MINISTRY OF FINANCE
GENERAL DIRECTORATE OF MACRO FISCAL PERFORMANCE
DEPARTMENT OF PERFORMANCE MANAGEMENT AND PUBLIC EXPENDITURE REFORM

2016 MID-YEAR PERFORMANCE TRACKING 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



Abstract

This is the first mid-year performance tracking report for implementation of the 5-year rolling fiscal performance improvement. Plan. Key headline issues revealed include: i) leadership matters; ii) more ownership and clarity of reform plans is required; and iii) heavy dependency on external support remains.

There have been some very good achievements in the first half of 1395 / 2016 with many set to lay the foundations for significant improvements in budget formulation and execution in the future. Key achievements are in areas of Policy, budget formulation, budget execution, procurement, and revenue. The major challenging areas are in improving reporting and institutional capacity.

League tables of team performance are presented. Analysis reveals that the National Procurement Authority, Treasury and Budget as the top performers with the Revenue Department lower down the table.

There are signs that an institutional culture focused on performance is emerging. While still in the early stages of development, team responsiveness to the new performance management systems has been good.

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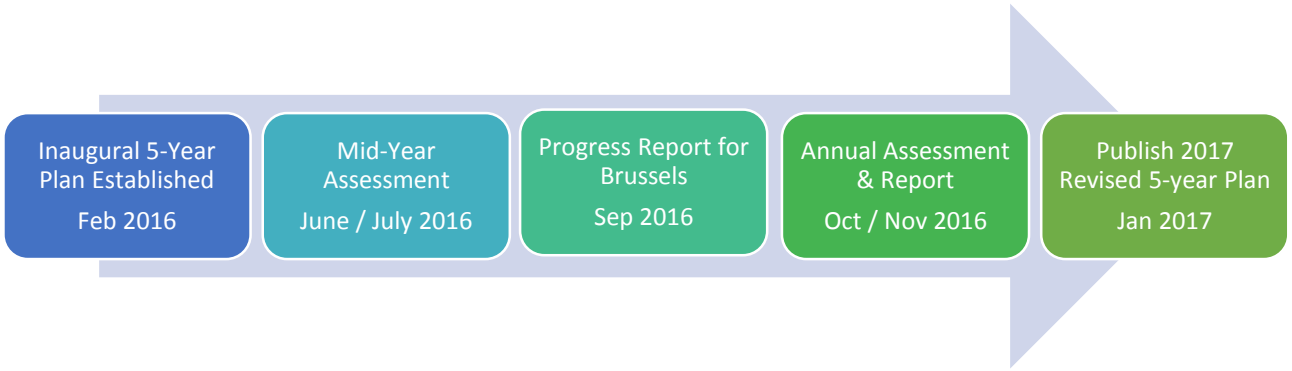
ACD	*Afghanistan Custom Department*
AD	*Administration Department*
AEITI	*Afghanistan Extractives Industries Transparency*
AFMIS	*Afghanistan Financial Management*
AMD	*Aid Management Directorate*
ANCA	*Afghan National Customs Academy*
ANDF	*Afghanistan National and Development Framework*
ANPDF	Afghanistan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

EXECUTIVE SUMMARY

INTRODUCTION

1. **The first mid-year assessment of progress against the Rolling 5-Year Fiscal Improvement Plan was conducted from 14 July until 3 August 2016.** Teams conducted a self-assessment of progress against 2016 activities from their 5-year plans. The Performance Management Team (PMT) in the Macro-Fiscal Performance Department (MFPD) put the self-assessments through an independent validation process.

Figure 1. The 2016 – 17 Performance Management Cycle



2. **Assessment of team performance was in three dimensions – timeliness, quality and effectiveness –each team earned a performance score.** Other performance dimensions included level of Technical Assistance (TA) required and risk of failures and impact. For more detail on the performance management system, see Attachment B: Methodology on page 36 and papers on the "Implementation of the Public Financial Management Roadmap II[1 & 2].

HEADLINE ISSUES

3. **A number of headline issues became apparent** out of the mid-year assessment including: i) leadership; ii) ownership and clarity of reform plans; and iii) dependency on external support.

Leadership

4. **Strong leadership is a crucial element of the reform process**. It is essential for meaningful change. There is strong political leadership on fiscal reform from the President and the Minister for Finance (MoF). All Deputy Ministers, Directors-General and Directors need to reflect the same leadership. Currently, some leaders show strong engagement with the performance management process but others are yet to be convinced or to give their full support. In order to build strong and sustainable institutions for fiscal reform a stronger culture of performance amongst the leaders is necessary. Routine

[1] PMT, 2015, "Implementation of The Public Financial Management Roadmap II: Achieving A Performance Culture in A Conflict Affected Afghanistan. Team-Based Performance Management Of A 5 Year Rolling Fiscal Performance Improvement Plan", Ministry of Finance, Kabul, Afghanistan.
[2] PMT, 2016, "Implementation of The Public Financial Management Roadmap II – The Inaugural 5-Year Rolling Plan, Ministry Of Finance Delivering: Efficient And Effective Public Services; Strong Fiscal Discipline; And Strategic Fiscal Policy", Ministry of Finance, Kabul, Afghanistan.

meetings of the leadership group are crucial for breaking down silos and getting teams working better.

Ownership and clarity of reform plans

5. **There is still a lot of room to improve the ownership and clarity of plans.** Many teams show strong ownership of their plans and commitment to the reforms. These teams welcome the opportunity to assess and independently validate their progress. Other teams show low ownership of their plans with little buy in from the bottom up or the top down. Regardless of their commitment and ownership, most teams found that their plans need improvement to make their vision clearer and to better sequence activities. This is not surprising, as this is the first assessment of the plans and the purpose of making the plans "rolling" is to make sure teams are continuously improving them. The revised plans published in early 1396/2017 will be clearer and teams will show more ownership over them.
6. **Reform plans need to be focused and on the right track**. There should be clear links between reforms undertaken and the path to better fiscal performance. Reforms need proper sequencing, making sure the necessary foundations of key systems are in place before undertaking reforms that are more complex. We are starting to see good sequencing of activities in various teams in budget, procurement and accounting. However, a few reforms may still be there as a distraction rather than as meaningful attempt to improve performance. Moreover, some reforms are still not getting the backing they require, especially in the ARD and Customs Departments and the corporate backbone of the MoF.

Dependency on external support is still significant

7. **The assessment showed that there has been significant progress on the goal of self-reliance**. A number of consultant heavy long term programs have ended and all teams are working on long term staffing plans. We expected some drop in headline budget figures, but there are generally good signs: revenue is tracking well; the operating budget execution rate is running at long term historical averages; and the discretionary budget execution rate has improved by 47% compared to the same time in 1393-2014. Non-discretionary budget execution performance deteriorated by 15% compared to last year (now at 20%).
8. **The shift to a "Tashkeel first" agenda, using Capacity Building for Results (CBR) where appropriate, has begun but will be a long and difficult path.** While performance has improved in many areas, even with less external support, there are still teams with significant capacity gaps and many are under genuine stress. Corporate systems are still weak and are not fully able to support teams, particularly in the areas of Human Resources (HR) and procurement. This is especially true for the Revenue and Customs Departments. Allocating resources from the budget and securing external support for the 5-year plans therefore needs to be a priority for the Government.

FLAGSHIP ACHIEVEMENTS

9. **There have been some very good achievements in the first half of 1395 / 2016** with many set to lay the foundations for significant improvements in budget formulation and execution in the future.

Policy

10. **The establishment of the High Economic Council has strengthened the policy basis of the budget significantly,** supported by the newly established Macro-Fiscal Performance Department. Finalization of the Afghanistan National Peace and Development Framework will further enhance priority setting. Completion of the Fiscal Improvement Plan NPP, the Citizens Charter NPP and the Infrastructure NPP with several others well on track further highlights progress on policy.

Budget formulation

11. **The fiscal framework has been further strengthened by the introduction of a medium term expenditure framework** that will make fiscal space estimates (spare resources after commitments) much more accurate and useful to Cabinet. The introduction for the first time of a forward estimates process means more certainty for line ministries on their budget over the next 4 years, and ensures estimates in the future based on more accurate costing of existing policy. It also means, that ministries will not need to do detailed budget submissions every year as their base funding will already be in place. Only new policy proposals agreed to by the President will need consideration in the budget process. New policy will be subject to a new rigorous costing process before consideration by the Cabinet. The development of the Citizens Charter set a new benchmark for program preparation and cross-portfolio collaboration.

Budget execution

12. **The planned upgrade to the Afghanistan Financial Management Information System is an investment** in improved systems that will deliver better and more systematic management of risks. It will introduce improved functionality including contracts and procurement modules that will make sure that all contracts are included on the system. There is also agreement to shift the management of commitment controls from the Budget Department to the Treasury from 1396/ 2017. This will remove a significant area of duplication and by some estimates may reduce the administration associated with payments by 50% for ministries. The delays in spending money at the beginning of the year should reduce significantly as result. In addition, it will free up the Budget Department to focus on costing existing policy and scrutinizing new policy to ensure better allocation of resources to the highest and most effective priorities. It will also provide the space to solve the intractable over-budgeting problem in the development budget. These measures will take time to implement but will have a significant impact on budget execution and will reduce long-run risks.

Procurement

13. **The National Procurement Authority has made outstanding progress in establishing a high quality institution** with a strong performance culture. This has enabled them to carry forward the President's vision for improving procurement across the Government. Better use of competition and robust oversight and monitoring systems has led to significant savings to the budget. We expect new systems administered by all Government agencies will result in much better value for money for the Government in the future.

Revenue

14. **Revenue collection is up in both the Customs and Revenue Departments**, largely through increased efforts in tax administration. There have also been some important changes to legislation, particularly the Income Tax Law, to streamline and improve the tax system for taxpayers. Both Revenue and Customs are investing in upgrading and expanding the reach of their systems to drive collections and to introduce more checks and balances to reduce corruption.

CHALLENGES

Reporting

15. **Reporting on fiscal performance remains relatively weak.** Many of the achievements described above will lay the foundations for a better and more robust public finance system. This needs to be matched with improved accountability and reporting. It is still difficult to compare actual budget outcomes at the end of the year to budget projections at the start of the year. Budgets are in different currencies and using different classification systems, making it very difficult to assess the budget as a whole. For example, it is still nearly impossible to identify the full cost of employees and consultants in the budget statements. If there is to be meaningful improvement in reporting performance information on the budget, fragmentation, especially in budgeting, accounting and reporting, must be addressed This will be vital to drive better allocation of funds to high priority and high performing programs.

Institutional Capacity

16. **The corporate backbone of the Ministry of Finance remains gravely weak** and cannot properly support the operations of departments. A very large investment in the backbone of the Ministry – HR, IT, procurement, finance, accounting, operations and maintenance – is required. Professional development is almost non-existent across the Ministry. Each team should have their own dedicated budget for staff, routine operations and for development of their capacity. A large investment in IT approved by the Minister is an excellent first step, but also needs investments in improved business processes.

17. **Revenue and Customs are special cases**. They need larger, dedicated budgets and appropriate support for their unique HR, training and logistical needs. There needs to be a new vision for these two departments. Investment in Revenue and Customs will pay the Government back in increased domestic revenue, a key determinant of future self-reliance and sustainability.

LEAGUE TABLE OF TEAM PERFORMANCE

18. **Based on the mid-year assessment, we have produced the first league tables of team performance.** Performance outcomes presented in league tables is a complex way to show improvements and challenges. Raw scores give a relative ranking of teams but scores adjusted for the impact (importance) of activities being undertaken, the risk of failure to achieve these activities (risk) and the amount of technical assistance (TA) being used give a more comprehensive view of team performance.

19. **The raw scores show the National Procurement Authority, Treasury and Budget as the top performers with the Revenue Department lower down the table.** This in many ways reflects the large investments by donors in some areas and the underinvestment in revenue. When adjusted for impact, risk and technical assistance, the Revenue Department moves up to seventh on the league table. We interpret this as revenue activities being very important and at the same time high risk, requiring a large increase in resources to improve the raw performance of the teams in those departments.

Table 1. 2016 Mid-Year League Table: Directorate General: Adjusted Scores for TA, Risk and Impact

Rank	Level Grouping	X Grade	X Score	X Grade Std	X Score Std
1	18.0 Office of the President - NPA	A	0.80	A+	2.92
2	4.0 Treasury Department	B	0.66	A+	1.16
3	5.0 Budget Department	B	0.64	A+	0.94
4	16.0 Macro-Fiscal Performance Department	B	0.61	A	0.55
5	9.0 Human Resources Department	B	0.60	B+	0.43
6	17.0 Aid Management Directorate	C+	0.59	B+	0.34
7	3.0 Revenues Department	C+	0.59	B+	0.29
8	13.0 Monitoring, Analysis and Reporting GD	C+	0.59	B+	0.28
9	19.0 Other Partner Agencies	C+	0.57	B	0.05
10	10.0 Insurance Department	C+	0.57	B	0.02
11	1.0 Office of the Minister	C+	0.57	B	-0.02
12	6.0 Admin Department	C+	0.56	B	-0.09
13	15.0 Revenue Planning Department	C+	0.56	B	-0.12
14	11.0 Internal Audit Department	C	0.55	C+	-0.24
15	2.0 Customs Department	C	0.54	C+	-0.29
16	7.0 SOE Department	C	0.50	C	-0.80
17	14.0 Reform Implementation Management Unit	D+	0.49	C	-0.91
18	12.0 Programs Implementation and Coordination GD	D+	0.47	D+	-1.22
19	8.0 Property Department	D+	0.46	D+	-1.28

NEXT STEPS

20. **The public launch of the Fiscal Improvement Plan was a significant milestone.** So too was the validation of the mid-year assessment by the Minister for Finance and the senior leadership team. This process provides a forum for a discussion of achievements and challenges. It also underlines the key priorities for the Ministry and partner agencies for the remainder of the year. This progress report provides a basis for the Government to demonstrate progress on public financial management reform at the Brussels Conference on Afghanistan. The performance management team will conduct the annual progress in November / December. Revisions to the 5-year plans will be in late January 1396 / 2017 with new 5-year plans published in early February 2017.

21. **The PMT has conducted some preliminary discussions with additional agencies to consider them under the Fiscal Reform Plan,** including the Central Statistics Agency, Supreme Audit and the Independent Directorate on Local Government (IDLG). In addition, the PMT have spoken with some line ministries including Ministry of Agriculture Irrigation and Livestock (MAIL), Ministry of Education (MOE), Ministry of Energy and Water (MEW), Ministry of Defence (MOD) and Ministry of Interior (MOI) with a view to working with two ministries on better budget planning, execution and reporting starting in 1396 / 2017. Subsequently the President and the Minister for Finance have agreed to include five new agencies under the program in 1396 / 2017. These will be CSO, Supreme Audit, IDLG, MAIL and MOI.

22. **The Government invites international development partners to support the program** through pooled funding or sector budget support for the 5-year plans and the performance management system.

INTRODUCTION

23. **The Fiscal Performance Improvement Plan is a framework to support the Government of Afghanistan reach its goals** of sustainable government finances and self-reliance. It consists of a series of rolling 5-year plans that focus on the continuous improvement of teams, rather than the more common approach of focussing on themes. The rationale behind this approach is set out in detail in the "Implementation Paper"[3] produced in 2015 and "The Inaugural 5-Year Rolling Plan."[4] These papers raised key principles including on issues such as "why team based performance matters" (see Box 1) and the seven goals for performance management" (see Box 2).

Box 1. Why Team Based Performance Matters

Team based performance matters to leadership and reflects 5 core values.

We Believe That:

1. Strong Teams Deliver the Best Results

2. Every Team and Every Team Member Matters

3. Measuring, Rating and Ranking Performance Helps Teams Work Better and Deliver Better Results

4. We Must Recognize Efforts of Hard Working Teams and Help Those Teams Who Need It The Most

5. A Resilient and High Performing MoF will Help Realise a Long and Prosperous Future for Afghanistan and All Its People

Box 2. The Seven Goals for Performance Management:

Deliver on the Three Core Budgetary Outcomes

1. Improve efficiency and effectiveness of public services and service delivery (better education, improved health and greater confidence in government)

2. Deliver sustainable public finances by being strategic on how resources are allocated, distributed and spent (economic efficiency)

3. Strengthen fiscal discipline by doing what we say, hitting our targets, and running orderly processes

Deliver on Four Complimentary High Priority Objectives

4. Manage an improving, stable and secure economy creating jobs, increasing opportunities for all, reducing uncertainty and creating conditions for stability

5. Be more accountable to all stakeholders in the pursuit of good governance

6. Be more transparent – to different internal and external stakeholders ;
on what the government is doing; in a way that is relevant to stakeholders

7. Deliver continuous improvement through integrated systems of trial and error based around the integrity of the budget cycle.

[3] PMT, 2015, "Implementation of The Public Financial Management Roadmap II: Achieving A Performance Culture in A Conflict Affected Afghanistan. Team-Based Performance Management Of A 5 Year Rolling Fiscal Performance Improvement Plan", Ministry of Finance, Kabul, Afghanistan.
[4] PMT, 2016, "Implementation of The Public Financial Management Roadmap II – The Inaugural 5-Year Rolling Plan, Ministry Of Finance Delivering: Efficient And Effective Public Services; Strong Fiscal Discipline; And Strategic Fiscal Policy", Ministry of Finance, Kabul, Afghanistan.

24. **The program is based on a number of underlying principles** of performance:

- **The purpose of development interventions is, or should be, a continuous improvement** in the capacity of civil servants to deliver core services. Outputs are important but the long-term goal for these countries is self-reliance.
- **Evidence that institutions are improving over time should be used to grade performance.** A binary process of monitoring achievement of outputs (or not), is a poor way to measure performance.
- **Incentives for staff matter**. Performance management systems must provide incentives to staff to keep improving and to be honest about progress.
- **Building institutions is important**. Investments in all functions, including HR, Admin, IT, procurement and operations are important.
- **Fragmentation leads to significant inefficiencies**. Fragmentation comes in three dimensions, fragmentation of budgets and resource allocation systems, fragmentation in accounting and classification systems, and fragmentation in systems for scrutiny and reporting.

25. **This is the first mid-year assessment of progress against the 5-year rolling Fiscal Performance Improvement Plan by teams.** The plan developed through a Government driven process with a high degree of ownership over the proposed reforms. The President formally launched the program on 6 August 2016. This plan covers the full spectrum of reforms, from developing a fiscal policy framework to guide the budget, analysis of fiscal space, adopting a medium term expenditure framework with a consolidated national budget, improved cash management and commitment controls, with upgraded systems that integrate procurement, contract management and cash management, and improved reporting and audit of public expenditure.

26. **The plan is starting with the core departments** managing public financial management in the Ministry of Finance (MOF) and two external agencies, the AEITI Secretariat and the National Procurement Authority (NPA). Over the next 12 months, the plan will incorporate other key agencies such as the Supreme Audit Office (SAO), the Central Statistics Office (CSO) and the Independent Directorate for Local Government (IDLG) and will include key line ministries from 2017 with a focus on budget planning, execution and reporting.

27. **The plan recognises that the challenges facing the Government in reforming** public financial management are large and complex. Progress will take time and there will be set backs along the way. That is why this plan is set in a framework of 5-year rolling plans. Each year there will be a mid-year assessment of progress, an annual performance assessment with a published report on results, leading to a revised 5-year plan at the beginning of each year. This plan follows the budget cycle and integrates with the Government's established business processes.

- ***The first section on "Rising to the challenges – progress and setbacks"*** presents some key league tables of performance with a discussion on the top performing agencies and the challenges they face.

- ***The second section on "Tracking flagship reforms"*** reports on progress of the flagship reforms from the inaugural 5-year plan. The discussion focusses on the level of satisfactory progress, highlighting key achievements and challenges.
- ***The third section "Performance dimensions"*** presents the statistical outcomes of performance looking at the impact (importance) and risk (of failure) profile of activities under the plan.
- ***The fourth section on "Staffing and technical assistance"*** reviews Technical Assistance levels in each Team and compares that with activity based TA requirements identified in the 5-Year plans.
- **The fifth section covers the Sensitivity Analysis** of the performance management system to changes in parameters.
- ***The sixth section discusses Key Challenges***.
- **The seventh section sets out changes to 5-year plans** resulting from the mid-year assessment.
- ***The final section presents a discussion of key outcomes*** and future directions.

Team Performance Self-Assessment Process

28. **The performance management system for monitoring the 5-year rolling plans has three key parts**: i) the initial self-assessment by teams; ii) the independent validation; and iii) the meeting of the leadership group to consider performance outcomes. For this mid-year assessment of progress against plans, teams were required to do a self-assessment based on three dimensions of performance – ***timeliness, quality and effectiveness***. The Performance Management Team (PMT) provided guidance to teams on how to complete the self-assessment along with a template. The template set out a standardised scoring system from D (poor or no progress) to A+ (outstanding progress).

29. **Teams were asked to consider progress against each activity, any challenges they faced and to score each activity**. There was also space for teams to cite evidence for their scoring. The self-assessment focussed on progress against activities for 2016, and scores reflect the progress towards meeting these goals by the end of the year. For example, if a team has an activity in their plan and are on track then a satisfactory rating would be C or C+, if they are ahead of expectations then depending on the context they might consider a higher score.

30. **The three dimensions have different criteria.** Timeliness is the simplest. Teams assess their progress against relevant deadlines. For example, if an activity is due for a certain date, how are they tracking? Teams often set the deadlines themselves, but some, such as the Brussels Conference on Afghanistan are set for them and are immovable. Quality is more complex, and requires teams to consider how they rate what a quality output or outcome is. If it is a document, has it been reviewed by someone else? If it is a methodology, regulation or system, is it benchmarked against other countries, has it been reviewed by external expertise, has it been subject to independent

review? Teams are required to provide evidence of quality to underpin their ratings.

