit	Raw Performance Score	C+	0.56	36
	Standardised Raw Score	B	- 0.13	
	Standardised Risk, Impact, TA adjusted Score	B	- 0.13	35

Progress Highlights

1. Improved modelling and contribution to Fiscal Strategy Paper and advice provided to High Economic Council (HEC).
2. Macro parameters used in the construction of internal forward estimates of the costs of existing policies.
3. Some progress in using macro-economic models to inform decision makers on the consequences of policy options (e.g. Fiscal Strategy Paper and Pensions Policy).

Major Challenges Being Faced

1. A multi-year professional development program is needed to help deliver high quality macroeconomic analysis that actually influences policy and budgets.
2. Better briefing is a priority. Data is currently sourced from the Central Statistics Office and Treasury, however need to look at other data sources and data mining solutions more accurate modelling and more useful briefing.
3. Delivering valued services to the Minister, HEC, the Cabinet and the public. Currently there is little demand for economic policy advice and limited technical skills to provide appropriate briefings and publications. A key role for the unit is to drive informed debate within Government on macroeconomic implications of different new policy proposals.

16.0 Macro-Fiscal Performance		Grade	Score	Rank (out of 66)
Department				
16.3 MFPD: Admin and Reporting Unit	Raw Performance Score	B	0.63	14
	Standardised Raw Score	A	0.54	
	Standardised Risk, Impact, TA adjusted Score	B	0.14	23

Progress Highlights

1. Successfully established the secretariat to the High Economic Council (HEC) by putting in place essential business processes including an advisory board, agendas, rules and procedures for submissions, minutes of meetings and tracking decisions.
2. Successfully established the Macro-Fiscal Performance Department (MFPD) including by putting place a new structure, finalizing MFPD's tashkeel submission, getting the Minister's approval for the new tashkeel and submitting the proposal to the Civil Service Commission. Then finding solutions to fill temporary gaps in tashkeel with national technical assistance staff.
3. Good progress in dealing with logistical issues around setting up the office and procuring equipment.

Major Challenges Being Faced

1. Attending to staffing delays in approval of tashkeel and mobilisation of new staff under the Capacity Building for Results (CBR) program.
2. Making the business processes to support the HEC routine and managing the large workflow effectively, including through establishment of an information management solution, a more robust HEC Handbook and effective cross-team collaboration with Programs Implementation and Coordination General Directorate on a Council Procedures Handbook.
3. Developing and implementing a sustainable and effective professional development plan for MFPD tashkeel staff.

16.0 Macro-Fiscal Performance		Grade	Score	Rank (out of 66)
Department				
	Raw Performance Score	B	0.60	22

16.4 MFPD: Performance Management Team	Standardised Raw Score	B+	0.29	
	Standardised Risk, Impact, TA adjusted Score	B	0.04	26

Progress Highlights

1. Good progress with finalisation and launch of the inaugural Rolling 5-year Fiscal Performance Improvement Plan (FPIP), completion of the mid-year performance review that was published at the side-event at the Brussels conference, public announcement of the 6 additional agencies by the President (on the Presidential Palace website), and initiating the first Annual Performance Review of the FPIP.
2. Establishing the team-based performance management system - tested with the completion of the first mid-year and annual assessments of progress against 5 year plans. All FPIP documents published on the MOF website.
3. Successfully delivered the proof of concept for the Performance Information Management System - including the consolidation and use of performance data - using transitional systems such as excel.

Major Challenges Being Faced

1. Establishing support for the FPIP - linking funding to 5-year plans and reported performance, finding a funding source to continue the existing team-based performance management system, enabling team expansion to meet the now delayed expansion to other agencies, and improving the quality of donor-government dialogue on performance.
2. Developing a sustainable, accessible and user-friendly Performance Management Information System.
3. Protecting the team-based performance management system from opposition and vested interests.

17.0 Aid Management Directorate		Grade	Score	Rank (out of 19)
	Raw Performance Score	C+	0.57	10
	Standardised Raw Score	B	- 0.04	
	Standardised Risk, Impact, TA adjusted Score	B	0.07	8
17.0 Aid Management Directorate		Grade	Score	Rank (out of 66)
17.1 AMD: Aid Management	Raw Performance Score	C+	0.57	35
	Standardised Raw Score	B	- 0.04	
	Standardised Risk, Impact, TA adjusted Score	B	0.07	25