31. **Effectiveness is the most important criteria** and itself has two dimensions. Effectiveness is about recognising that in difficult contexts like Afghanistan, it is not always easy to achieve timely and good quality results. That does not necessarily mean that teams have not been working hard, or have not been innovative and attempted to solve problems. Under the performance management system, effectiveness is there to recognise the ability of teams to solve problems and to learn from setbacks. It encourages honesty in the self-assessment, because teams receive recognition for the work they do, even if the timeliness and quality of the outputs are not as intended.

32. **The two dimensions of effectiveness are therefore problem solving and impact.** The first allows teams to tell a story about what they did when they ran into problems or challenges. Did they look for solutions or seek new ways to address old problems? The second recognises the importance of taking on high impact tasks and scores teams if activities lead to important outcomes.

33. **Once the teams' self-assessments were completed, the PMT conducted an independent validation process from 14 July to 2 August.** The independent validation involved interviews with each team on their self-assessment. These meetings went through each activity and in many cases each sub-activity in the 5-year plans. The validation team would ask the team to present their findings in each case and then ask questions to draw out what had actually happened. There is a separate record of comments by the validation team as well as requests for additional evidence. The desired outcome of these meetings is to agree some provisional scores between the teams and the validation team.

34. **The role of the validation team is to test the evidence**, provide quality assurance of the process and to ensure a consistent approach to scoring. The variation across teams is quite high, with some teams and some senior managers highly engaged, while others much less so. The ideal format for the validation meetings is for the DM or DG to introduce the process. Then each Director, with their team present, set out their self-assessment. In reality, there was high participation by some teams, while others delegated responsibility for the assessment to a small group of people or unit.

35. **The PMT consolidates the outcomes and does an overall quality assurance and evidence check once the validation meetings are completed**. This can result in some changes to scores agreed in the validation meeting and the PMT sends revised assessments to teams for their consideration.

36. **The last step in the assessment process is the meeting of the senior leadership group**, which includes the Minister for Finance, Deputy Ministers, Directors General and heads of departments who report directly the Minister. It also includes heads of partner agencies or their delegates. The purpose of the meeting is to present the preliminary outcomes of the assessment, and for teams to have the opportunity to present on their key achievements and challenges. The objective is for the leadership group to agree on the assessment outcomes. This meeting was at the MOF on 6 August 2016.

37. **Participation in the performance management process is critical.** The performance management system is much more than a monitoring tool. It is a

system of incentives and processes to help learning and to drive healthy competition amongst teams. Overall, the level of participation was strong. For many teams and senior managers this was the first time they were part of this type of performance assessment. Similarly, as this was the first time for this type of assessment in Afghanistan, there were some very useful lessons for the PMT and the validation team.

RISING TO THE CHALLENGES – PROGRESS AND SETBACKS

38. **The teams responsible for delivering on the Fiscal Performance Improvement Plan (FPIP) are rising to the challenges.** This is the first mid-year assessment of progress against planned actions set out in the FPIP. Progress is above expectations. Of the 1,371 actions reported in the plan for 2016, 89 95%) were scored. The assessment used a standard grading system (see Box 3). Grades are not definitive as this is a mid-year progress assessment against annual planned activities. This is essentially a tracking report, asking the question "are we on track to deliver on our annual performance promises". Consequently, the grades are indicative, as there is still time for teams to improve or even go backwards.

Box 3. Grading Scores

A: Delivered beyond expectations.

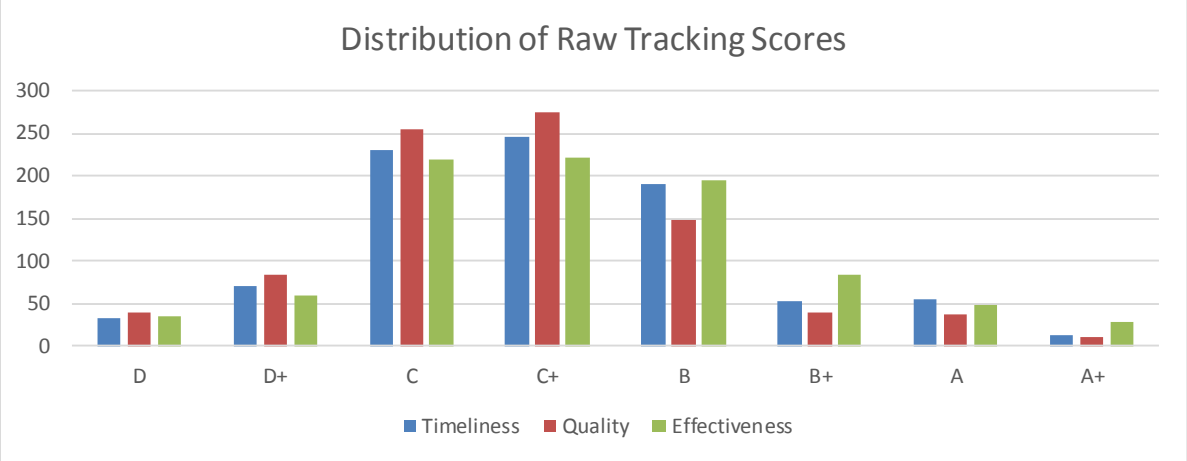
B: Delivered to a high standard

C: Delivered satisfactorily

D: Failed to deliver

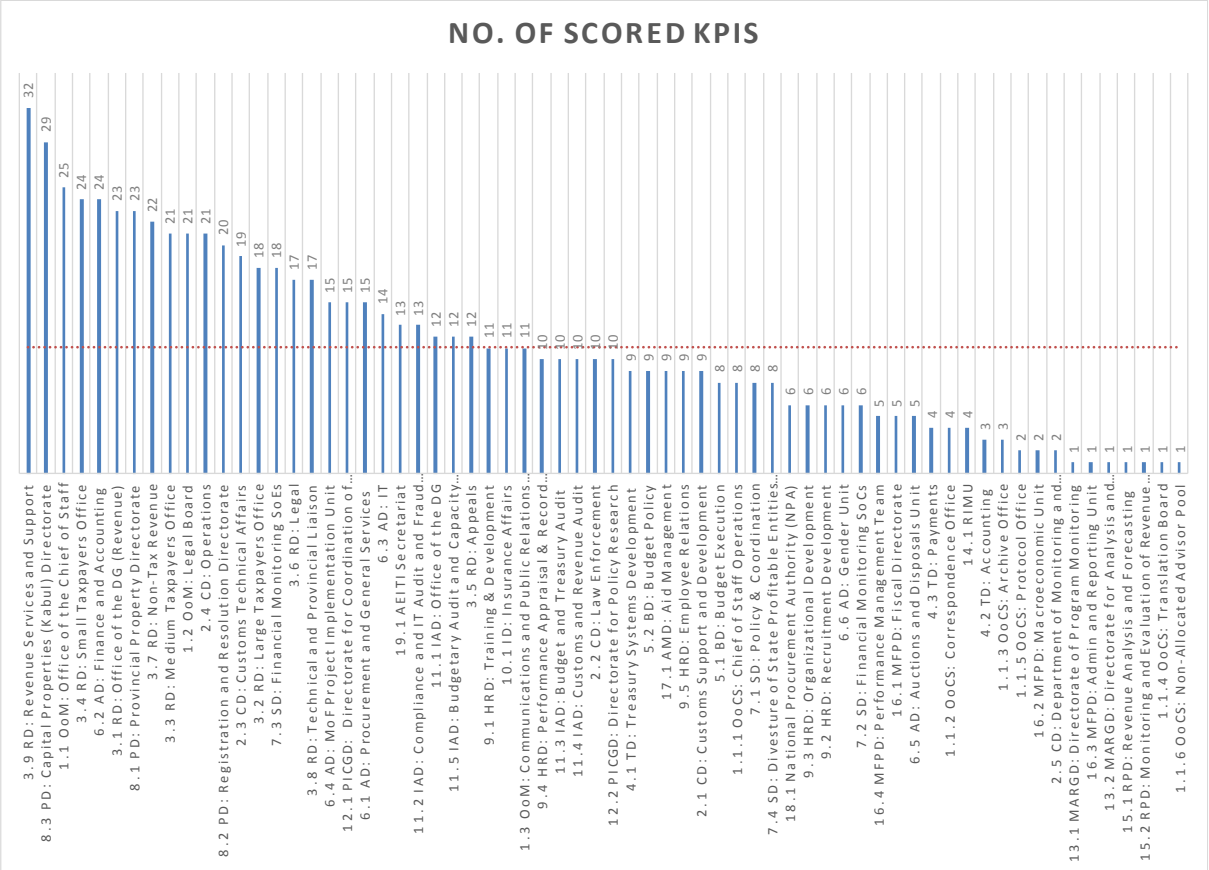
39. **Most actions scored at around the C+ level**, with 74% of performance scores graded as "C", "C+" or "B". Thirteen per cent (13%) were at a high or better standard, with just under twelve per cent (12%) considered below standard or likely not to deliver by the end of the year. (See Figure 2.)

Figure 2. Distribution of Raw Performance Tracking Scores



Raw Scores	Performance Scores			% of Total Scored		
	Timeliness	Quality	Effectiveness	Timeliness	Quality	Effectiveness
A+	12	11	28	1.3	1.2	3.1
A	55	37	48	6.2	4.2	5.4
B+	53	40	83	6.0	4.5	9.3
B	190	149	195	21.4	16.8	21.9
C+	246	274	222	27.7	30.8	25.0
C	229	255	220	25.8	28.7	24.7
D+	71	84	59	8.0	9.4	6.6
D	33	39	34	3.7	4.4	3.8
Total	**889**	**889**	**889**	**100**	**100**	**100**

Figure 3. 2016 Mid-Year Number of Complete Scored Action-based KPIs



40. **The spread of the number of scored planned actions was not uniform.** Some teams were graded against only a single KPI. These included: i) MARGD: Directorate of Program Monitoring; ii) MARGD: Directorate for Analysis and Reporting; iii) MFPD: Admin and Reporting Unit; iv) RPD: Revenue Analysis and Forecasting; v) RPD: Monitoring and Evaluation of Revenue Targets; vi) OoCS: Translation Board; and v) OoCS: Non-Allocated Advisor Pool. Some teams had many more. For example, RD: Revenue Services and Support scored 32 indicators, which was almost three times the average (11.1). Having too few KPIs leads ranking in grade tables to be very sensitive to scores. This can lead to perverse incentives, to plan for a few easy targets, if not managed by the independent validation team.

41. **While only at early stages, the team-based performance management system appears to be working** – and faster than expected. In the past, there was little or no quantifying of achievement of reforms. Let alone communicating results in a comprehensive assessment of performance of all teams in the MoF and partner agencies. The performance grade, impact and risk ratings for each of the 889 Action-based KPI's (A-KPI) scored in 2016 is at Attachment F: 2016 Performance Tracking results on page 54. Summary assessment for each team - Directorate Generals and Directorates - are provided at Attachment G: 2016 Team performance one-pagers on page 142, which outlines key progress achievements in 2016 and, importantly, the key challenges moving forward.

MID-YEAR INDICATIVE LEAGUE TABLES AND TOP-PERFORMERS

42. **This section presents key league tables of performance** with a discussion on the top performing agencies and the challenges, including by teams that might be facing significant challenges. This section also stresses the "teams not themes" narrative and presents raw and standardised/relative performance scores.

43. **Any good performance management system involves ranking teams**. It is not only your own your team's raw performance but also where you are compared to your peers. In the case of Afghanistan, the performance management system ranks teams in league tables against each other in a variety of different ways. The purpose of the league tables is as a learning tool, not as simply a reward or punishment system. The performance management system provides incentives that drive reforms in line with Government policy. For example, raw scores have weights for the three dimensions of timeliness, quality and effectiveness. Timeliness receives the lowest weighting, then quality and effectiveness receives the highest weighting. This is consistent with providing incentives for teams to solve problems and look for new ways of doing things, and to be honest about their level of performance.

44. **Similarly, raw scores are only one way to look at performance.** Each team when doing their plan assesses both the impact (importance) of an activity, and the risk of failure.[5] They also note how much technical assistance, both national and international, is required to complete any particular activity. This allows us to adjust raw scores to take into account the impact, and the risks in each teams' 5-year plans. High Impact / Low Risk activities should obviously be first priority but are also relatively uncommon. Low Impact / High Risk activities are obviously not optimal and should generally be avoided. That leaves the teams with a mix of High Impact / High Risk activities and Low Impact / Low Risk activities (or routine activities). This reflects the reality that needed reform is important but difficult.

45. **Since some teams do almost exclusively High Impact / High Risk work, we need to show performance in a number of different ways.** Some teams have a lot of assistance while others have virtually none. We have set out a range of different ways of looking at performance and sensitivity analysis that shows how different weights affect different teams in a later section.

46. **A good example of how this might look and how to interpret the outcome is looking at the Revenue Department.** Compared to other departments, over the last decade investment in revenue has been comparatively smaller. For example, there are four DGs under the Deputy Minister for Policy, with a Tashkeel complement of around 60, while Deputy Minister for Revenue, who covers both Revenue and Customs has a Tashkeel complement of 1400 centrally and fewer DGs. . In addition, in the last 12 – 18 months, falling levels of technical assistance and significant changes in the leadership team have adversely affected the Revenue Department. As a result,

[5] See PMT, 2015, "Implementation of The Public Financial Management Roadmap II: Achieving A Performance Culture in A Conflict Affected Afghanistan. Team-Based Performance Management Of A 5 Year Rolling Fiscal Performance Improvement Plan", Ministry of Finance, Kabul, Afghanistan.

progress against their plans is not as high as many other teams when you look at the raw scores.

47. **However, most if not all of the work they are doing is High Impact (very important) and High Risk.** When the assessment takes into account the impact, risk and relatively low levels of technical assistance, the Revenue Department jumps from a low level on the table to near the top. Under the performance management system, this is a sign that the Government is underinvesting in Revenue. Since revenue collection has risen strongly in the last 12-18 months largely through increased efforts at administration, the issue is more about institutional investment in systems and capacity than poor performance. Simply monitoring whether outputs have been completed will not provide this important insight

The league tables

Table 2. 2016 Mid-Year Top Performers – by Performance Category

Performance Category	Rank	Unit	Raw Grade	Std Grade	x Score	p Score	FPIP Avg x	FPIP Avg p
DM-Directorate General Level								
Risk, Impact and TA	1	18.0 Office of the President - NPA	A	A+	80.1	79.0	57.5	54.4
	2	4.0 Treasury Department	B	A+	68.1	68.6		
	3	5.0 Budget Department	B	A+	65.8	67.9		
Risk and Impact Only	1	18.0 Office of the President - NPA	A	A+	82.8	82.3	60.5	58.1
	2	4.0 Treasury Department	B	A+	74.2	76.2		
	3	5.0 Budget Department	B	A+	71.4	71.1		
Performance Only - no Risk, Impact or TA	1	18.0 Office of the President - NPA	A	A+	82.3	82.3	58.1	58.1
	2	4.0 Treasury Department	B+	A+	76.2	76.2		
	3	5.0 Budget Department	B	A+	74.0	74.0		
Performance Only with TA - no Risk or Impact	1	18.0 Office of the President - NPA	B+	A+	79.0	79.0	54.4	54.4
	2	4.0 Treasury Department	B	A+	68.6	68.6		
	3	5.0 Budget Department	B	A+	67.9	67.9		
Performance Only and equal Impact - no Risk or TA	1	18.0 Office of the President	A	A+	89.0	82.3	69.3	58.1
	2	3.0 Revenues Department	A	A+	83.8	67.7		
	3	5.0 Budget Department	A	A+	81.8	76.2		
Performance Only with TA and equal Impact - no Risk	1	18.0 Office of the President - NPA	A	A+	87.4	79.0	67.5	54.4
	2	3.0 Revenues Department	A	A+	80.4	60.9		
	3	10.0 Insurance Department	B+	A+	79.6	59.2		
Performance Only with TA and equal Risk - no Impact	1	18.0 Office of the President - NPA	B+	A+	76.4	79.0	57.0	54.4
	2	13.0 Monitoring, Analysis and Reporting General Directorate	B	A+	64.5	60.3		
	3	5.0 Budget Department	B	A+	63.0	66.6		
DG-Directorate Level								
Risk, Impact and TA	1	18.1 National Procurement Authority	B	A+	64.9	66.3	56.4	53.0
	2	4.3 TD: Payments	B	A+	64.3	60.9		
	3	9.3 HRD: Organizational Development	B	A+	64.2	66.6		
Risk and Impact Only	1	18.1 National Procurement Authority	B	A+	69.3	68.8	59.1	56.4
	2	4.3 TD: Payments	B	A+	67.5	66.6		
	3	4.1 TD: Treasury Systems Development	B	A+	67.2	69.7		
Performance Only - no Risk, Impact or TA	1	18.1 National Procurement Authority	B	A+	64.0	64.0	53.0	53.0
	2	4.3 TD: Payments	B	A+	63.5	63.5		
	3	9.3 HRD: Organizational Development	B	A+	61.5	61.5		
Performance Only with TA - no Risk or Impact	1	18.1 National Procurement Authority	B	A+	64.0	64.0	53.0	53.0
	2	4.3 TD: Payments	B	A+	63.5	63.5		
	3	9.3 HRD: Organizational Development	B	A+	61.5	61.5		
Performance Only and equal Impact - no Risk or TA	1	18.1 National Procurement Authority	B+	A+	79.4	58.8	68.7	56.4
	2	16.1 MFPD: Fiscal Directorate	B+	A+	79.3	71.1		
	3	4.3 TD: Payments	B+	A	78.0	55.9		
Performance Only with TA and equal Impact - no Risk	1	18.1 National Procurement Authority	B+	A+	78.0	68.6	67.0	53.0
	2	16.1 MFPD: Fiscal Directorate	B+	A	77.3	54.6		
	3	3.3 RD: Medium Taxpayers Office	B+	A	76.8	53.7		
Performance Only with TA and equal Risk - no Impact	1	18.1 National Procurement Authority	B	A+	62.2	60.3	55.9	53.0
	2	13.1 MARGD: Directorate of Program Monitoring	B	A	61.1	58.5		
	3	4.2 TD: Accounting	B	A	61.1	51.4		

48. **The PMT produced seven types of league tables (performance ranking tables)**, constructed using various combinations of weightings for Performance, Impact, and Risk dimensions. (See also Attachment C: Parameter values on page 40 for the parameters used in the baseline scenario.)

- **Risk, Impact and TA:** The baseline scenario that takes into consideration all performance parameters. Under this scenario those with higher difficulty (risk proxy) and higher importance (impact proxy), and lower levels of Technical Assistance (TA) did better – in keeping with the "Tashkeel first" agenda.
- **Risk and Impact Only:** This scenario does not adjust for levels of Technical Assistance, meaning those teams with a lot of technical assistance will do better all other factors being equal.
- **Performance Only:** No adjustments made for risk, impact or TA. This is a raw performance score. It uses baseline weights for timeliness (20%), quality (30%) and effectiveness (50%).
- **Performance Only with TA:** No adjustments made for risk, impact but baseline discounts for TA applied. This is still a raw performance score. It uses baseline weights for timeliness (20%), quality (30%) and effectiveness (50%).
- **Performance Only and equal Impact**: Performance and impact scores weighted equally and Risk and TA weights set to zero. This means that those with higher importance (impact proxy) do better on their ranking.
- **Performance Only with TA and equal Impact**: As above with TA weights included.
- **Performance Only and equal Risk**: Performance and impact scores weighted equally and Risk and TA weights set to zero. This means that those with higher risk (a proxy for difficulty) did better on their ranking compared to others.

49. **The top performers on these tables are in Table 2** above. The table provides results at the Directorate level and the larger Directorate General Level. The table reveals that the best performing teams as at the mid-point of 2016 are:

- **The National Procurement Authority (NPA) came out on top under all scenarios**, reflecting an "outlier" performance in all dimensions.
- **Treasury came second** for three out of the six categories.
- **Budget came third** for four out of the six categories.
- **Revenue came second twice** when excluding TA and risk/difficulty and when excluding risk/difficulty.
- **Monitoring, Analysis and Reporting came second once** when excluding impact.
- **MFPD Fiscal Directorate came second once** in directorate-level league tables rating impacts (importance) but excluding TA and Risk (difficulty).

50. **The best raw performance splits for timeliness, quality and problem solving** are in Table 3 below. Table 3 reveals that:

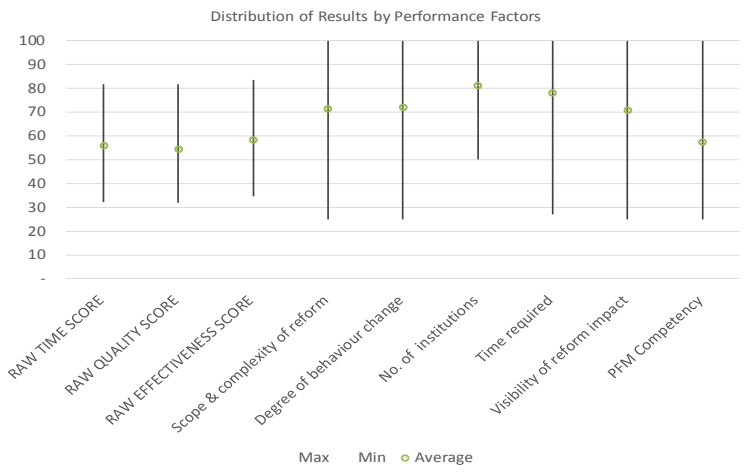
- **National Procurement Authority rates as most timely, best quality, and most effective** at solving problems - against its A-KPIs.
- **The IT Directorate came second for timelines** – delivering above expectations on getting reforms moving.
- **The Accounting and Payments Directorates in Treasury did well** across the three dimensions.
- **MFPD came third for effectiveness** when dealing with problems.
- **The HR department's organisational development directorate came third when it came to effectiveness** when dealing with problems.

Table 3. 2016 Mid-Year Top Performance Splits

Performance Factor	Rank	Unit	Grade	Score	FPIP Avg	Min	Max
DM-Directorate General Level							
Timeliness	1	18.0 Office of the President - NPA	A	81.8	57.1	39.5	81.8
	2	4.0 Treasury Department	B	67.1			
	3	5.0 Budget Department	B	66.0			
Quality	1	18.0 Office of the President - NPA	A	81.8	55.8	39.0	81.6
	2	4.0 Treasury Department	B	67.1			
	3	5.0 Budget Department	B	66.0			
Effectiveness	1	18.0 Office of the President - NPA	A	81.82	60.2	44.3	83.6
	2	4.0 Treasury Department	B	67.14			
	3	16.0 Macro-Fiscal Performance Department	C+	58.55			
DG-Directorate Level							
Timeliness	1	18.1 National Procurement Authority (NPA)	A	81.8	56.0	32.3	81.8
	2	6.3 AD: IT	B+	75.6			
	3	4.3 TD: Payments	B+	75.0			
Quality	1	18.1 National Procurement Authority (NPA)	A	81.8	54.2	32.0	81.6
	2	4.2 TD: Accounting	B	66.7			
	3	4.3 TD: Payments	B+	75.0			
Effectiveness	1	18.1 National Procurement Authority (NPA)	A	81.82	58.0	34.6	83.6
	2	4.2 TD: Accounting	B	66.67			
	3	9.3 HRD: Organizational Development	B	73.75			

51. **Generally, scores were normally distributed.** All league tables include raw and standardised grades. Standardisation essentially means rescoring raw performance grades to account for the performance of other teams within MOF and partner agencies. If most teams score high, then a standardised score would bring the score down. Ranks do not change from standardising but do change when applying different weights to performance factors (e.g. timeliness, quality, effectiveness, TA, Impact and Risk and its components).

Figure 4. 2016 Mid-Year Performance Factor Scores – Min, Max & Avg



52. **Figure 5 below shows the effects of standardising of raw scores**. It shows that raw team scores (blue) move (red) outwards to the right (towards more 'A's) and some to the left (towards more 'D's). There was much more of a push to the right (more 'A's).

53. **This reveals that scoring in the assessment was on average, generally harder than it was soft,** compared to what a normal distribution would have predicted. See also Attachment C: Parameter values on page 40 for more information on standardisation parameters used. NPA, Treasury and Budget scored "A+'s" although NPA remains a major outlier.

Figure 5. Performance Scores – Standardized Vs Raw

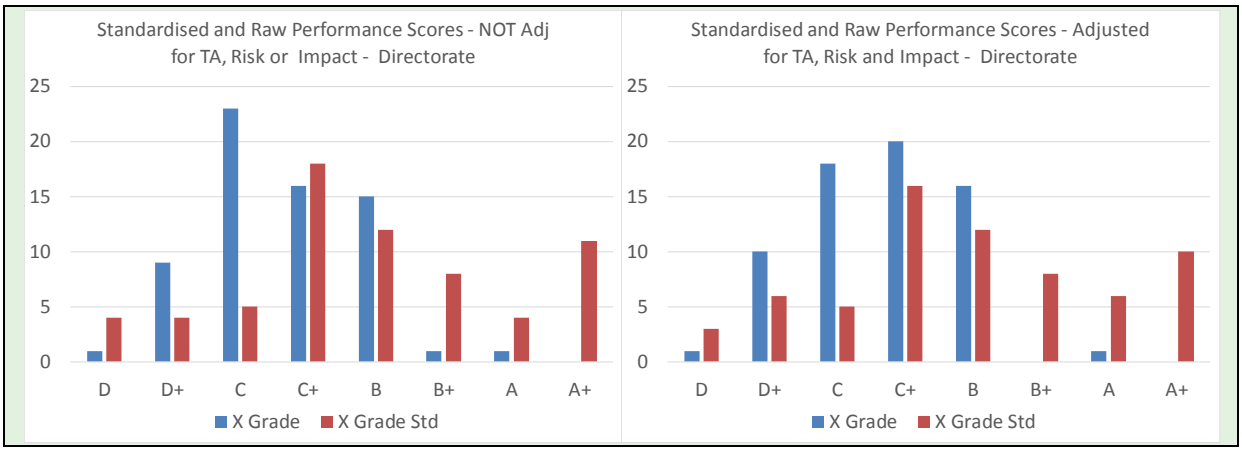


Table 4. 2016 Mid-Year League Table: Directorate General: Adjusted Scores for TA, Risk and Impact

Rank	Level Grouping	X Grade	X Score	X Grade Std	X Score Std
1	18.0 Office of the President - NPA	A	0.80	A+	2.92
2	4.0 Treasury Department	B	0.66	A+	1.16
3	5.0 Budget Department	B	0.64	A+	0.94
4	16.0 Macro-Fiscal Performance Department	B	0.61	A	0.55
5	9.0 Human Resources Department	B	0.60	B+	0.43
6	17.0 Aid Management Directorate	C+	0.59	B+	0.34
7	3.0 Revenues Department	C+	0.59	B+	0.29
8	13.0 Monitoring, Analysis and Reporting General Directorate	C+	0.59	B+	0.28
9	19.0 Other Partner Agencies	C+	0.57	B	0.05
10	10.0 Insurance Department	C+	0.57	B	0.02
11	1.0 Office of the Minister	C+	0.57	B	-0.02
12	6.0 Admin Department	C+	0.56	B	-0.09
13	15.0 Revenue Planning Department	C+	0.56	B	-0.12
14	11.0 Internal Audit Department	C	0.55	C+	-0.24
15	2.0 Customs Department	C	0.54	C+	-0.29
16	7.0 SOE Department	C	0.50	C	-0.80
17	14.0 Reform Implementation Management Unit (RIMU)	D+	0.49	C	-0.91
18	12.0 Programs Implementation and Coordination General Directorate	D+	0.47	D+	-1.22
19	8.0 Property Department	D+	0.46	D+	-1.28

54. **The complete league table of the baseline scenario is at Table 5** below. X scores – the score using all baseline parameters - are provided for standardised and raw scores. The complete set of league tables is in Attachment A: Set of League Tables on page 28.

Table 5. 2016 Mid-Year League Table: Directorate General: Adjusted Scores

Rank	Sub-Agency Level Grouping	X Grade	X Score	X Grade Std	X Score Std
1	18.1 National Procurement Authority (NPA)	A	0.80	A+	2.92
2	4.3 TD: Payments	B	0.68	A+	1.42
3	9.3 HRD: Organizational Development	B	0.66	A+	1.13
4	4.1 TD: Treasury Systems Development	B	0.66	A+	1.12
5	5.2 BD: Budget Policy	B	0.65	A+	1.04
6	9.2 HRD: Recruitment Development	B	0.65	A+	1.03
7	16.1 MFPD: Fiscal Directorate	B	0.64	A+	0.95
8	4.2 TD: Accounting	B	0.64	A+	0.94
9	3.3 RD: Medium Taxpayers Office	B	0.63	A+	0.83
10	6.3 AD: IT	B	0.63	A+	0.81
11	5.1 BD: Budget Execution	B	0.63	A	0.79
12	13.1 MARGD: Directorate of Program Monitoring	B	0.63	A	0.74
13	3.4 RD: Small Taxpayers Office	B	0.62	A	0.63
14	16.4 MFPD: Performance Management Team	B	0.62	A	0.62
15	9.1 HRD: Training & Development	B	0.61	A	0.59
16	1.1.1 OoCS: Chief of Staff Operations	B	0.61	A	0.57
17	3.6 RD: Legal	B	0.60	B+	0.44
18	1.1.5 OoCS: Protocol Office	C+	0.60	B+	0.40
19	1.1.2 OoCS: Correspondence Office	C+	0.60	B+	0.36
20	17.1 AMD: Aid Management	C+	0.59	B+	0.34
21	3.1 RD: Office of the DG (Revenue)	C+	0.59	B+	0.30
22	3.2 RD: Large Taxpayers Office	C+	0.59	B+	0.29
23	1.2 OoM: Legal Board	C+	0.59	B+	0.26
24	6.4 AD: MoF Project Implementation Unit	C+	0.59	B+	0.24
25	11.1 IAD: Office of the DG	C+	0.58	B	0.20
26	3.9 RD: Revenue Services and Support	C+	0.58	B	0.19
27	9.4 HRD: Performance Appraisal & Record Keeping	C+	0.58	B	0.19
28	3.8 RD: Technical and Provincial Liaison	C+	0.58	B	0.19
29	16.3 MFPD: Admin and Reporting Unit	C+	0.58	B	0.16
30	15.1 RPD: Revenue Analysis and Forecasting	C+	0.57	B	0.06
31	19.1 AEITI Secretariat	C+	0.57	B	0.05
32	10.1 ID: Insurance Affairs	C+	0.57	B	0.01
33	1.1 OoM: Office of the Chief of Staff	C+	0.56	B	-0.03
34	2.2 CD: Law Enforcement	C+	0.56	B	-0.14
35	11.2 IAD: Compliance and IT Audit and Fraud Investig'n	C+	0.55	B	-0.17
36	13.2 MARGD: Directorate for Analysis and Reporting	C+	0.55	B	-0.19
37	2.5 CD: Department of Monitoring and Preventing Customs Violations	C+	0.55	C+	-0.21
38	2.4 CD: Operations	C	0.55	C+	-0.21
39	15.2 RPD: Monitoring and Evaluation of Revenue Targets	C	0.55	C+	-0.22
40	3.7 RD: Non-Tax Revenue	C	0.55	C+	-0.23
41	11.3 IAD: Budget and Treasury Audit	C	0.55	C+	-0.23
42	11.4 IAD: Customs and Revenue Audit	C	0.55	C+	-0.23
43	2.3 CD: Customs Technical Affairs	C	0.54	C+	-0.28
44	1.1.3 OoCS: Archive Office	C	0.54	C+	-0.34
45	9.5 HRD: Employee Relations	C	0.54	C+	-0.34
46	2.1 CD: Customs Support and Development	C	0.53	C+	-0.40
47	3.5 RD: Appeals	C	0.53	C+	-0.44
48	16.2 MFPD: Macroeconomic Unit	C	0.53	C+	-0.45
49	12.2 PICGD: Directorate for Policy Research	C	0.53	C+	-0.46
50	1.3 OoM: Communications and Public Relations	C	0.53	C+	-0.51
51	7.3 SD: Financial Monitoring SoEs	C	0.52	C+	-0.53
52	6.2 AD: Finance and Accounting	C	0.52	C+	-0.56
53	7.1 SD: Policy & Coordination	C	0.52	C	-0.63
54	6.6 AD: Gender Unit	C	0.51	C	-0.68
55	11.5 IAD: Budgetary Audit and Capacity Development	C	0.51	C	-0.70
56	14.1 RIMU	D+	0.49	C	-0.91
57	7.4 SD: Divesture of State Profitable Entities and Establishment of New SOEaCs	D+	0.49	C	-0.95
58	7.2 SD: Financial Monitoring SoCs	D+	0.48	D+	-1.07
59	8.1 PD: Provincial Property Directorate	D+	0.48	D+	-1.07
60	1.1.4 OoCS: Translation Board	D+	0.47	D+	-1.18
61	12.1 PICGD: Directorate for Coordination of National Priority Programs	D+	0.47	D+	-1.21
62	8.2 PD: Registration and Resolution Directorate	D+	0.46	D+	-1.27
63	6.1 AD: Procurement and General Services	D+	0.46	D+	-1.34
64	6.5 AD: Auctions and Disposals Unit	D+	0.45	D	-1.40
65	8.3 PD: Capital Properties (Kabul) Directorate	D+	0.45	D	-1.44
66	1.1.6 OoCS: Non-Allocated Advisor Pool	D	0.39	D	-2.19

55. **It was clear that under-performers generally do not have sufficient resources and require more support.** Seven directorates were found to be at risk of not delivering on performance promises: i) SD: Financial Monitoring SoCs; ii) PD: Provincial Property Directorate; iii) OoCS: Translation Board; iv) PD: Registration and Resolution Directorate; v) AD: Procurement and General Services; vi) AD: Auctions and Disposals Unit; vii) PD: Capital Properties (Kabul) Directorate. The newly established Directorate for Coordination of National Priority Programs is taking time to become effective, though it is currently well resourced. No plan is in place for the OoCS: Non-Allocated Advisor Pool.

TRACKING FLAGSHIP REFORMS

56. **This section reports on progress of the flagship** reforms from the inaugural 5-year plan. The discussion will focus on the degree to which progress is satisfactory, highlighting key achievements and challenges.

57. **Table 6 below provides a status report on the flagship reforms from the 2016 Fiscal Performance Improvement Plan.** The status report is at the General Directorate level. Flagship achievements are in green bold, with challenges faced highlighted in orange. These represent some of the most important achievements in that they have been difficult to secure in previous attempts, or technically difficult or important in their own right.

Table 6. Status of Flagship Reforms for 2016 by Directorate General

DG	Flagship Reforms	Status
1.0 Office of the Minister	1. More **effective management through the leadership group**	The Leadership Group at the MOF have only met twice this year, but did meet to consider the outcomes of the mid-year assessment.
	2. Establishment of a **Legal Board**	The legal board is in place with 2 legal staff and recruitment for 2 more lawyers is well advanced. This has led to better representation by MOF on legislative committees and more consideration of the financial implications of legislation.
	3. E**lectronic archiving**	Electronic archiving at MOF is underway and on track.
2.0 Customs Department	1. **Comprehensive program** of legislative, system and administrative reforms. 2. Targeting key corruption areas including: valuations, clearance times, **reconciliation** of assessments, payments and transfers, and **customs debt collection** performance	The roll out of ASYCUDA is progressing including at Kabul Airport. Internet access remains a constraint. Mobile Verification Teams procedures reviewed for control of imported and exported goods. New procedures introduced and personnel changed. Reports show almost every team has improved 100 %. There has been a full transition of customs police from MoI to MoF with 618 staff moving to MoF. Space for the new police in ACD is a constraint. A month training delivered to staff through ANCA on general customs (up to 200 people) and certificate of successful examination provided.

DG	Flagship Reforms	Status
3.0 Revenues Department	1. **Comprehensive program** of legislative, system and administrative reforms. 2. Targeting key corruption areas including **reconciliation** of tax assessments, payments and transfers, and **debt collection** performance. **Other key work programs**: i) IT/Sigtas development; ii) integration of an anti-corruption strategy including developing systems to mitigate risk of inappropriate relationships between tax assessor and tax payer; iii) developing a fair appeals system; iv) tax legislation strengthening program; v) developing options for broadening of the tax base - Vat is back.	The **Income Tax Law amendments drafted** and the **implementation manual for the Tax Administration Law** finalised. Tax Law Amendment enshrining WTO requirements approved and promulgated (effective 2019). First ever tax arrears report and tax reconciliation report on assessments, payments, collections and transfers produced with good progress in automating tax arrears reporting and tax reconciliation. Target of 20% of all STO cases audited achieved and improved the quality of audit. Revenue collected so far is Afs220m from a 6-month target of Afs163m. Good progress on promoting the Appeals process, a workshop for NGOs held in the Acbar office, also recorded a TV advertisement that went on air for 10 days informing taxpayers of their rights. 3. Have improved connectivity to 8 provinces this year and are seeking approval to connect 17 more. Resources for training and equipment, as well as internet access remain challenges.
4.0 Treasury Department	**Web-based AFMIS with much more powerful functions** - improved reach, purchasing, commitment controls and contract management systems, Zero balance sweeping, **Sub-Accounts** trials, Stronger payroll controls and linkages with HR systems.	Treasury has rolled out AFMIS to 9 municipalities, which will result in less discretion and better accountability. Good progress made on testing of a significant upgrade to AFMIS introducing significant improvements to the financial management information system. Test phase of electronic fund settlement system through DAB undertaken (reducing opportunities for corruption).

DG	Flagship Reforms	Status
5.0 Budget Department	**Rolling Forward Estimates** for Policy Linked Budgets, Single Currency, Integrated Budget, **Piloting new systems commitment control systems within MoF** (allotments). Program budgeting s.t. setting these pre-conditions.	Outstanding progress on transformational reform: i) Agreement with Treasury on moving budget controlled allotment system to Treasury under standard commitment control system; and ii) An excellent start on developing the forward estimates system, with good cross-team collaboration making real progress towards high global standards for policy linked budgeting.
6.0 Admin Department	Work program to deliver **better budgeting, accounting, procurement and IT services** to MoF.	Some progress made. A large investment in IT approved and progressing but more resources needed for HR, budget and finance.
	DG level budgets in 2017. Single IT network and website, and secure email.	Internal budgets allocated by Directorate, but plans for an improved internal budget process for the MOF are at risk.
7.0 SOE Department	Will be assessing **fiscal risk** posed by SoEs and SoCs and taking on new **supervision function of state-owned Banks (fiscal risk only)**	A new draft Law for SOEs and SOEs is under consideration. Some work on governance and oversight of SOEs and SOCs has been done to move some functions to the COM, but there needs to be more progress on monitoring fiscal risks and training staff.
8.0 Property Department	Solid program to continually **double revenue over three years**. Dealing with the problems of former Banks (Agricultural, Industrial, Mortgage and Construction Banks) -	Revenue is ahead of targets due to a concerted effort from all departments. New DG appointed and developing a new plan. More political support and resources are required if progress is to continue.
9.0 Human Resources Department	Exploring **PFM competency testing**. **Merit based devolved recruitment**. Working with Treasury to **pilot new systems for HR and Payroll controls.**	Progress made on restructuring the MOF and streamlining processes for recruitment including through CBR. Merit based selection is the policy but requires significant political support. 7% reduction in MOF staff implemented and recruitment of female staff is ahead of targets. There needs to be more investment in systems, particularly connecting payroll, HR and Treasury.
10.0 Insurance Department	Seeking to develop **Islamic insurance and micro-insurance**	Supervision of the industry has been satisfactory. Progress on new regulations for Islamic and micro-insurance is at risk if resources are not committed.

DG	Flagship Reforms	Status
11.0 Internal Audit Department	Implementation of **IIA Standards**. Risk based auditing and introduction of follow-up procedures.	There is a new fraud investigation system in place. Good progress on number of fraud investigations, there are 77 fraud investigations in progress, 30 completed and 117 in the courts or AGs. Challenge to meet IIA standards due to Audit Committee failing to meet to approve the plan.
12.0 Programs Implementation and Coordination General Directorate	**Secretariat** to the Development Councils - rules and procedures	Some development Councils such as the HEC are operating but there are still some challenges in clarifying the various responsibilities and getting councils to meet regularly. SOPs are still under development.
13.0 Monitoring, Analysis and Reporting General Directorate	**Monitoring and reporting** on national programs.	Reporting on SMAF and to JCMB monthly and quarterly done. Reporting on NPPs under the ANPDF and the revised SMAF will commence after Brussels.
14.0 RIMU	Servicing the World Bank - **Structural issues to be reviewed** including with Admin PIU	Support provided to the PFMRII project. Team also assisted with the MOF 100 days' plan and monitoring its implementation. Challenge is to phase out the PIU in accordance with government policy.
15.0 Revenue Planning Department	Improving revenue forecasting enabling provincial level targets. **Surveys of total tax payers**.	Basic reporting of revenue against plans done but little work done to improve how targets are set. A proposal to reassign these functions to other departments needs a decision as soon as possible.
16.0 Macro-Fiscal Performance Department	Working with Budget and the policy linked budgeting. **Rolling Forward Estimates, New Policy focus and Fiscal Space**.	An excellent start on developing the forward estimates system, with good cross-team collaboration making good progress toward high global standards for policy linked budgeting. Successful completion of SMP and successful negotiation of ECF founded on new principles of engagement. Established a secretariat to the HEC. Finalized launch of the Inaugural Rolling 5-year Fiscal Performance Improvement plan and the completed the first mid-year assessment of progress against 5 year plans.

DG	Flagship Reforms	Status
17.1 ADM: Aid Management	Working with Donors, MFPD, Budget and Treasury to deliver timely and quality **consolidated budgets and accounts**	New Aid Management Policy developed in line with the government's self-reliance and consolidated budget policy. The AMP discourages the use of PIUs and encourages use of national systems. Coordination with policy and budget areas remains a challenge.
18.1 NPA: National Procurement Authority	Comprehensive reform taking on the big issues. Medium term **plan to decentralize. E-Procurement including contract management** (working with Treasury)	Outstanding progress on procurement, including passing a new law, new procedures for performance linked devolvement of procurement to line ministries, clearing of the procurement backlog while making savings of Afs15 billion.
19.1 AEITI Secretariat	Working with government agencies to help revealed weakness in revenue and contract management – helping to close loopholes including **closing revenue leakages of c$1 b pa.**	The EITI mechanism is working well to detect and triangulate data to find potential leakages. Backlog of reports cleared. Quality of reports have improved. Recognized by EITI Secretariat. Website is highly professional and provides up to date information on activities of AEITI including strategies, annual reports, outreach visits and minutes of meetings.