Progress Highlights

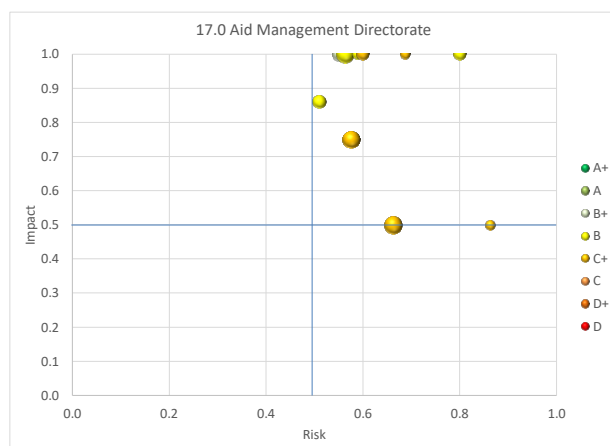
1. Good outcomes securing on-going donor support at the Brussels Conference on Afghanistan including getting agreement from donors to provide forward spending plans.
2. Framework agreements with major donors that are compliant with Afghan law and ensure individual contracts are not seeking additional tax exemptions over and above what is agreed at the Country MOU level.
3. The team are working on the new process of Operationalizing the Afghanistan National Peace and Development Framework (ANPDF) including by doing further portfolio reviews to ensure project preparation is in line with national priorities and properly reflected in the national budget.

Major Challenges Being Faced

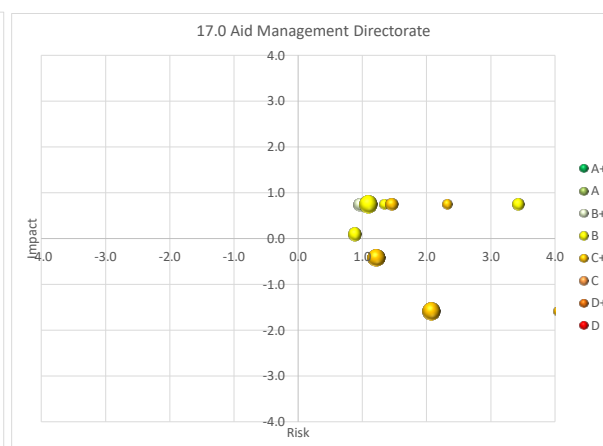
1. Systems are not being used in an integrated fashion with the budget or accounting systems. Data from the Development Assistance Database (DAD) is not really helping to guide policy formulation. The biggest risk is inconsistent costing of policy (on different basis between donors and across government) and the lack of identifying existing policy (what the government and donors have already agreed to do) and new policy (what the government wants to do in the future) based on fiscal space estimates. This must be done in the budget process.
2. The team could be providing more analysis and advice on development partner cycles or systems to maximise the flexibility for the Government in accessing development assistance.
3. Donors are still working on a project cycle and are not willing or able to align behind the national budget cycle and conform to standard budget rules.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



18.0 Office of the President		Grade	Score	Rank (out of 19)
18.1 National Procurement Authority (NPA)	Raw Performance Score	A	0.85	1
	Standardised Raw Score	A+	2.60	
	Standardised Risk, Impact, TA adjusted Score	A+	2.59	1
18.0 Office of the President		Grade	Score	Rank (out of 66)
18.1 National Procurement Authority (NPA)	Raw Performance Score	A	0.85	1
	Standardised Raw Score	A+	2.60	
	Standardised Risk, Impact, TA adjusted Score	A+	2.59	1

Progress Highlights

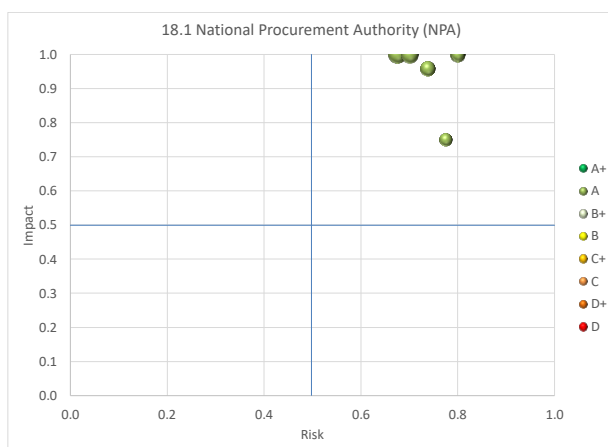
1. Outstanding progress in a difficult operating environment for the development of the National Procurement Authority's (NPA) five-year strategic plan. This was the best team in the assessment, they are a high performing team with strong leadership. They have established a strong institution with a high-performance culture. They are introducing systems that devolve procurement autonomy based on how well agencies perform. This is leading the world.
2. An outstanding achievement to establish the National Procurement Commission-NPC, Afs18.3b in savings estimated already (of which Afs10b in savings is from defence and interior - fuel, food and maintenance).
3. For the first time in the history of Afghanistan an international standard procurement law has been passed by the Parliament.
4. Comprehensive revision of procurement Rules of Procedures completed without any international technical assistance. Timely advice on Public Private Partnerships policy provided to the Government, including on institutional arrangements. NPA has created a comprehensive Online Contract Progress Monitoring Mechanism- CIMS, and an online Tracking Mechanism for projects under procurement facilitation – PFTS. Extensive strategic communication and public outreach has been delivered.