58. **The performance grade and impact and risk ratings** for the Directorate General Level and the Directorate/Unit level are at Attachment F: 2016 Performance Tracking results on page 54. Summary assessments for each team - Directorate Generals and Directorates - are at Attachment G: 2016 Team performance one-pagers on page 142, which outlines key progress achievements in 2016 and, importantly, the key challenges moving forward.

PERFORMANCE DIMENSIONS

59. **While the first two sections were about performance of teams, this section looks at the nature of the activities undertaken.** The first section looked at key achievements and listed the top-performers so far in 2016**.** The second section covered progress against high priority flagship reforms. This section presents performance results in the impact-risk and TA space introduced in the inaugural 5-year plan. Risk impact quadrants will be the same. The colour of balls represents performance – red is weak, green is good. The size of balls represents the degree of self-reliance – small is dependent on TA, while big represents a high degree of self-reliance (independence).

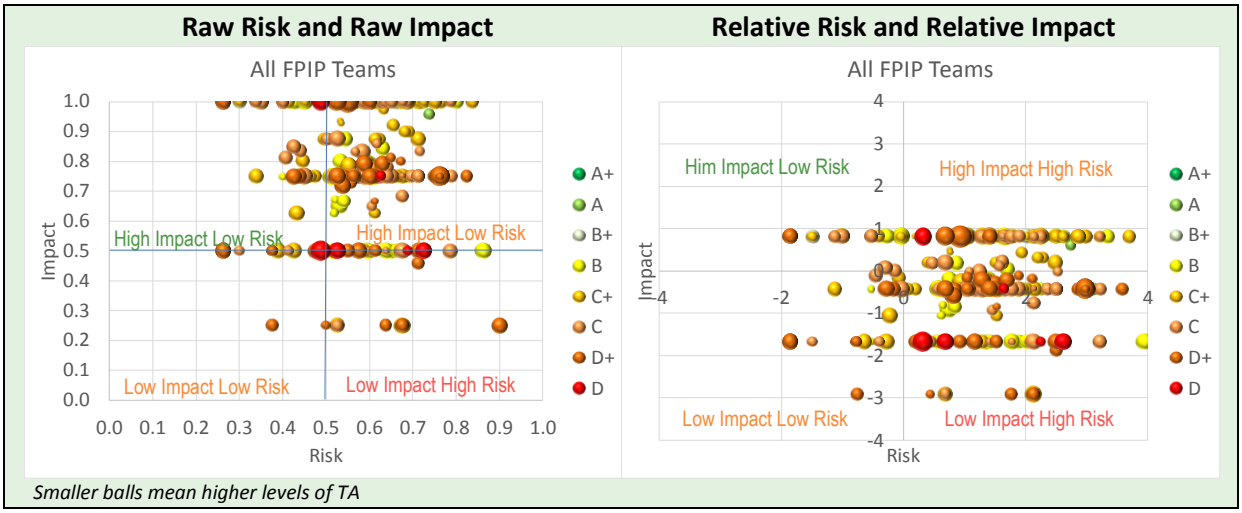
60. **Reform performance depends on the nature of the work.** Some reform is difficult (high risk of failure), some easy. Some reform is very important (high impact), some is less crucial. That is why the team-based performance

management system tracks the nature of reforms undertaken. Team grades need to account for differences in the nature of activities. Tracking impact and risk, is also crucial for planning purposes. A better understanding of the importance and difficulty of activities helps implementers overcome problems during implementation, leading to better performance outcomes, timely and higher quality outputs.

61. **To reveal the spread of risk and impacts, we place performance results in a risk-impact space.** Colours represent performance grades – i.e. Green for A+ and Red for D. The size of balls shows the amount of technical assistance, with small balls for teams that rely on TA to get the job done.

62. **Visual inspection of the results in risk-impact quadrants** (see 6 below). The upper left quadrant represents activities that have high impact with low risk of failure. These are the "low hanging fruit" as they are easy but are still important. The lower left quadrant represents activities that have low impact but are low risk. These are easy to do but not very important in driving transformational change. The lower right quadrant is the low impact, high-risk activities. Teams should avoid these activities. They are likely to waste a lot of time on things that are not important and are likely to fail anyway. The fourth quadrant is the high impact-high-risk activities. This is where we find the majority of activities. This simply reveals that reform is difficult and that "low hanging fruit" is usually "plucked" long ago.

Figure 6. 2016 Mid-Year Standardized Performance (adjusted): Raw and Relative Impact & Risk Space



63. **Figure 6 above reveals performance in Risk-Impact-TA space.** There are two figures presented. The first one reflects raw risk and raw impact, while the second represents relative risk and relative impact. Raw risk and raw impact represents the actual risk and impact ratings assessed by teams. Relative risk and relative impact means risk or impact compared to the group. Specifically, the Y-axis is the *relative impact* – being the standard deviation from the mean impact score for the group. The X-axis is *relative risk* – being the standard deviation from the mean risk score for the group.

64. **Intuitive results of performance and risk of failure are not yet apparent.** Intuitively, activities with high risk of failure should have worse performance outcomes expressed as lower grades, since by definition there is

a higher risk of failure. As seen in other settings, intuitive results emerge as the system becomes routine and ratings become more accurate.

65. **One key lesson that does emerge is that risk taking is fine if it is calculated** and working towards something bigger. While on the face of it, reviewing high-risk activities in order to reduce risk makes sense, many of the teams that have high-risk activities, are actively managing the risk through hard work. Moreover, teams make efforts to phase risky activities in many cases, with the sequencing and phasing of activities reflected in the 5-year rolling plan.

66. **Performance results of each are in the Risk-Impact-TA space.** These are at Attachment G: 2016 Team performance one-pagers on page 142, with another form at Attachment E: Performance, risk-impact heat map on page 51.

STAFFING AND TECHNICAL ASSISTANCE

67. **This section presents staffing and technical assistance levels in each team**. We find that further work is required to match up existing staffing and technical assistance with technical assistance requirements under the fiscal performance improvement plan.

68. **Early analysis reveals that TA to Tashkeel levels are highly variable.** High levels were detected in Aid Management, Budget, the Minister's Office, MFPD, NPA, AEITI. The largest adopter of national consultants was NPA with 111, followed by Budget with 57, Treasury 53, Revenue 50, Customs 31 and internal audit with 30.

Figure 7. 2016 Preliminary Tashkeel Complements

Staffing Data	Tashkeel Staffing Profile	Grades											
		Outside	Beyond	Above	1	2	3	4	5	6	7	8	Total Filled
OoM	28	1	4	0	2	2	10	8	1	0	0	0	23
OoCS	93					1	2	11	9	36	15	19	92
Coms	25					1	3	4	13	0	2	2	19
Customs	296				1	4	16	55	145	39	6	30	u/a
Revenue	794				1	9	36	123	258	269	11	87	u/a
Treasury	594				1	3	12	70	187	269	6	46	591
Budget	96				1	2	16	56	8	1	4	8	81
Admin	412				1	4	12	42	71	67	146	69	405
SoE	82				1	2	8	22	25	15	2	7	82
Property	150				1	3	9	25	30	29	14	39	140
HRD	113					1	5	16	41	31	4	15	107
Insurance	28					1	2	9	12	0	2	2	27
IAD	153				1	4	12	49	75	1	2	9	149
PICGD	30				1	2	4	13	3	0	3	4	27
MARGD	29				1	2	4	11	4	0	4	3	25
RIMU	0												0
RPD	u/a												u/a
MFPD	41				1	3	15	13	1	0	5	3	20
AMD	20					1	2	13	1	0	1	2	18
OoP-NPA	266		1	9	101	67	22	22			44		136
AETI	14					1	1	3	6	3			4
Total	**3264**	**1**	**5**	**9**	**114**	**113**	**191**	**565**	**890**	**760**	**271**	**345**	**1946**

Nb: Tashkeel and system data is under review

Figure 8. 2016 Preliminary Technical Assistance Complements

Staffing Data	Tashkeel Staffing Profile	TA			TA to Tashkeel
		National	International	Total	
OoM	**28**	**16**	0	**16**	57%
OoCS	**93**	**15**	0	**15**	16%
Coms	**25**	6	0	**6**	24%
Customs	**296**	31	2	**33**	11%
Revenue	**794**	50	1	**51**	6%
Treasury	**594**	53	3	**56**	9%
Budget	**96**	57	0	**57**	59%
Admin	**412**	18	0	**18**	4%
SoE	**82**	7	1	**8**	10%
Property	**150**	2	0	**2**	1%
HRD	**113**	5	0	**5**	4%
Insurance	**28**	0	0	**0**	0%
IAD	**153**	30	0	**30**	20%
PICGD	**30**	4	1	**5**	17%
MARGD	**29**	2	0	**2**	7%
RIMU	**0**	14	0	**14**	n/a
RPD	**u/a**	u/a	u/a	**u/a**	u/a
MFPD	**41**	18	3	**21**	51%
AMD	**20**	11	1	**12**	60%
OoP-NPA	**266**	111	0	**111**	42%
AETI	**14**	5	0	**5**	36%
Grand Total	**3264**	**486**	**13**	**499**	**15%**

Nb: Technical Assistance tracking and system data is under review

FOCUSING ON SELF-RELIANCE

69. **Progress towards self-reliance is steady.** While all teams still rely on TA, TA-dependency is being broken. Phasing out of programs that have traditionally provided large numbers of external technical assistance is well under way. The performance management system is incentivising self-reliance in planning, in assessing performance and reporting progress.

70. **That said the dependency of teams on technical assistance is still deep.** All directorates report that they need TA to get reform work done on time and to standard. ***There is no team … yet … that can perform very well compared to its peers without any TA***. Currently, 42% of all directorates require technical assistance to do at least 30% of the reform work while 67% require TA to do at least 30% (see Figure 9 below). Seventy-two per cent (72%) of all activities required some TA to get the work done, with over half (54%) of the activities requiring heavy technical assistance of 30% or over (see Figure 8 below). Over time, these levels need to reduce.

Figure 9. TA Contribution to Workload

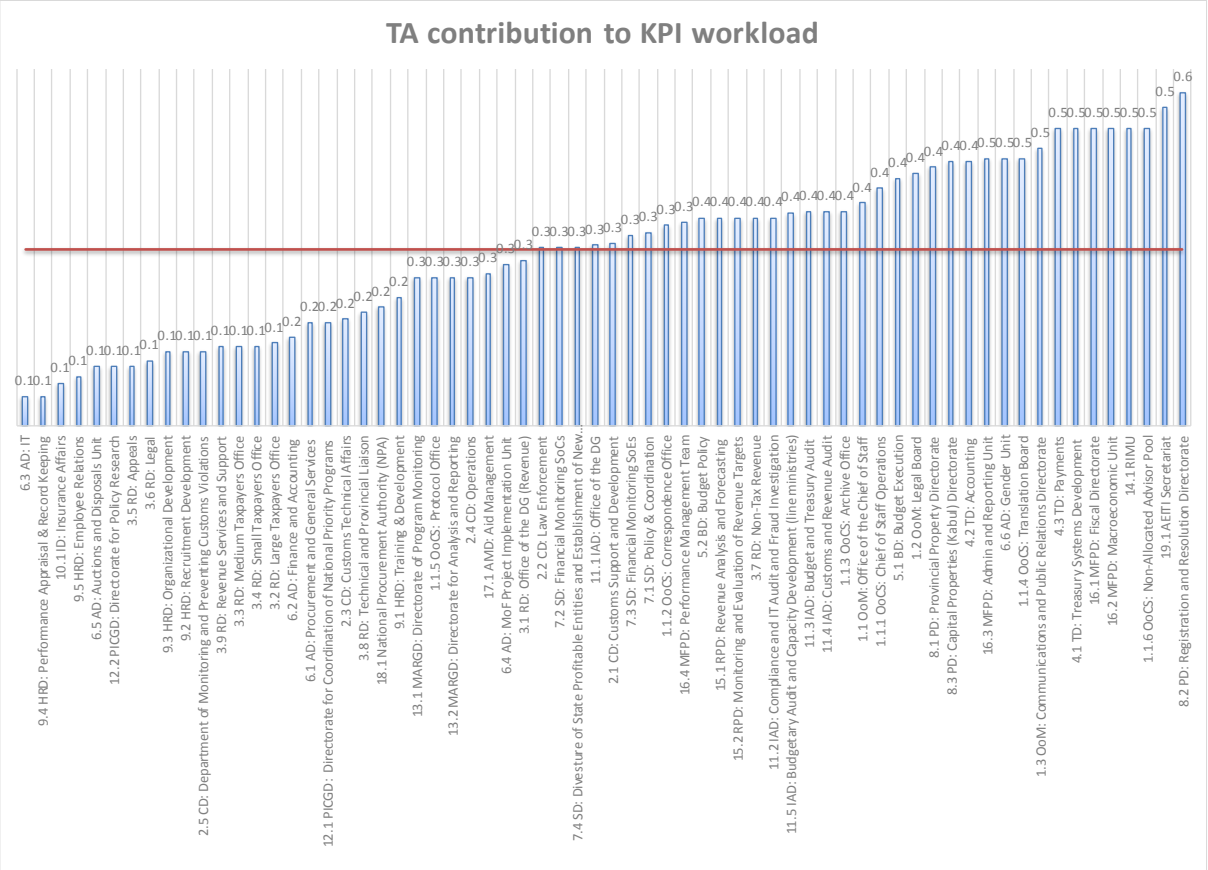
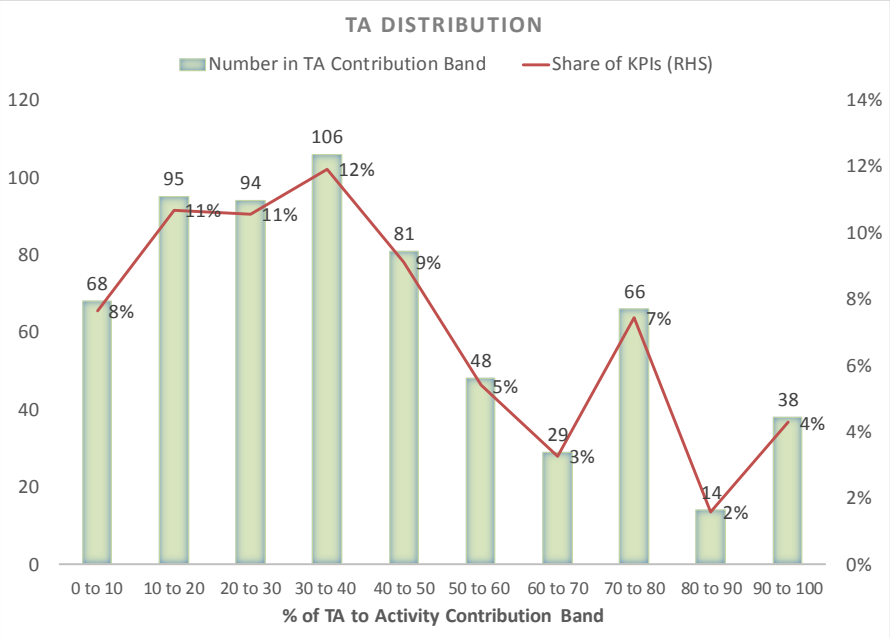


Figure 10. Distribution of TA to KPI



SENSITIVITY ANALYSIS

71. **This section summarises the sensitivity of league tables to changes in performance parameters**. For example, changes to the weighting of performance dimensions – timeliness, quality and effectiveness. Other key parameters include how much of a discount to apply for the TA used in getting an activity done on time and to standard.

72. **All parameters underwent a sensitivity analysis**. Table 7 below provides the parameters and values used. An explanation and the rational for the choice of parameters used is at Attachment C: Parameter values on page 40. Parameters applied in the FPIP Team-based Performance Management System are the weights used for each performance measurement variable included in performance scoring equations. The complete results of sensitivity analysis are at Attachment D: Sensitivity Analysis on page 43.

Table 7. One-Way Sensitivity Analysis Results – parameters

Parameter	No of Rank Changes	Avg	Std. Dev	Sensitivity Analysis Parameters – increments of 0.01
Risk	187	1.9	1.6	Impact 0.1, p adjusting
Impact	135	1.4	1.6	Risk 0.1, p adjusting
TA	122	1.2	1.3	0.1 increments (0 to 1) TA only (0 to 1)
Timeliness	63	0.6	1.2	Quality 0.25, Problem solving adjusting
Quality	54	0.5	1.1	Timeliness 0.25, Problem solving adjusting
Visibility	26	0.3	0.7	0.1 increments (0 to 1)) - others equal weight but complexity locked at 0.15
Complexity	24	0.2	0.8	others equal weight but visibility locked in at 0.25

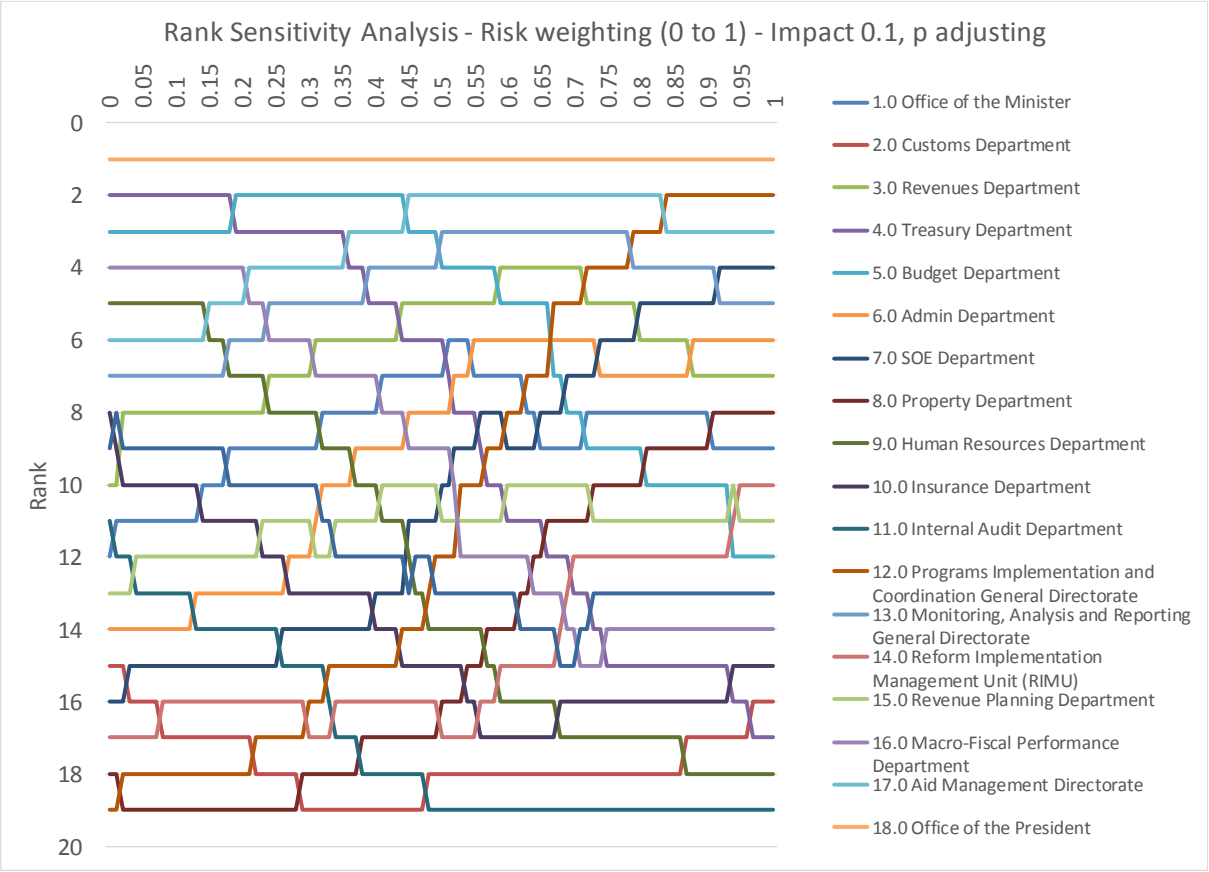
73. **One-way sensitivity analysis allows a reviewer to assess the impact that changes in a single parameter will have on the results**. In this case, the validation team was interested in what happens to rank positions if different parameters we. Parameters could take a value between zero and one (0-1). Sensitivity analysis involved varying each parameter by a small amount (0.01) and then assessing if any team ranks changed. We applied this to every value between zero and one by increments of 0.01 and counted the number of marginal changes in rank. The more rank changes that occurs, the more the sensitivity of the model to the choice in parameter. Figure 11 below presents the results of one-way sensitivity analysis for approach described.

74. **Risk of failure or difficulty parameter was the most sensitive** as revealed by Table 7. 187 rank changes were recorded during the simulation on risk. Impact and TA parameters were the next most sensitive with 135 and 122 changes respectively. Of the risk dimensions, Timeliness and Quality were the most sensitive with changes of 54 and 26. It is not surprising that risk dimensions are less sensitive than impact or TA dimensions, given that they are subordinate parameters.

75. **Figure 11 below reveals the results of the sensitivity analysis on risk –** or in other words the extent of rank changes when changing the weight used for risk. Changing the weighting of risk leads to dramatic changes to league tables. PICDG goes from bottom to second – partly reflecting that PICDG only had a few scored actions, while taking on difficult work. Property Department goes from second bottom to eighth. Admin Department goes from fourteenth to sixth reflecting the very difficult work in running a ministry of finance

corporate backbone. Revenue goes from tenth to fourth then slides back down to seventh. Treasury falls from second to seventeenth reflecting relatively less risky activities. Similarly, MFPD falls from fourth to fourteenth. This figure also reveals the outlier status of the National Procurement Authority – its outstanding performance shields its ranking from any changes in risk parameters.

Figure 11. Sensitivity Analysis: Rank Changes by Changing Risk Weights



KEY CHALLENGES TO BE ADDRESSED

76. **This section raises the challenges faced by the teams** and administering the team-based performance management system.

77. **The mid-year assessment of performance against the 5-year plans showed huge progress, but it also highlighted that there are very significant challenges.** The context in Afghanistan could not be more challenging for the Government, but also for staff who face on going security threats, corruption, entrenched systems and poor basic services like HR, administration and finance.

78. **The mid-year assessment highlighted that there are three main challenges for the program.** One, to improve the quality and ownership of plans. Two, to improve the system and the awareness of how it works. Three, improving the validation process, including the expertise of the team, the consistency and quality of the scoring and the robustness of the evidence that underpins the performance management system.

Ownership of plans

79. **Firstly, looking at the quality and ownership of the team level 5-year plans.** The heart of the program is getting teams to plan better, to sequence reforms and to understand the impacts and risks of the work they do. Nothing is likely to have a bigger impact on the success of the reform agenda than improving the level of ownership and investment in the plans themselves. As was expected, the first plans are a mix of good and bad. Some teams had already invested a huge amount of time in a reform plan and could translate their existing medium term plans into the new format, adding the impact and risk overlay. Other teams either had no plans or had a ready-made donor produced medium term strategic plan that once printed had never been read by anyone.

80. **Many teams did not invest heavily in the process.** Some teams even outsourced their plans to technical assistance believing that they would not have to account for the outcomes. As a result, the mid-year assessment showed that the plans were a mix of well thought through, sequenced activities and poorly conceived lists of irrelevant activities. ***The mid-year assessment had the effect of letting teams know that they would be accountable*** to the Minister for Finance, the High Economic Council and ultimately the President for their performance against these plans, and therefore that the plans matter.

81. **There is nevertheless a long way to go.** The culture shift required to make the 5-year plans the first and only planning tool for the MOF and partner agencies is very large and will take many cycles to bed down. There will need to be meaningful outcomes from the performance system to convince people that they must invest in this process. As set out in this report, teams made some minor changes to 5-year plans during the mid-year assessment, but the PMT expects very significant changes and improvements to plans when they roll over next year.

Development of the systems

82. **Another significant challenge is getting teams and the leadership group used to the system.** This is the first time the Government has employed this sort of performance management system in Afghanistan and it will require significant behaviour change. The system of doing a self-assessment and then meeting with an independent validation team to justify your own assessment is new and challenging for many people. The process and systems themselves are still evolving. Templates are clunky, guidance on scoring needs improvement, participating is not clear and the "rules of the game" are still being established. As a result, self-assessments were not as detailed as they need to be, scores varied, and validation meetings took much longer than is optimal. Addressing all of these issues to make the process and systems more streamlined is a priority for the PMT. Teams need to feel comfortable that they understand how the system works, and what to expect from the outcomes.

Improving the validation process

83. **Lastly, we need to improve the independent validation process.** This first mid-year assessment was partly about rolling out the system and partly about building the first layers of trust and buy-in from the stakeholders. The validation process was robust and based on evidence, but as it develops, there needs to be investment in the team, the consistency of scoring and the way we manage evidence.

84. **For the mid-year assessment, the validation team consisted of three international staff and three national staff from the PMT, including when available the DG of MFPD.** The team has experience in public finance and is responsible for the design and roll out of the system. This team needs to expand. Areas like revenue and customs, statistics, audit, local government, accounting and IT all require specific expertise. Ideally, the validation team in the future will be able to draw on a range of people to help make the validation process more robust.

85. **The scoring of performance outcomes also needs to improve.** The data presented in the report shows that the incentives inherent in the system are working well, but there is still quite a lot of room for improvement in the consistency of the scores. As teams become more familiar with the system, and the process becomes routine, the PMT expects to see clearer trends in the performance outcomes, and a greater trust from stakeholders that the scores truly reflect performance, and the needs of the Government. That said, risks of gaming system to improve reported performance will remain. It will be up to the validation team to manage these risks.

86. **How the PMT manages the evidence provided in the assessments is also an issue for future work.** The plans cover a large number of activities, assessments of performance look at three dimensions of performance and teams provide evidence to support their self-assessments. This amounts to a lot of evidence and supporting data. The mid-year assessment has cited a large amount of the evidence but will need to be much more systematic in the management of information over future cycles. As plans are roll over being able to keep track of evidence of progress will become more and more important.

Reform challenges

87. **A number of key challenges for the teams also became clear during the mid-year assessment.** In the broad area of policy coordination, there are huge challenges. Aid Management, Budget and Treasury have systems that do not talk to each other and run separate processes for collecting and analysing data. The High Economic Council is not yet receiving coordinated briefing from MFPD, Budget and Aid Management. There is no agreement on the sequencing of key reforms amongst departments leading to sub-optimal reform choices. The system is starting to track interdependencies but teams have to start working together much more.

88. **As noted already, the revenue and customs departments need much better vision and a massive increase in investment.** Despite their size and complexity, both have just one DG. There is no dedicated HR, IT, procurement or operations function for either department. These are crucial departments for the Government in achieving self-reliance and treating them in the same way as other DGs is a not going to work. A long-term strategic plan to expand both departments is required as soon as possible.

89. **Human resources, administration, finance and procurement, especially in the MOF need urgent attention.** The heavy, long-term reliance on donors has led to a chronic underinvestment in the basic needs of the MOF and many other departments. It is simply not possible to run a Government ministry without well-resourced back of house services. An urgent investment in getting the right skills into the corporate areas of the MOF is required. Key appointments like the Deputy Minister for Administration and Finance prioritised and an internal budget process for the MOF put in place with DG level budgets that include resources for professional development established.

90. **Aid fragmentation also remains a huge problem for the Government.** The development of the ANDF is a good step forward but donors need to respond with concrete actions. The Government needs to establish national priority programs and donors need to follow the Government's lead. The Fiscal Performance Improvement Plan has set out a viable framework for sector budget support and for pooled funding of support to the 5-year plans. There will need to be negotiations, but the importance of consolidating support behind the 5-year plans and for using the performance management system to drive institutional change cannot be over emphasised.

91. **The last and probably most difficult challenge thrown up by the mid-year assessment is that of establishing a strong institutional and performance culture.** It is clear that the MOF remains a group of departments rather than a strong institution with one culture, where performance is central. The Fiscal Performance Improvement plan and the performance management system has as one of its core goals to build a culture of pride. This requires a shift to a performance culture where there is a low tolerance for poor performance and that every team matters. The outstanding performance of the National Procurement Authority shows what is achievable if you have a clear purpose, good leadership and a strong institutional culture. This should be the goal of all teams and while we have made a good start this will be an on-going challenge to achieve.

CHANGES TO THE ROLLING 5-YEAR PLAN

92. **This section documents and changes to the 5-year plan** due to major changes in system strengthening policy, new agreements with partners, and realisations of capacity constraints, activity impacts (or importance) and activity risk of failure (or difficulties).

93. **The mid-year review provides an opportunity to revise annual action plans for changed circumstances or changes in government policy.** The mid-year review is primarily about ensuring all teams 'own' their team plans and an initial assessment of whether teams are on track to deliver on their promises. However, plans can and should change when circumstances demand it. That said, changing plans because no work had been done on certain activities, was not a satisfactory reason for change – this being seen as an attempt to avoid low scores rather than changing circumstances.

94. **Table 8 below reveals that there were not many changes** agreed during the mid-year performance review. Only 1% of wordings to the 5-Year Actions occurred and only 8% of 2016 minor actions were changed. Most changes were to do with being clearer about what the target action was and ensuring the action was predominantly under the control of the team. The PMT expects there will be no further changes for the annual review, though there could be some under exceptional circumstances.

Table 8. Summary of Changes to 5-Year Plans

Change Category	Changes	Plan Number	%
Planned Action (5yr)	4	364	1.1%
Planned Action (5yr) and change to 2016	3	509	0.6%
2016 Major Action	15	374	4.0%
2016 Minor Action	105	1,371	7.7%

DISCUSSION AND FUTURE DIRECTIONS

95. **This section discusses the results** and raise Government's preferred directions in adopting its Performance-Linked Programmatic Budget Support Policy Framework (see Attachment D of the inaugural 5-year plan) [6].

96. **The mid-year assessment of progress against the 5-year plans shows the Government has made a very good start.** The PMT judge that progress is above expectations for the period in very difficult circumstances. The MoF and its partner agencies has taken on some key challenges and taken those crucial first steps in some of the most intractable problem areas. While early sections present progress on flagship activities, this section looks at progress to reduce fragmentation – in planning, in implementation and in reporting.

97. **Over the course of 2015 / 1395 and the first half of 2016 / 1396, the Government has achieved a lot.** It conducted an assessment of national public finance and national accountability systems, which led to the design of a long-term reform program. At the same time, the Government allowed a number of long running and TA heavy programs of support to the MOF to lapse. It then revised its Tashkeel, including a 7% cut to staffing levels in the MOF and put in place 5-year rolling plans for all teams working in the MOF and two partner agencies. Now the Government has conducted a mid-year assessment of progress against those plans.

98. **The Government is seeking to engage its key donors in a discussion on reducing fragmentation around the way it plans for the budget, implements reforms and reports on progress.** This will be vital in achieving the ambitious goals set out under the Fiscal Performance Improvement Plan. As stated in the ANPDF the Government has the explicit goal of a consolidated national budget and achieving fiscal sustainability over the next 10 to 20 years. To do this the Government must throw off the previous practice of piecemeal support and strive for a single program with a coordinated purpose.

99. **In the inaugural 5-year Fiscal Performance Improvement Plan the Government released a proposal to engage donors.** The Government would like to seek donor support for a true one plan, one budget and one reporting system. There will be considerable hurdles in reaching an agreement but the Government has a clear proposal.

100. **Under the Fiscal Performance Improvement Plan, the Government presents a clear framework as a starting point for discussions.** The Government proposes that for public finance and budget reforms the 5-year rolling plans form the central and only planning mechanism for both the Government and the donors. The 5-year plans are rolling plans, so they can be constantly revised and updated. There is an annual cycle of publishing a plan at the beginning of the fiscal year, assessing progress in the middle of the year, publishing an annual assessment at the end of the fiscal year and then rolling over plans and publishing a new plan early in the next fiscal year. This aligns with the annual budget cycle.

[6] PMT, 2016, "Implementation of The Public Financial Management Roadmap II – The Inaugural 5-Year Rolling Plan, Ministry Of Finance Delivering: Efficient And Effective Public Services; Strong Fiscal Discipline; And Strategic Fiscal Policy", Ministry of Finance, Kabul, Afghanistan.

101. **The Government would like all support to align with this cycle and behind the activities of set out in the 5-year plans.** If there are gaps in the plans, then donors should engage the Government about including additional reforms in the plans, but there should not be separate or parallel processes or plans.

102. **In return, the Government would like to improve the level of engagement between the teams working on the national budget and our international partners.** As part of support to the 5-yrar plans, donors should participate in the validation process for the plans and link their financial contributions to performance outcomes.

103. **The Government has already announced it will allocate an initial $20 million from the national budget to support the 5-year.** The Government proposes that support from international partners for the Fiscal Performance Improvement Plan be in one of two ways. First, donors might consider providing targeted sector budget support to help implement the 5-year plans. This sector budget support would be in tranches. The first tranche would be a fixed amount that would be non-earmarked based on a satisfactory performance outcome by the Government across all 5-year plans. In the first year of the support, the donor might also negotiate some mutually agreed conditions for the support. Fixed payments are at the start of the fiscal year and in the middle of the year based on the mid-year progress assessment. The second tranche would be a variable tranche based on a negotiated set of priorities under the 5-year plans. For example, a donor might see customs or revenue as a priority and negotiate additional reforms or higher performance outcomes for an incentive payment.

104. **This system represents shared risk and mutual accountability: with the fixed tranche the donors risk (in a given year) and the variable tranche the Government's risk.** Since the program uses one performance management system, accountability is mutual.

105. **The second option for support of the plans would be through the ARTF.** The Government is in discussions with the World Bank over a broad single program to support the 5-year plans. While it is not usual to earmark funds under a trust fund, the ARTF program is likely to be able to accommodate a similar arrangement of fixed and variable tranches. The Government hopes to have in principle agreement to the program by the Brussels Conference in October.

106. **If donors agree to work with the Government in this way, it will mean one plan for reforms to the public finance system, one system for implementation and one reporting channel.** This would be a powerful incentive for teams to invest in the systems and processes and would provide the donors with a genuine channel for engagement on important reforms. The Fiscal Performance Improvement Plan is a key tool for driving change and has significant political support. Support will unambiguously drive down development risks as well as fiduciary risks as systems improve.

ATTACHMENTS

ATTACHMENT A: SET OF LEAGUE TABLES

107. This section presents the key different league tables

Table 9. 2016 Mid-Year League Table: Directorate General: Raw Performance

Rank	Agency Level Grouping	Raw Weighted Grade (TQP)	Raw Weighted Score (TQP)	Raw Weighted Grade (TQP) Std	Raw Weighted Score (TQP) Std
1	18.0 Office of the President - NPA	B+	0.79	A+	2.76
2	4.0 Treasury Department	B	0.66	A+	1.41
3	5.0 Budget Department	B	0.63	A+	1.00
4	16.0 Macro-Fiscal Performance Department	C+	0.59	A	0.63
5	9.0 Human Resources Department	B	0.60	A	0.76
6	17.0 Aid Management Directorate	C+	0.55	B+	0.22
7	3.0 Revenues Department	C	0.54	B	-0.07
8	13.0 Monitoring, Analysis and Reporting General Directorate	C+	0.56	B+	0.31
9	19.0 Other Partner Agencies	C	0.55	B	0.16
10	10.0 Insurance Department	C	0.53	B	-0.04
11	1.0 Office of the Minister	C	0.53	B	0.02
12	6.0 Admin Department	C	0.51	C+	-0.24
13	15.0 Revenue Planning Department	C	0.52	B	-0.10
14	11.0 Internal Audit Department	C	0.53	B	-0.06
15	2.0 Customs Department	C	0.51	C+	-0.26
16	7.0 SOE Department	D+	0.46	C	-0.74
17	14.0 Reform Implementation Management Unit	D+	0.46	C	-0.73
18	12.0 Programs Implementation and Coordination General Directorate	D+	0.40	D+	-1.39
19	8.0 Property Department	D+	0.41	D+	-1.32

Table 10. 2016 Mid-Year "Best and Fairest" League Table: Directorate General: Adjusted Scores for TA, Risk and Impact

Rank	Level Grouping	X Grade	X Score	X Grade Std	X Score Std
1	18.0 Office of the President - NPA	A	0.80	A+	2.92
2	4.0 Treasury Department	B	0.66	A+	1.16
3	5.0 Budget Department	B	0.64	A+	0.94
4	16.0 Macro-Fiscal Performance Department	B	0.61	A	0.55
5	9.0 Human Resources Department	B	0.60	B+	0.43
6	17.0 Aid Management Directorate	C+	0.59	B+	0.34
7	3.0 Revenues Department	C+	0.59	B+	0.29
8	13.0 Monitoring, Analysis and Reporting General Directorate	C+	0.59	B+	0.28
9	19.0 Other Partner Agencies	C+	0.57	B	0.05
10	10.0 Insurance Department	C+	0.57	B	0.02
11	1.0 Office of the Minister	C+	0.57	B	-0.02
12	6.0 Admin Department	C+	0.56	B	-0.09
13	15.0 Revenue Planning Department	C+	0.56	B	-0.12
14	11.0 Internal Audit Department	C	0.55	C+	-0.24
15	2.0 Customs Department	C	0.54	C+	-0.29
16	7.0 SOE Department	C	0.50	C	-0.80
17	14.0 Reform Implementation Management Unit	D+	0.49	C	-0.91
18	12.0 Programs Implementation and Coordination General Directorate	D+	0.47	D+	-1.22
19	8.0 Property Department	D+	0.46	D+	-1.28

Table 11. 2016 Mid-Year League Table: Directorates: Raw Performance

Rank	Sub-Agency Level Grouping	Raw Weighted Grade (TQP)	Raw Weighted Score (TQP)	Raw Weighted Grade (TQP)	Raw Weighted Score (TQP)
1	18.1 National Procurement Authority (NPA)	B+	0.79	A+	2.76
2	4.3 TD: Payments	B	0.69	A+	1.64
3	9.3 HRD: Organizational Development	B	0.68	A+	1.57
4	4.1 TD: Treasury Systems Development	B	0.64	A+	1.16
5	5.2 BD: Budget Policy	B	0.64	A+	1.11
6	9.2 HRD: Recruitment Development	B	0.66	A+	1.40
7	16.1 MFPD: Fiscal Directorate	B	0.61	A+	0.82
8	4.2 TD: Accounting	B	0.67	A+	1.43
9	3.3 RD: Medium Taxpayers Office	C+	0.59	A	0.64
10	6.3 AD: IT	C+	0.58	A	0.57
11	5.1 BD: Budget Execution	B	0.61	A+	0.85
12	13.1 MARGD: Directorate of Program Monitoring	B	0.60	A	0.76
13	3.4 RD: Small Taxpayers Office	C+	0.57	B+	0.42
14	16.4 MFPD: Performance Management Team	B	0.62	A+	0.89
15	9.1 HRD: Training & Development	B	0.61	A+	0.81
16	1.1.1 OoCS: Chief of Staff Operations	B	0.60	A	0.76
17	3.6 RD: Legal	C	0.55	B	0.15
18	1.1.5 OoCS: Protocol Office	C+	0.59	A	0.66
19	1.1.2 OoCS: Correspondence Office	C+	0.56	B+	0.27
20	17.1 AMD: Aid Management	C+	0.55	B+	0.22
21	3.1 RD: Office of the DG (Revenue)	C	0.55	B	0.19
22	3.2 RD: Large Taxpayers Office	C	0.54	B	0.05
23	1.2 OoM: Legal Board	C	0.54	B	0.13
24	6.4 AD: MoF Project Implementation Unit	C	0.53	B	0.01
25	11.1 IAD: Office of the DG	C+	0.56	B+	0.29
26	3.9 RD: Revenue Services and Support	C	0.52	B	-0.13
27	9.4 HRD: Performance Appraisal & Record Keeping	C+	0.57	B+	0.37
28	3.8 RD: Technical and Provincial Liaison	C	0.51	B	-0.19
29	16.3 MFPD: Admin and Reporting Unit	C+	0.59	A	0.61
30	15.1 RPD: Revenue Analysis and Forecasting	C	0.51	C+	-0.22
31	19.1 AEITI Secretariat	C	0.55	B	0.16
32	10.1 ID: Insurance Affairs	C	0.53	B	-0.03
33	1.1 OoM: Office of the Chief of Staff	C	0.54	B	0.09
34	2.2 CD: Law Enforcement	C	0.51	C+	-0.25
35	11.2 IAD: Compliance and IT Audit and Fraud Invest'g	C	0.54	B	0.07
36	13.2 MARGD: Directorate for Analysis and Reporting	C	0.52	B	-0.15
37	2.5 CD: Monitoring & Preventing Customs Violations	D+	0.49	C+	-0.47
38	2.4 CD: Operations	D+	0.49	C+	-0.43
39	15.2 RPD: Monitoring & Evaluation of Rev Targets	D+	0.49	C+	-0.47
40	3.7 RD: Non-Tax Revenue	D+	0.48	C+	-0.54
41	11.3 IAD: Budget and Treasury Audit	C	0.53	B	-0.07
42	11.4 IAD: Customs and Revenue Audit	C	0.53	B	-0.07
43	2.3 CD: Customs Technical Affairs	C	0.52	B	-0.09
44	1.1.3 OoCS: Archive Office	C	0.51	C+	-0.25
45	9.5 HRD: Employee Relations	C	0.54	B	0.11
46	2.1 CD: Customs Support and Development	C	0.51	C+	-0.26
47	3.5 RD: Appeals	D+	0.46	C	-0.75
48	16.2 MFPD: Macroeconomic Unit	D+	0.49	C+	-0.47
49	12.2 PICGD: Directorate for Policy Research	D+	0.49	C+	-0.44
50	1.3 OoM: Communications and Public Relations	D+	0.48	C+	-0.56
51	7.3 SD: Financial Monitoring SoEs	D+	0.47	C	-0.62
52	6.2 AD: Finance and Accounting	D+	0.48	C+	-0.58
53	7.1 SD: Policy & Coordination	D+	0.47	C	-0.63
54	6.6 AD: Gender Unit	D+	0.48	C+	-0.60
55	11.5 IAD: Budgetary Audit and Capacity Development	D+	0.49	C+	-0.49
56	14.1 RIMU	D+	0.46	C	-0.73
57	7.4 SD: Divesture of State Profitable Entities & Est of New SOEaCs	D+	0.42	D+	-1.16
58	7.2 SD: Financial Monitoring SoCs	D+	0.47	C	-0.63
59	8.1 PD: Provincial Property Directorate	D+	0.42	D+	-1.15
60	1.1.4 OoCS: Translation Board	D+	0.46	C	-0.82
61	12.1 PICGD: Directorate for Coordination of NPPs	D+	0.40	D+	-1.37
62	8.2 PD: Registration and Resolution Directorate	D+	0.41	D+	-1.29
63	6.1 AD: Procurement and General Services	D	0.38	D	-1.62
64	6.5 AD: Auctions and Disposals Unit	D+	0.41	D+	-1.33
65	8.3 PD: Capital Properties (Kabul) Directorate	D	0.39	D	-1.47
66	1.1.6 OoCS: Non-Allocated Advisor Pool	D	0.36	D	-1.84

Table 12. 2016 Mid-Year League "Best and Fairest" Table: Directorate General: Adjusted Scores for TA, Risk and Impact

Rank	Sub-Agency Level Grouping	X Grade	X Score	X Grade Std	X Score Std
1	18.1 National Procurement Authority (NPA)	A	0.80	A+	2.92
2	4.3 TD: Payments	B	0.68	A+	1.42
3	9.3 HRD: Organizational Development	B	0.66	A+	1.13
4	4.1 TD: Treasury Systems Development	B	0.66	A+	1.12
5	5.2 BD: Budget Policy	B	0.65	A+	1.04
6	9.2 HRD: Recruitment Development	B	0.65	A+	1.03
7	16.1 MFPD: Fiscal Directorate	B	0.64	A+	0.95
8	4.2 TD: Accounting	B	0.64	A+	0.94
9	3.3 RD: Medium Taxpayers Office	B	0.63	A+	0.83
10	6.3 AD: IT	B	0.63	A+	0.81
11	5.1 BD: Budget Execution	B	0.63	A	0.79
12	13.1 MARGD: Directorate of Program Monitoring	B	0.63	A	0.74
13	3.4 RD: Small Taxpayers Office	B	0.62	A	0.63
14	16.4 MFPD: Performance Management Team	B	0.62	A	0.62
15	9.1 HRD: Training & Development	B	0.61	A	0.59
16	1.1.1 OoCS: Chief of Staff Operations	B	0.61	A	0.57
17	3.6 RD: Legal	B	0.60	B+	0.44
18	1.1.5 OoCS: Protocol Office	C+	0.60	B+	0.40
19	1.1.2 OoCS: Correspondence Office	C+	0.60	B+	0.36
20	17.1 AMD: Aid Management	C+	0.59	B+	0.34
21	3.1 RD: Office of the DG (Revenue)	C+	0.59	B+	0.30
22	3.2 RD: Large Taxpayers Office	C+	0.59	B+	0.29
23	1.2 OoM: Legal Board	C+	0.59	B+	0.26
24	6.4 AD: MoF Project Implementation Unit	C+	0.59	B+	0.24
25	11.1 IAD: Office of the DG	C+	0.58	B	0.20
26	3.9 RD: Revenue Services and Support	C+	0.58	B	0.19
27	9.4 HRD: Performance Appraisal & Record Keeping	C+	0.58	B	0.19
28	3.8 RD: Technical and Provincial Liaison	C+	0.58	B	0.19
29	16.3 MFPD: Admin and Reporting Unit	C+	0.58	B	0.16
30	15.1 RPD: Revenue Analysis and Forecasting	C+	0.57	B	0.06
31	19.1 AEITI Secretariat	C+	0.57	B	0.05
32	10.1 ID: Insurance Affairs	C+	0.57	B	0.01
33	1.1 OoM: Office of the Chief of Staff	C+	0.56	B	-0.03
34	2.2 CD: Law Enforcement	C+	0.56	B	-0.14
35	11.2 IAD: Compliance and IT Audit & Fraud Investig'n	C+	0.55	B	-0.17
36	13.2 MARGD: Directorate for Analysis and Reporting	C+	0.55	B	-0.19
37	2.5 CD: Monitoring and Preventing Customs Violations	C+	0.55	C+	-0.21
38	2.4 CD: Operations	C	0.55	C+	-0.21
39	15.2 RPD: Monitoring and Evaluation of Rev Targets	C	0.55	C+	-0.22
40	3.7 RD: Non-Tax Revenue	C	0.55	C+	-0.23
41	11.3 IAD: Budget and Treasury Audit	C	0.55	C+	-0.23
42	11.4 IAD: Customs and Revenue Audit	C	0.55	C+	-0.23
43	2.3 CD: Customs Technical Affairs	C	0.54	C+	-0.28
44	1.1.3 OoCS: Archive Office	C	0.54	C+	-0.34
45	9.5 HRD: Employee Relations	C	0.54	C+	-0.34
46	2.1 CD: Customs Support and Development	C	0.53	C+	-0.40
47	3.5 RD: Appeals	C	0.53	C+	-0.44
48	16.2 MFPD: Macroeconomic Unit	C	0.53	C+	-0.45
49	12.2 PICGD: Directorate for Policy Research	C	0.53	C+	-0.46
50	1.3 OoM: Communications and Public Relations	C	0.53	C+	-0.51
51	7.3 SD: Financial Monitoring SoEs	C	0.52	C+	-0.53
52	6.2 AD: Finance and Accounting	C	0.52	C+	-0.56
53	7.1 SD: Policy & Coordination	C	0.52	C	-0.63
54	6.6 AD: Gender Unit	C	0.51	C	-0.68
55	11.5 IAD: Budgetary Audit and Capacity Development	C	0.51	C	-0.70
56	14.1 RIMU	D+	0.49	C	-0.91
57	7.4 SD: Divesture of State Profitable Entities & Est of New SOEaCs	D+	0.49	C	-0.95
58	7.2 SD: Financial Monitoring SoCs	D+	0.48	D+	-1.07
59	8.1 PD: Provincial Property Directorate	D+	0.48	D+	-1.07
60	1.1.4 OoCS: Translation Board	D+	0.47	D+	-1.18
61	12.1 PICGD: Directorate for Coordination of NPPs	D+	0.47	D+	-1.21
62	8.2 PD: Registration and Resolution Directorate	D+	0.46	D+	-1.27
63	6.1 AD: Procurement and General Services	D+	0.46	D+	-1.34
64	6.5 AD: Auctions and Disposals Unit	D+	0.45	D	-1.40
65	8.3 PD: Capital Properties (Kabul) Directorate	D+	0.45	D	-1.44
66	1.1.6 OoCS: Non-Allocated Advisor Pool	D	0.39	D	-2.19

Table 13. 2016 Mid-Year League Baseline League Table: Directorate General: Adjusted Scores for TA, Risk and Impact

	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 Office of the President	A	0.8013	A+	2.92	B+	0.79	A+	2.76	A	81.82	A	81.59	A	83.64
4.0 Treasury Department	B	0.6601	A+	1.16	B	0.66	A+	1.41	B	67.14	B	70.36	B+	76.43
5.0 Budget Department	B	0.6425	A+	0.94	B	0.63	A+	1.00	B	66.00	B	66.33	B	69.67
16.0 Macro-Fiscal Performance Department	B	0.6107	A	0.55	C+	0.59	A	0.63	C+	58.55	B	64.00	B	71.00
9.0 Human Resources Department	B	0.6015	B+	0.43	B	0.60	A	0.76	B	65.50	B	60.33	B	63.33
17.0 Aid Management Directorate	C+	0.5938	B+	0.34	C+	0.55	B+	0.22	B	61.11	C+	56.11	C+	59.44
3.0 Revenues Department	C+	0.5902	B+	0.29	C	0.54	B	-0.07	C+	55.21	C	53.55	C+	56.41
13.0 Monitoring, Analysis and Reporting General Directorate	C+	0.5890	B+	0.28	C+	0.56	B+	0.31	C+	57.50	C	50.00	B	65.00
19.0 Other Partner Agencies	C+	0.5711	B	0.05	C	0.55	B	0.16	B	63.10	B	61.90	B	69.66
10.0 Insurance Department	C+	0.5683	B	0.02	C	0.53	B	-0.04	C	53.75	D+	49.17	B	60.00
1.0 Office of the Minister	C+	0.5651	B	-0.02	C	0.53	B	0.02	C+	55.57	C+	57.16	C+	58.86
6.0 Admin Department	C+	0.5599	B	-0.09	C	0.51	C+	-0.24	C	53.25	D+	49.76	D+	48.57
15.0 Revenue Planning Department	C+	0.5571	B	-0.12	C	0.52	B	-0.10	C	51.00	C	54.00	B	61.00
11.0 Internal Audit Department	C	0.5478	C+	-0.24	C	0.53	B	-0.06	C+	58.30	C	54.11	C+	55.36
2.0 Customs Department	C	0.5435	C+	-0.29	C	0.51	C+	-0.26	C+	55.00	C	53.10	C	53.80
7.0 SOE Department	C	0.5028	C	-0.80	D+	0.46	C	-0.74	D+	48.43	D+	46.71	D+	49.43
14.0 Reform Implementation Management Unit (RIMU)	D+	0.4936	C	-0.91	D+	0.46	C	-0.73	C	52.50	C	51.25	C	51.25
12.0 Programs Implementation and Coordination General Directorate	D+	0.4684	D+	-1.22	D+	0.40	D+	-1.39	D+	42.50	D+	42.14	D+	44.29
8.0 Property Department	D+	0.4637	D+	-1.28	D+	0.41	D+	-1.32	D	39.54	D	38.98	D+	46.02

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

Table 14. 2016 Mid-Year League Baseline League Table: Directorates: Adjusted Scores for TA, Risk and Impact

	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 EFFECTIVENESS	RAW EFFECTIVENESS SCORE
18.1 National Procurement Authority (NPA)	A	0.80	A+	2.92	B+	0.79	A+	2.76	A	81.82	A	81.59	A	83.64
4.3 TD: Payments	B	0.68	A+	1.42	B	0.69	A+	1.64	B+	75.00	B	72.50	B+	75.00
9.3 HRD: Organizational Development	B	0.66	A+	1.13	B	0.68	A+	1.57	B	73.75	B	65.00	B+	77.50
4.1 TD: Treasury Systems Development	B	0.66	A+	1.12	B	0.64	A+	1.16	B	62.86	B	67.86	B+	75.00
5.2 BD: Budget Policy	B	0.65	A+	1.04	B	0.64	A+	1.11	B	67.78	B	66.67	B	70.56
9.2 HRD: Recruitment Development	B	0.65	A+	1.03	B	0.66	A+	1.40	B	71.25	B	62.50	B	70.00
16.1 MFPD: Fiscal Directorate	B	0.64	A+	0.95	B	0.61	A+	0.82	B	63.75	B	62.50	B	68.33
4.2 TD: Accounting	B	0.64	A+	0.94	B	0.67	A+	1.43	B	66.67	B	73.33	A	81.67
3.3 RD: Medium Taxpayers Office	B	0.63	A+	0.83	C+	0.59	A	0.64	B	61.67	C+	55.33	B	64.00
6.3 AD: IT	B	0.63	A+	0.81	C+	0.58	A	0.57	B+	75.56	C	54.44	C+	55.56
5.1 BD: Budget Execution	B	0.63	A	0.79	B	0.61	A+	0.85	B	63.33	B	65.83	B	68.33
13.1 MARGD: Directorate of Program Monitoring	B	0.63	A	0.74	B	0.60	A	0.76	C+	55.00	C	50.00	B+	75.00
3.4 RD: Small Taxpayers Office	B	0.62	A	0.63	C+	0.57	B+	0.42	C+	57.22	C+	56.39	C+	58.89
16.4 MFPD: Performance Management Team	B	0.62	A	0.62	B	0.62	A+	0.89	C+	57.50	C+	58.33	B	74.17
9.1 HRD: Training & Development	B	0.61	A	0.59	B	0.61	A+	0.81	B	61.25	B	65.63	B	66.88
1.1.1 OoCS: Chief of Staff Operations	B	0.61	A	0.57	B	0.60	A	0.76	C+	55.00	C+	56.43	B	64.29
3.6 RD: Legal	B	0.60	B+	0.44	C	0.55	B	0.15	C+	56.43	C+	55.36	C+	56.79
1.1.5 OoCS: Protocol Office	C+	0.60	B+	0.40	C+	0.59	A	0.66	C+	57.50	C+	57.50	B	67.50
1.1.2 OoCS: Correspondence Office	C+	0.60	B+	0.36	C+	0.56	B+	0.27	C+	56.25	C+	57.50	B	62.50
17.1 AMD: Aid Management	C+	0.59	B+	0.34	C+	0.55	B+	0.22	B	61.11	C+	56.11	C+	59.44
3.1 RD: Office of the DG (Revenue)	C+	0.59	B+	0.30	C	0.55	B	0.19	C+	56.39	C+	55.28	C+	59.72

	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 EFFECTIVENESS	RAW EFFECTIVENESS SCORE
3.2 RD: Large Taxpayers Office	C+	0.59	B+	0.29	C	0.54	B	0.05	C	52.31	C+	55.00	C+	55.77
1.2 OoM: Legal Board	C+	0.59	B+	0.26	C	0.54	B	0.13	C+	58.53	C+	59.12	B	60.29
6.4 AD: MoF Project Implementation Unit	C+	0.59	B+	0.24	C	0.53	B	0.01	C	50.67	C	53.33	C	53.00
11.1 IAD: Office of the DG	C+	0.58	B	0.20	C+	0.56	B+	0.29	B	60.91	C+	57.73	B	60.00
3.9 RD: Revenue Services and Support	C+	0.58	B	0.19	C	0.52	B	-0.13	C	53.75	C	52.50	C	54.11
9.4 HRD: Performance Appraisal & Record Keeping	C+	0.58	B	0.19	C+	0.57	B+	0.37	B	70.63	C	53.13	C	53.13
3.8 RD: Technical and Provincial Liaison	C+	0.58	B	0.19	C	0.51	B	-0.19	C+	55.42	C	51.67	C	54.58
16.3 MFPD: Admin and Reporting Unit	C+	0.58	B	0.16	C+	0.59	A	0.61	B	62.50	B	61.25	B	66.25
15.1 RPD: Revenue Analysis and Forecasting	C+	0.57	B	0.06	C	0.51	C+	-0.22	C	50.00	C	50.00	B	60.00
19.1 AEITI Secretariat	C+	0.57	B	0.05	C	0.55	B	0.16	B	63.10	B	61.90	B	69.66
10.1 ID: Insurance Affairs	C+	0.57	B	0.01	C	0.53	B	-0.03	C	53.75	D+	49.17	B	60.00
1.1 OoM: Office of the Chief of Staff	C+	0.56	B	-0.03	C	0.54	B	0.09	C	54.17	C+	55.28	B	60.56
2.2 CD: Law Enforcement	C+	0.56	B	-0.14	C	0.51	C+	-0.25	C+	55.63	C	54.38	C	53.75
11.2 IAD: Compliance and IT Audit and Fraud Investigation	C+	0.55	B	-0.17	C	0.54	B	0.07	C+	55.00	C	51.92	C	53.85
13.2 MARGD: Directorate for Analysis and Reporting	C+	0.55	B	-0.19	C	0.52	B	-0.15	B	60.00	C	50.00	C+	55.00
2.5 CD: Department of Monitoring and Preventing Customs Violations	C+	0.55	C+	-0.21	D+	0.49	C+	-0.47	C	50.00	C	50.00	C	50.00
2.4 CD: Operations	C	0.55	C+	-0.21	D+	0.49	C+	-0.43	C	54.17	C	52.50	C	51.94
15.2 RPD: Monitoring and Evaluation of Revenue Targets	C	0.55	C+	-0.22	D+	0.49	C+	-0.47	C	51.43	C+	55.71	B	61.43
3.7 RD: Non-Tax Revenue	C	0.55	C+	-0.23	D+	0.48	C+	-0.54	C	53.44	C	50.31	C	53.44
11.3 IAD: Budget and Treasury Audit	C	0.55	C+	-0.23	C	0.53	B	-0.07	B	61.15	C+	56.92	C+	57.69
11.4 IAD: Customs and Revenue Audit	C	0.55	C+	-0.23	C	0.53	B	-0.07	B	61.15	C	54.23	C+	55.00

	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 EFFECTIVENESS	RAW EFFECTIVENESS SCORE
2.3 CD: Customs Technical Affairs	C	0.54	C+	-0.28	C	0.52	B	-0.09	C+	57.14	C	54.29	C+	56.43
1.1.3 OoCS: Archive Office	C	0.54	C+	-0.34	C	0.51	C+	-0.25	C	53.33	C+	55.00	C+	55.00
9.5 HRD: Employee Relations	C	0.54	C+	-0.34	C	0.54	B	0.11	C+	55.00	C+	58.33	C+	58.33
2.1 CD: Customs Support and Development	C	0.53	C+	-0.40	C	0.51	C+	-0.26	C	53.75	C	51.88	C	54.38
3.5 RD: Appeals	C	0.53	C+	-0.44	D+	0.46	C	-0.75	D+	49.09	D+	49.09	D+	49.09
16.2 MFPD: Macroeconomic Unit	C	0.53	C+	-0.45	D+	0.49	C+	-0.47	C	50.56	C	51.11	C+	57.22
12.2 PICGD: Directorate for Policy Research	C	0.53	C+	-0.46	D+	0.49	C+	-0.44	D+	40.00	D+	40.00	D+	40.00
1.3 OoM: Communications and Public Relations Directorate	C	0.525	C+	-0.514	D+	0.480	C+	-0.56	C	53.18	C+	56.82	C	53.18
7.3 SD: Financial Monitoring SoEs	C	0.52	C+	-0.53	D+	0.47	C	-0.62	C	50.50	C	50.50	C	52.00
6.2 AD: Finance and Accounting	C	0.52	C+	-0.56	D+	0.48	C+	-0.58	C	51.11	D+	47.50	C	51.11
7.1 SD: Policy & Coordination	C	0.52	C	-0.63	D+	0.47	C	-0.63	C	54.00	D+	42.00	C	54.00
6.6 AD: Gender Unit	C	0.51	C	-0.68	D+	0.48	C+	-0.60	C	52.00	C	53.00	C	52.00
11.5 IAD: Budgetary Audit and Capacity Development (line ministries)	C	0.51	C	-0.70	D+	0.49	C+	-0.49	C+	58.33	C	50.83	C	50.83
14.1 RIMU	D+	0.49	C	-0.91	D+	0.46	C	-0.73	C	52.50	C	51.25	C	51.25
7.4 SD: Divesture of State Profitable Entities and Establishment of New State-Owned Enterprises and Corporations	D+	0.49	C	-0.95	D+	0.42	D+	-1.16	D+	45.00	D+	45.00	D+	45.00
7.2 SD: Financial Monitoring SoCs	D+	0.48	D+	-1.07	D+	0.47	C	-0.63	D+	45.00	D+	45.00	D+	46.00
8.1 PD: Provincial Property Directorate	D+	0.48	D+	-1.07	D+	0.42	D+	-1.15	D+	44.09	D+	43.64	C	50.00
1.1.4 OoCS: Translation Board	D+	0.47	D+	-1.18	D+	0.46	C	-0.82	C+	55.00	C+	55.00	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 EFFECTIVENESS	RAW EFFECTIVENESS SCORE
12.1 PICGD: Directorate for Coordination of National Priority Programs	D+	0.47	D+	-1.21	D+	0.40	D+	-1.37	D+	42.69	D+	42.31	D+	44.62
8.2 PD: Registration and Resolution Directorate	D+	0.46	D+	-1.27	D+	0.41	D+	-1.29	D	32.33	D	32.00	D+	40.67
6.1 AD: Procurement and General Services	D+	0.46	D+	-1.34	D	0.38	D	-1.62	D+	47.92	D+	47.08	D	34.58
6.5 AD: Auctions and Disposals Unit	D+	0.45	D	-1.40	D+	0.41	D+	-1.33	D+	40.00	D+	40.00	D+	42.50
8.3 PD: Capital Properties (Kabul) Directorate	D+	0.45	D	-1.44	D	0.39	D	-1.47	D+	46.14	D+	45.45	D+	48.86
1.1.6 OoCS: Non-Allocated Advisor Pool	D	0.39	D	-2.19	D	0.36	D	-1.84	D+	40.00	D+	40.00	D+	40.00

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

ATTACHMENT B: METHODOLOGY

Box 4. Why Team Based Performance Matters

Team based performance matters to the leadership, reflecting 5 core values:

- We Believe Strong Teams Deliver the Best Results

- We Believe That Every Team and Every Team Member Matters

- We Believe That Measuring, Rating and Ranking Performance Helps Teams Work Better and Deliver Better Results

- We Believe That We Must Recognize Efforts of Hard Working Teams and Help Those Teams Who Need It The Most

- We Believe That a Resilient and High Performing MoF will Help Realise a Long and Prosperous Future for Afghanistan and All its People

108. **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 minimising 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.

109. **The engagement method** reflects the requirement of the Minster 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.

110. The measurement methodology utilises 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 prioritise 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.

111. **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 recognise that it is teams (organisational 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.

112. **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 is 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".

113. **What is new is this mechanism to manage team performance in pursuit of successful PFM reform**, driven in part by the work of Jack Diamond7 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 utilised. 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.

114. **The performance grading methodology drew on Diamond's approach**[7] 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:

1. *Assess likely impact or importance* of reform activities;
2. *Assess risk of failure or difficulty* for each reform activity – in terms of

[7] Diamond, 2013, "Good Practice Note on Sequencing PFM Reforms", PEFA Secretariat, Washing DC, USA.

i. number of organizations;
ii. complexity;
iii. time required;
iv. scope;
v. behavior change required; and
vi. visibility; and
vii. management competency.

115. **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 recognising that some teams focus on more difficult and important work compared to other teams. It also provides a solid foundation to produce defendable league tables of reform performance during implementation.

116. **The performance management approach integrates into the system to help prioritise 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.

117. **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:

i. ***timeliness*** *– was the activity done on time;*
ii. ***quality*** *– was the activity done to a high or low quality; and*
iii. ***effectiveness*** *– of effort and in dealing with problems.*

118. **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 defence 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.

119. **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.

120. **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:

   i. ***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.*
   ii. ***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*
   iii. ***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.*

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

122. **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 finalise 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

123. **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.

124. **The 2016 mid-year assessment used unequal weights** – with some parameter values weighted significantly higher. Table 15 provides an overview of the parameters used as baselines for calculating performance, risk and impact and standardised scores. Sensitivity analysis assesses the sensitivity of ranking results to changes in parameter assumptions. These are at Attachment D: Sensitivity Analysis on page 43.

Table 15. Baseline Parameters in Performance Management System

Variable	Weight
Performance Score Parameters	
p= p1 x time + p2 x quality+p3 x Effectiveness x (1-p4xTA/TAMax)	
Timeliness	0.20
Quality	0.30
Effectiveness	0.50
TA/TAmax	0.20
Risk Score Parameters	
r= r1 x complexity + r2 x change+r3 x organisations +r4 x time + r5 (1-visibility) + r6 x (1-compentencues)	
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 x impact + X2 x risk+X3 x P score	
impact	0.10
r	0.10
p	0.80

Performance score (p): Why effectiveness is weighted more

125. **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.

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

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

128. **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

129. **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):

130. **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

131. **Table 16 presents parameters used for grading.** We adjusted some of the thresholds for translating scores to grades as a motivational and system protection strategy.

Table 16. 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

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

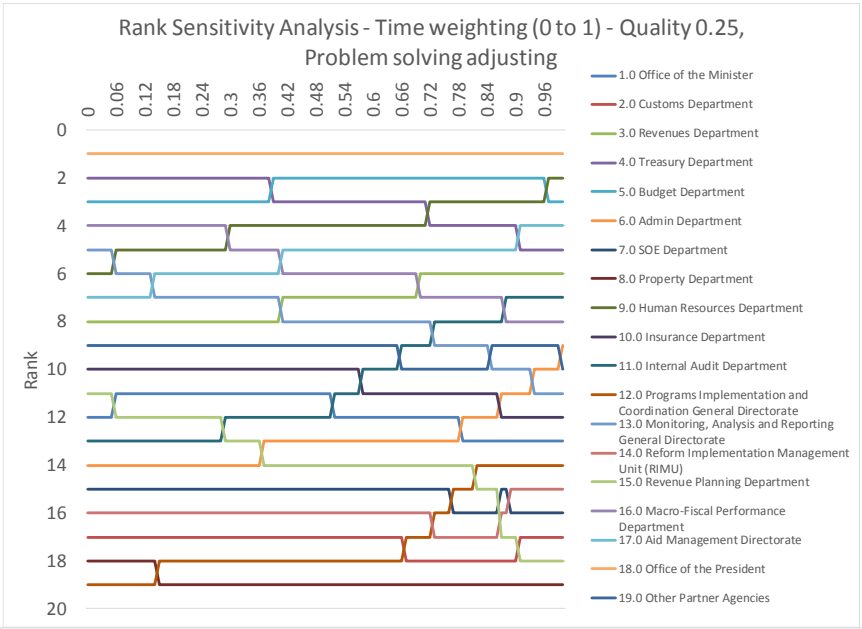
ATTACHMENT D: SENSITIVITY ANALYSIS

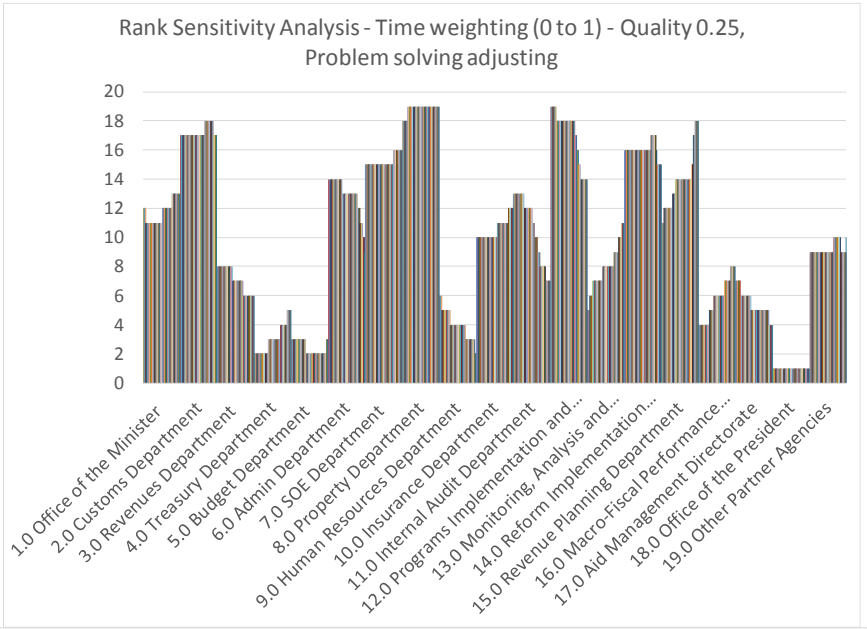
133. **This section documents results of sensitivity analysis** by changing the values of parameters used for collating performance scores.

Table 17. One-Way Sensitivity Analysis Results – parameters

Parameter	Total	Avg	Std. Dev	Sensitivity Analysis Parameters – increments of 0.01
Risk	187	1.9	1.6	Impact 0.1, p adjusting
Impact	135	1.4	1.6	Risk 0.1, p adjusting
TA	122	1.2	1.3	0.1 increments (0 to 1) TA only (0 to 1)
Time	63	0.6	1.2	Quality 0.25, Problem solving adjusting
Quality	54	0.5	1.1	Timeliness 0.25, Problem solving adjusting
Visibility	26	0.3	0.7	0.1 increments (0 to 1)) - others equal weight but complexity locked at 0.15
Complexity	24	0.2	0.8	others equal weight but visibility locked in at 0.25

Figure 12. One-Way Sensitivity Analysis: Timeliness





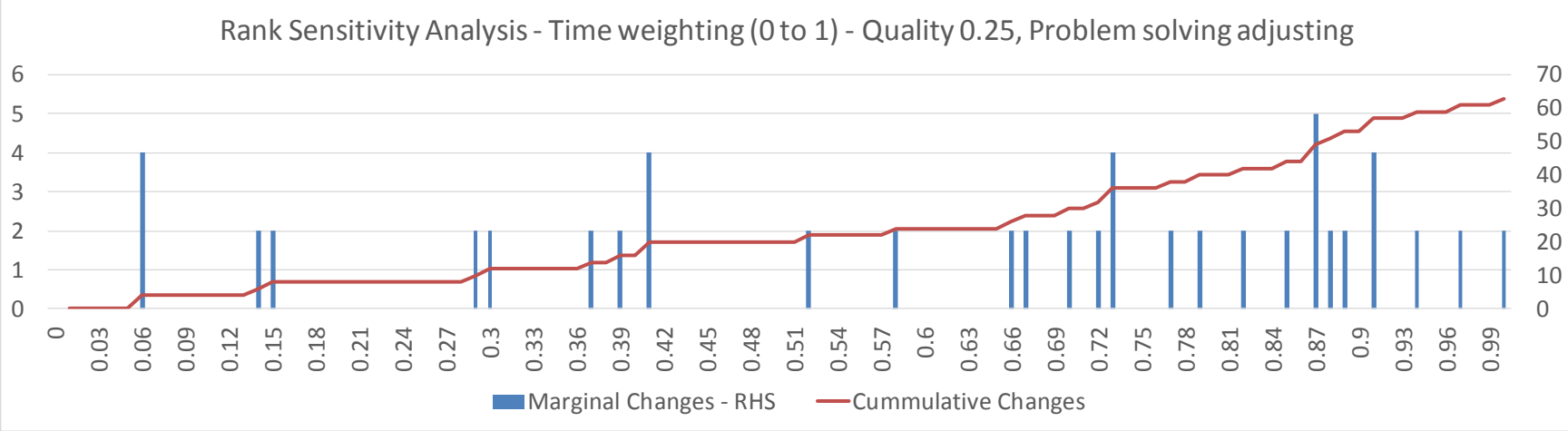
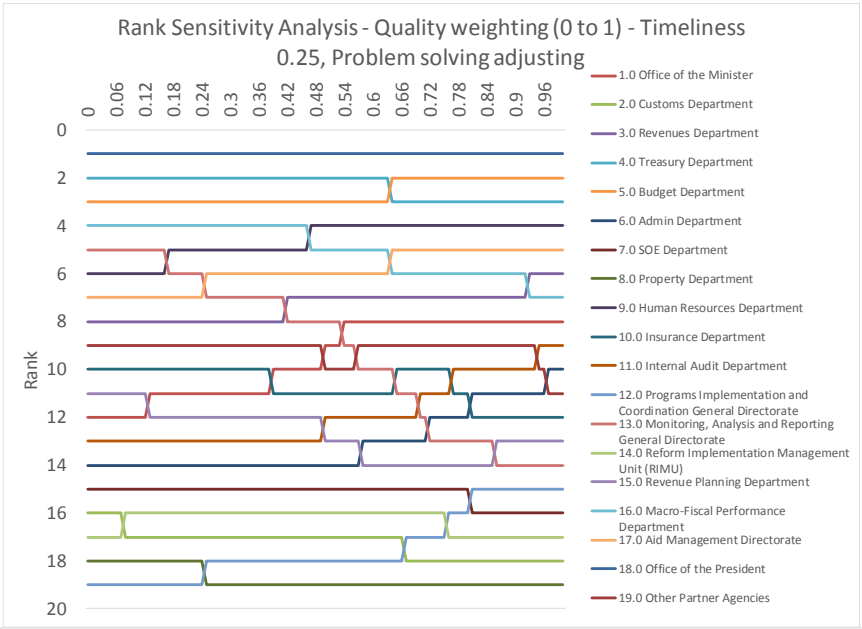
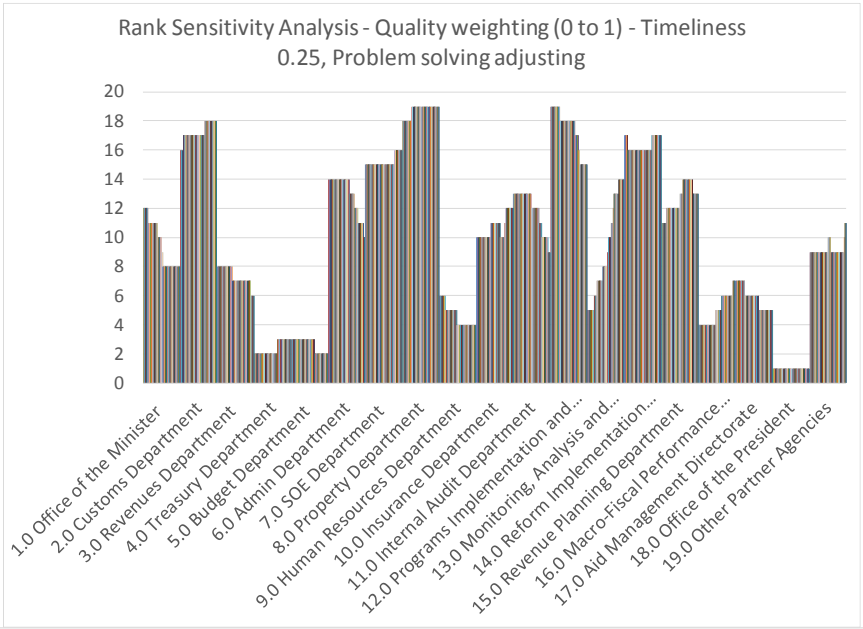


Figure 13. One-Way Sensitivity Analysis: Quality





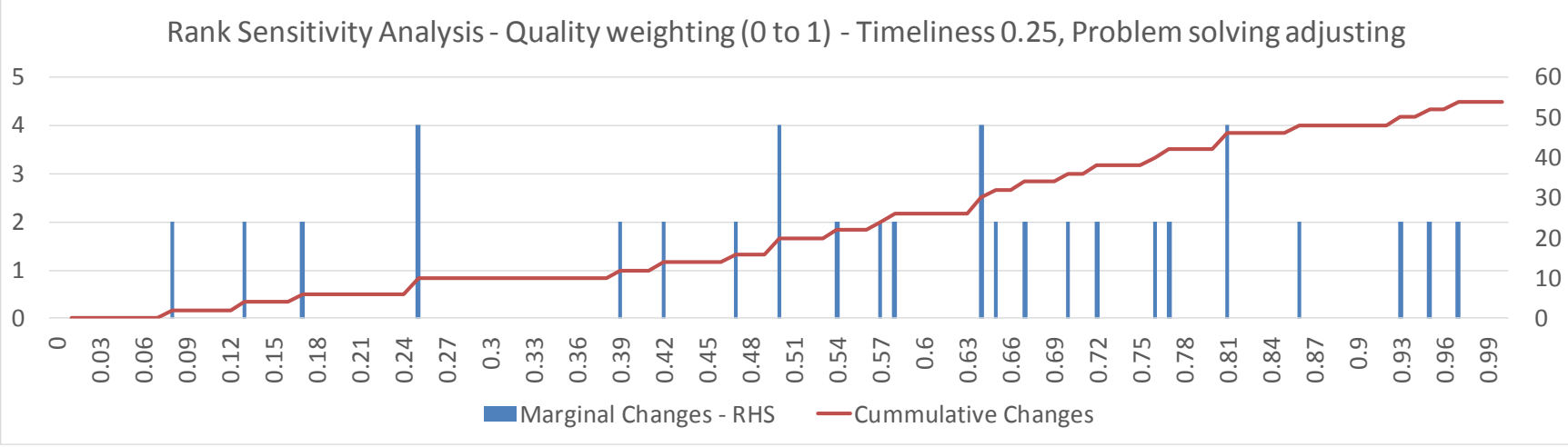
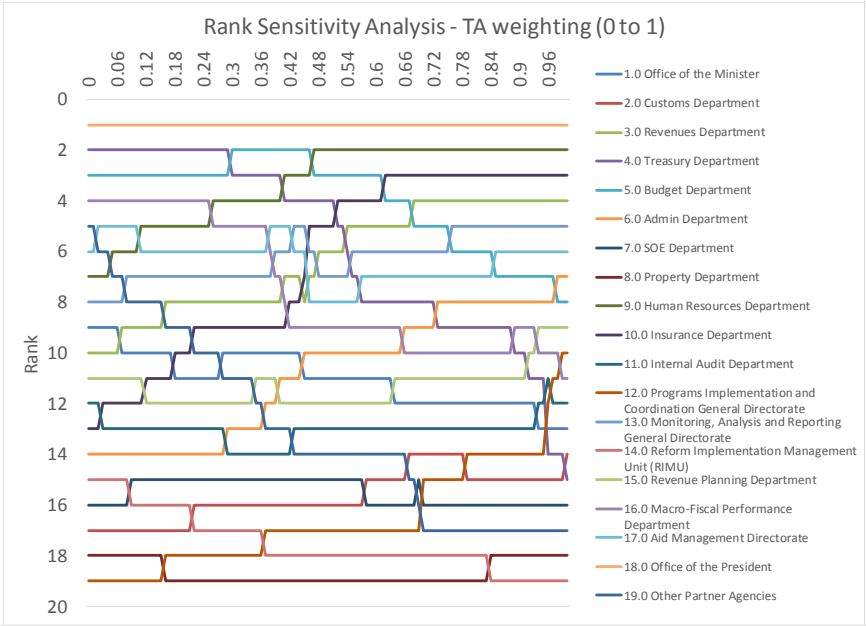
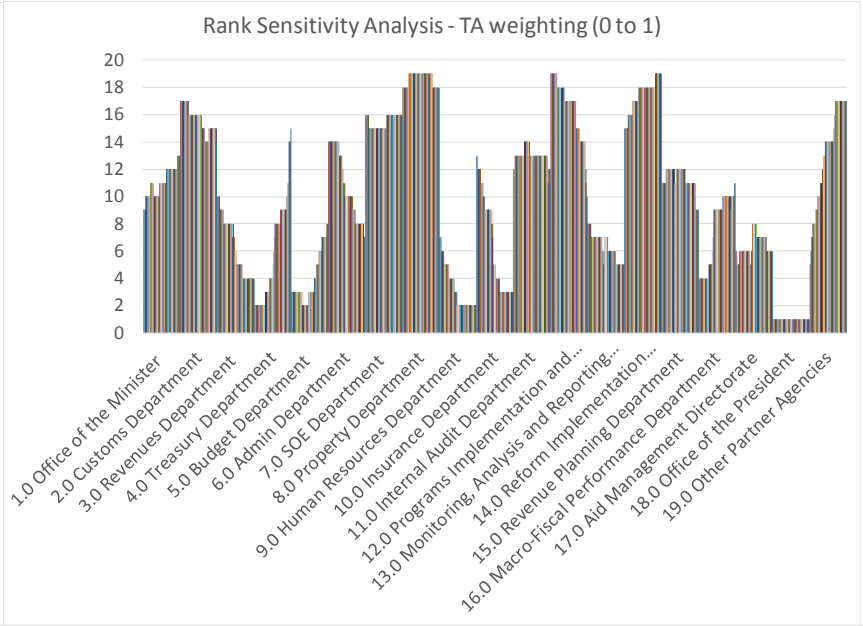


Figure 14. One-Way Sensitivity Analysis: TA





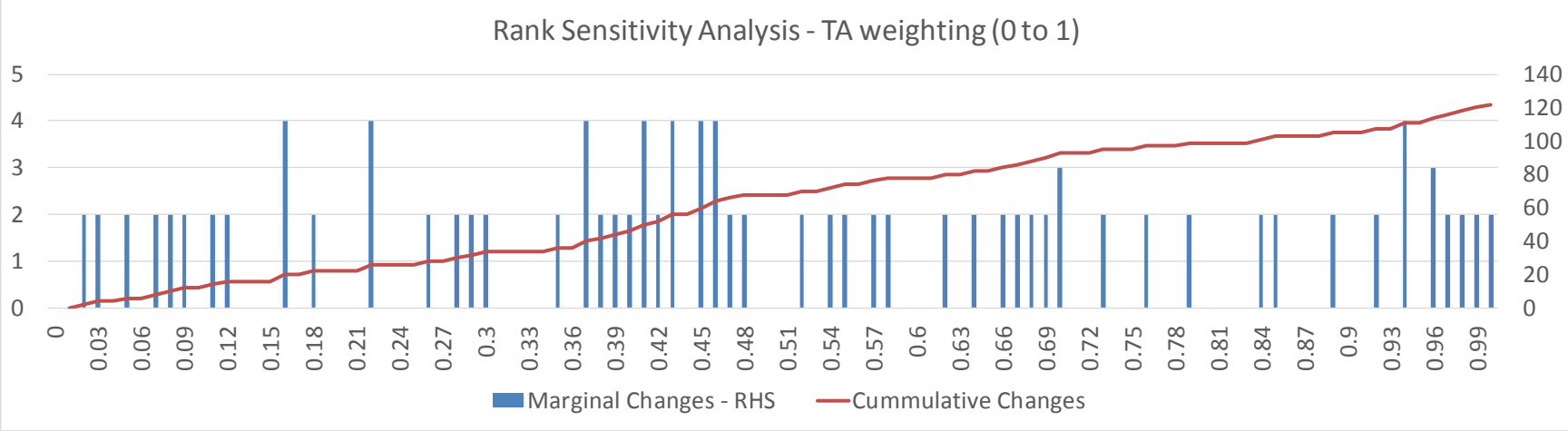
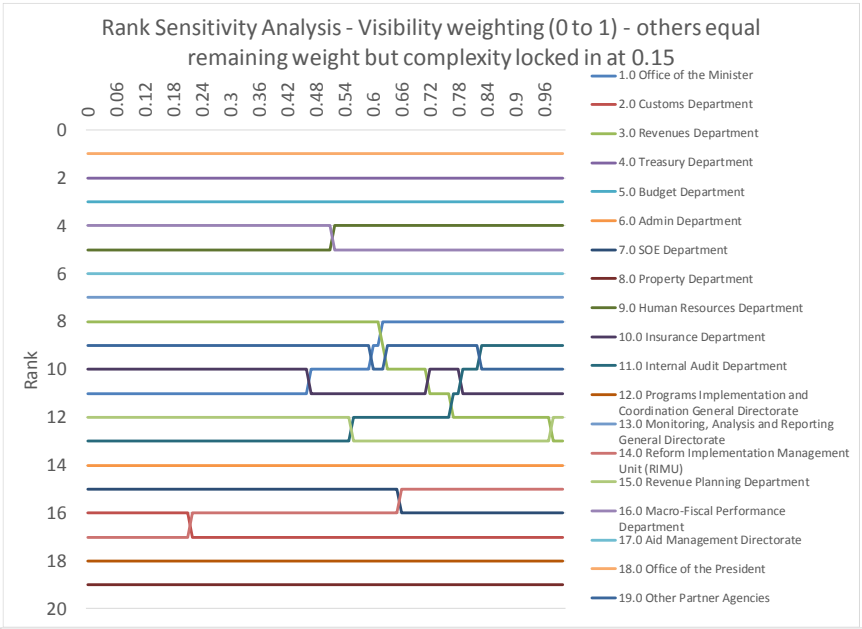
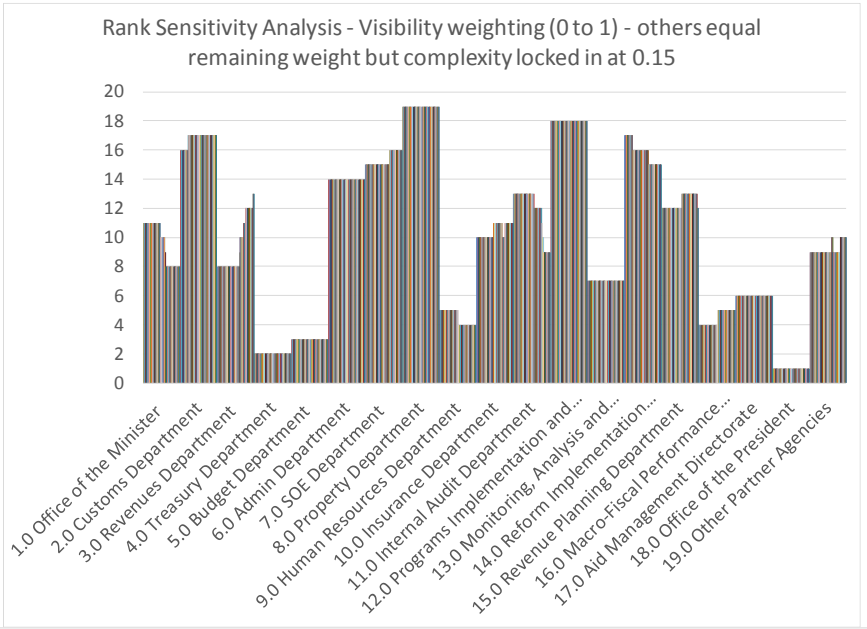


Figure 15. One-Way Sensitivity Analysis: Visibility





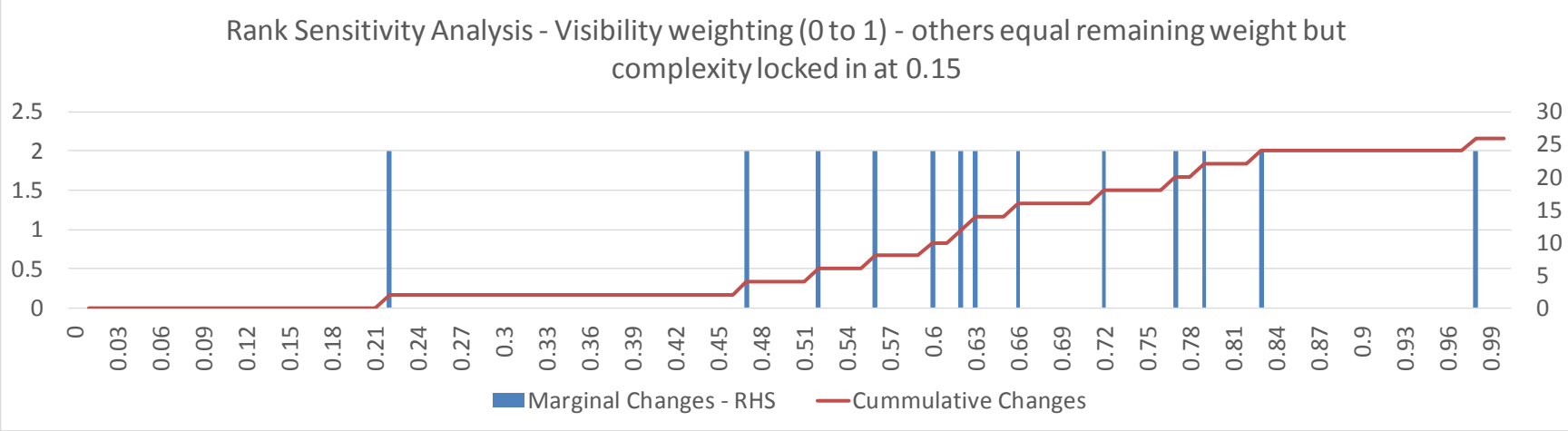
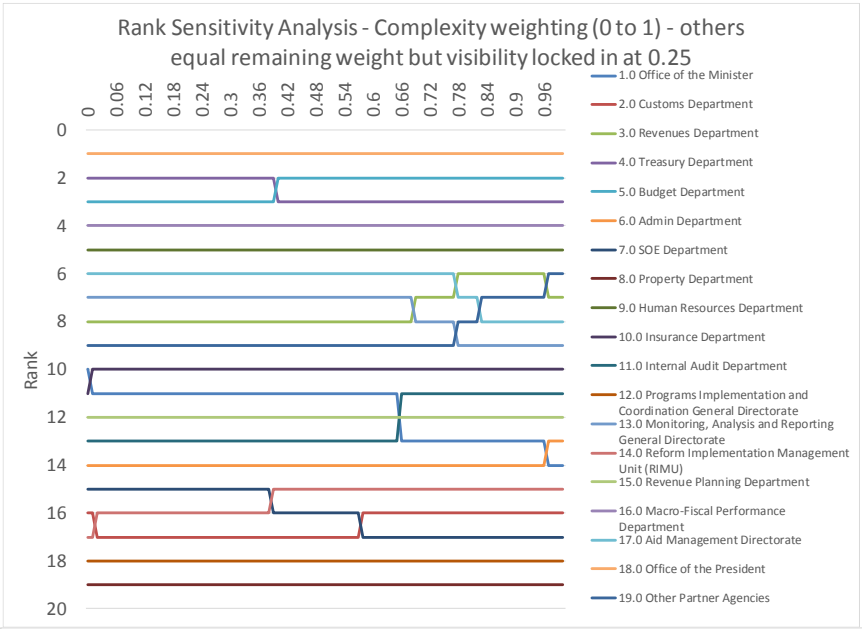
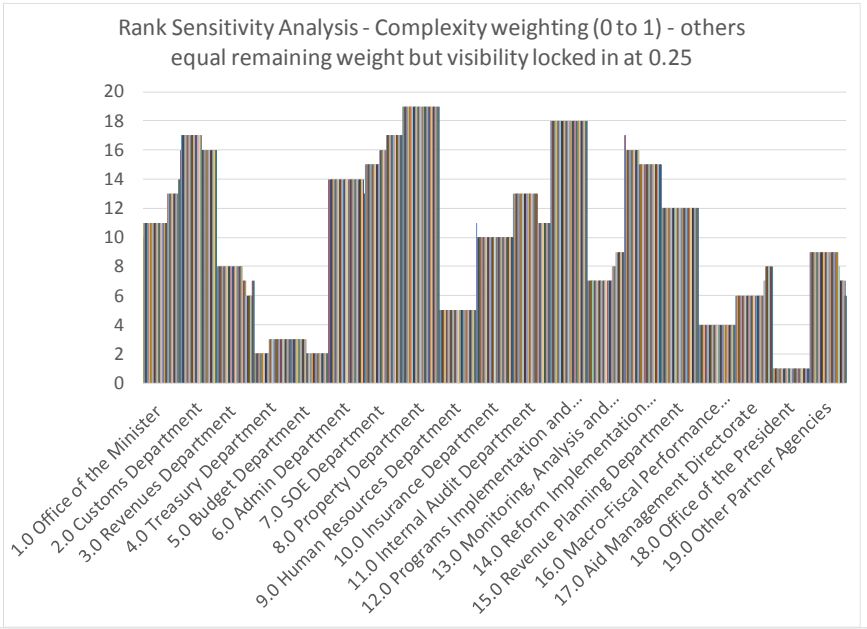


Figure 16. One-Way Sensitivity Analysis: Complexity





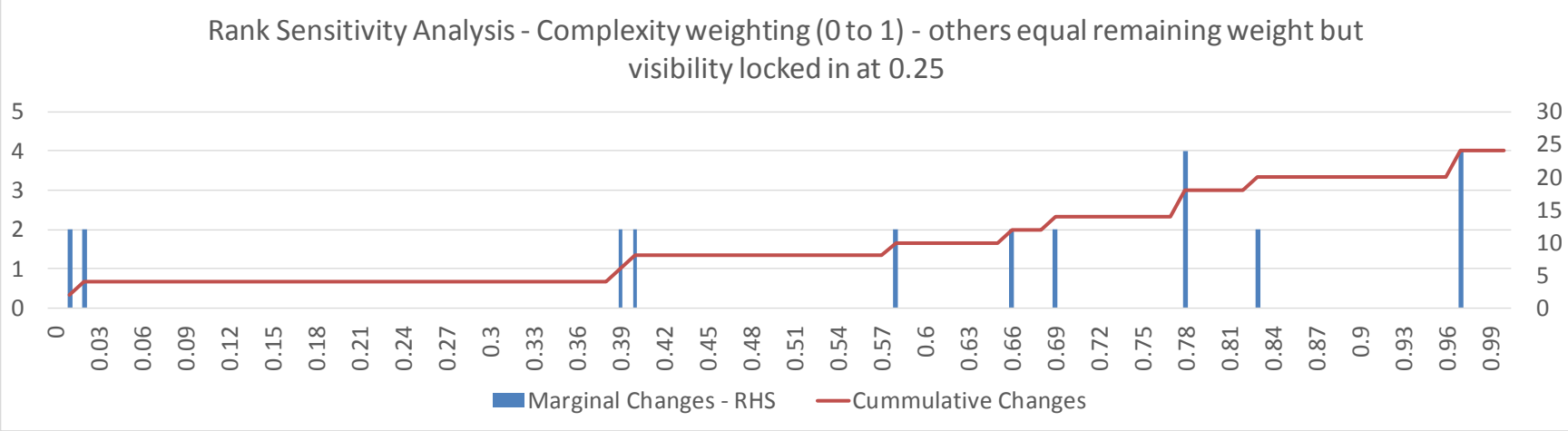
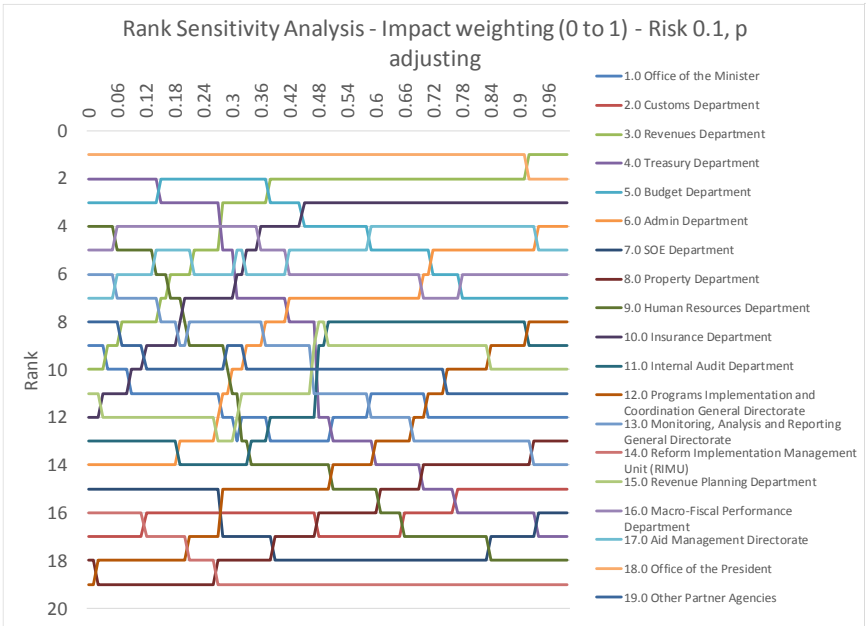
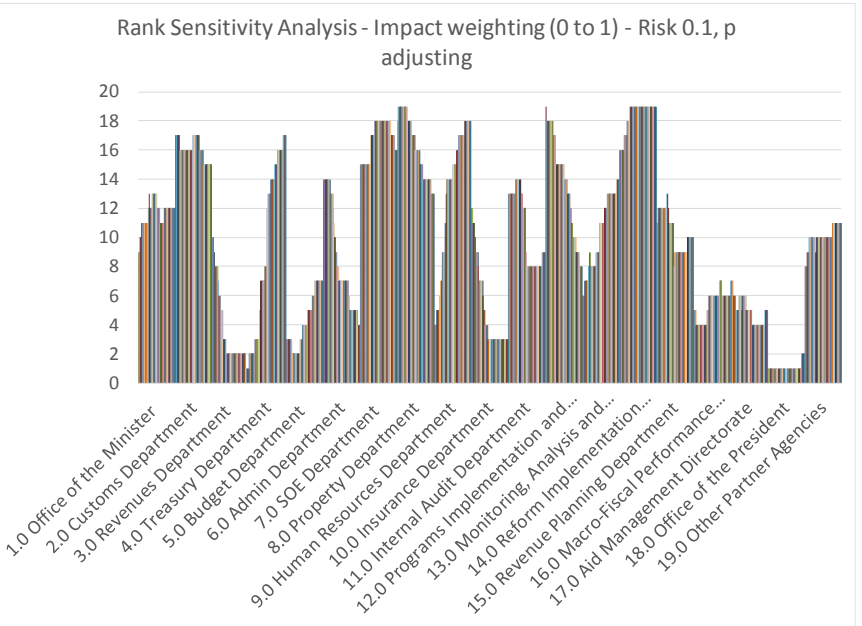


Figure 17. One-Way Sensitivity Analysis: Impact





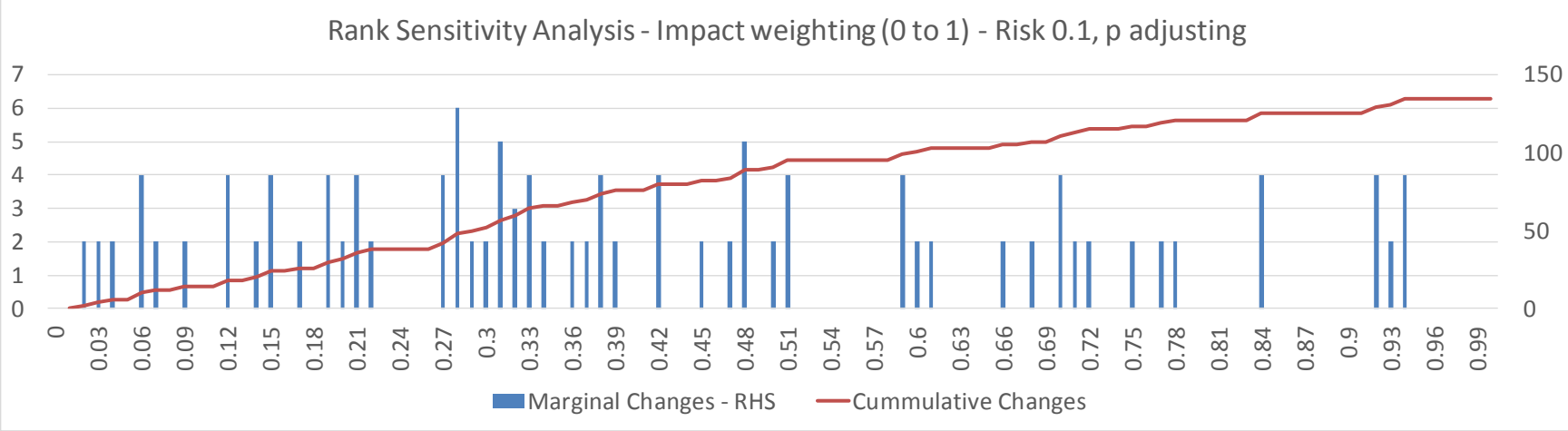
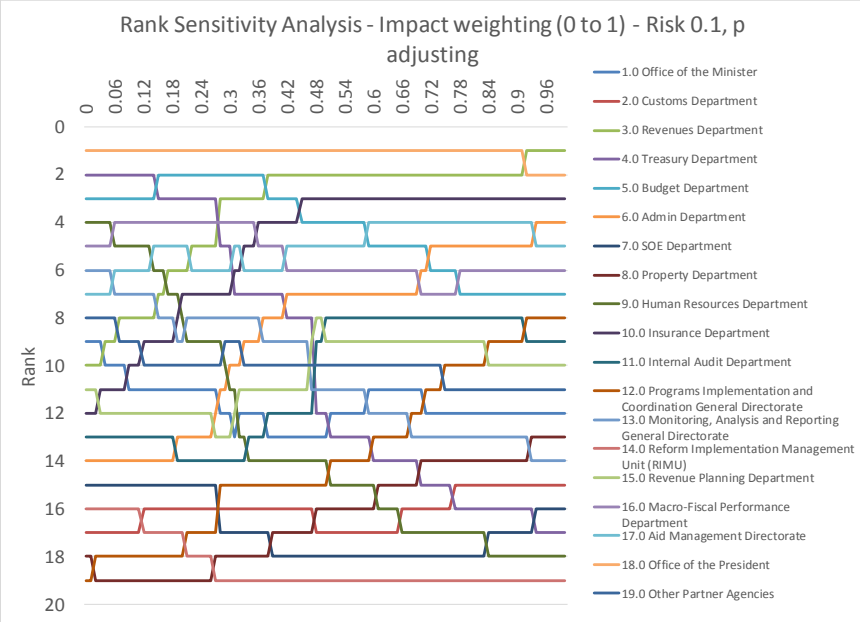
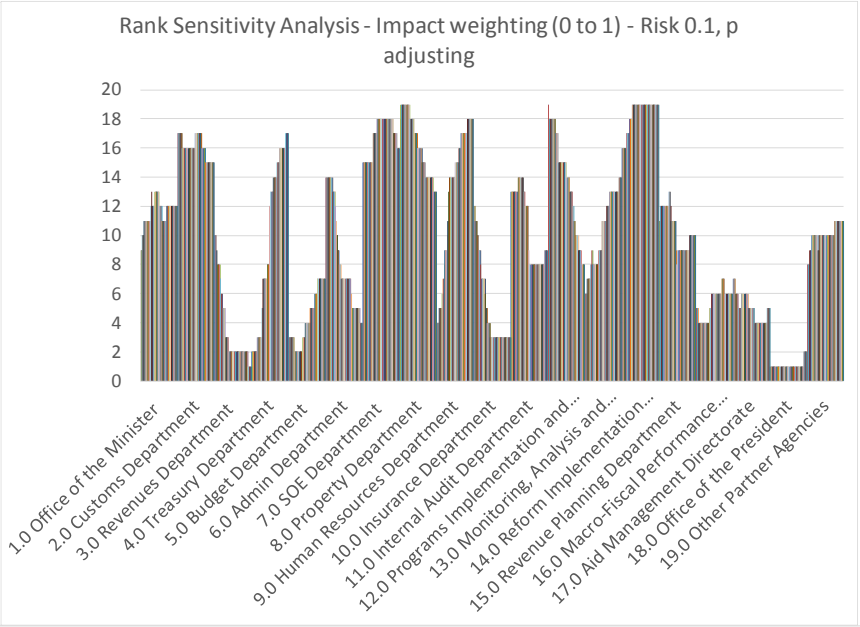
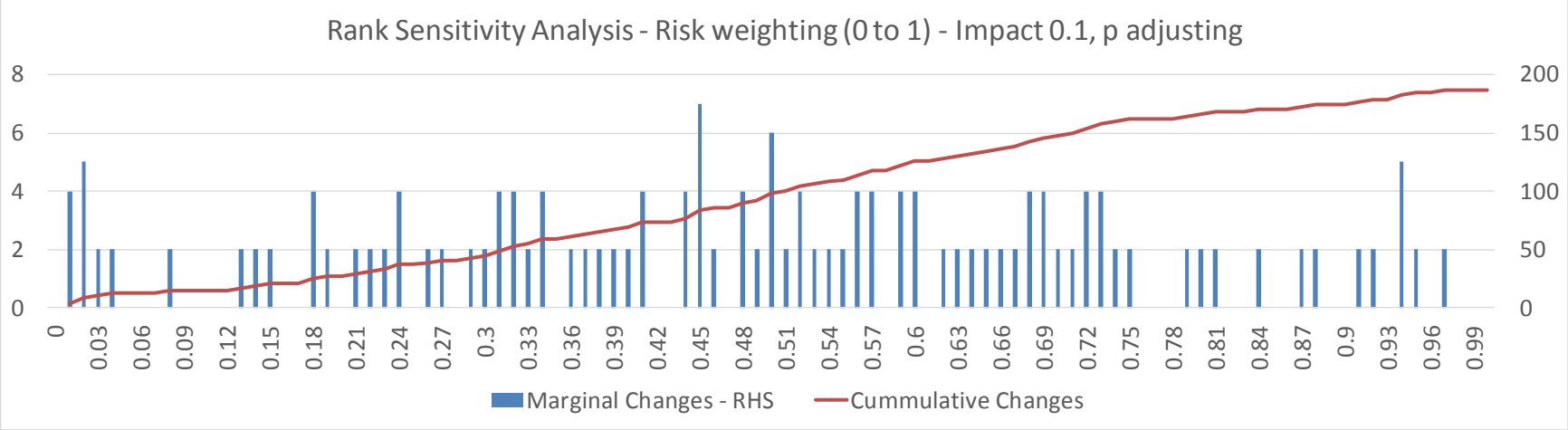


Figure 18. One-Way Sensitivity Analysis: Risk







ATTACHMENT E: PERFORMANCE, RISK-IMPACT HEAT MAP

134. This presents performance, risk and impact results in a table using colours to represent the performance and risk-impact results.

Team	X NORM SCORE	P NORM SCORE	X SCORE	P SCORE	RAW TIME SCORE	RAW QUALITY SCORE	RAW EFFECTIVENESS SCORE	Impact	Risk	Complexity	Behaviour change	No. of Organisations	Time required	Visibility of reform impact	Management Competency	TA	No of Scored KPIs
1.0 Office of the Minister	-0.02	0.02	0.57	0.53	55.57	57.16	58.86	-0.16	1.63	60.94	77.34	78.91	81.25	66.41	38.28	0.32	61
1.1 OoM: Office of the Chief of Staff	-0.03	0.09	0.56	0.54	54.17	55.28	60.56	-0.37	1.47	48.86	72.73	80.68	78.41	59.09	44.32	0.38	25
1.1.1 OoCS: Chief of Staff Operations	0.57	0.76	0.61	0.60	55.00	56.43	64.29	0.04	1.69	46.88	90.63	87.50	100.00	75.00	46.88	0.40	8
1.1.2 OoCS: Correspondence	0.36	0.27	0.60	0.56	56