Major Challenges Being Faced

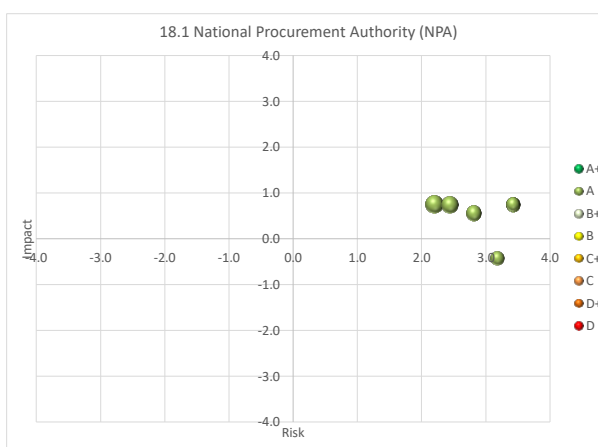
1. Lack of sufficient procurement information. The need to adopt a develop and deliver approach i.e. Clearing procurement backlog, rendering daily procurement services and simultaneously developing the procurement reform concept and five years' strategy.
2. Insufficient numbers of reliable and committed procurement professionals in the labour market.
3. Lack of proper nominations for procurement trainings by entities and lack of interest by international consultants to bid on the contract for support to the proposed National Procurement Institute.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



19.0 Other Partner Agencies		Grade	Score	Rank (out of 19)
19.1 AEITI Secretariat	Raw Performance Score	C+	0.60	5
	Standardised Raw Score	B+	0.23	
	Standardised Risk, Impact, TA adjusted Score	B	0.14	5

19.0 Other Partner Agencies		Grade	Score	Rank (out of 66)
19.1 AEITI Secretariat	Raw Performance Score	C+	0.60	23
	Standardised Raw Score	B+	0.23	
	Standardised Risk, Impact, TA adjusted Score	B	0.14	22

Progress Highlights

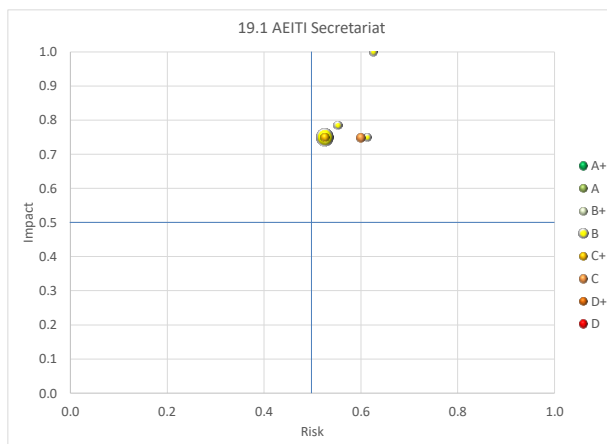
1. The Extractive Industries Transparency Initiative (EITI) mechanism is working well to detect and triangulate data to find potential leakages. The team has identified a high probability of around \$2 billion p.a. of lost revenue from extractive industries. The Multi-Stakeholder Group now has a representative from the parliament.
2. The backlog of reports has been cleared. Delivered 4th report as planned and on track to get 5th report done by February 2017. Slight delay was associated with collection of data by government agencies. Team dealt with data difficulties, and have made recommendations for improvements to government systems. The quality of reports has also improved and this has been recognised by the international EITI Secretariat.
3. Website is highly professional and provides up to date information on activities of the Afghanistan EITI Secretariat including strategies, annual reports, outreach visits and minutes of meetings.

Major Challenges Being Faced

1. Need high level political will for the EITI process to work. Need to make the most of the new administration to secure high level political will to the EITI agenda. The expectation is that this would result in significant increases in revenue, increased transparency and legitimacy.
2. Effective leadership of the Multi Stakeholder Group.
3. Insufficient investment in systems to improve data collection. Need investment in better systems in Ministry of Finance and Ministry of Mines. Getting joint KPIs into 5 year plans (tax, treasury, central bank).

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact

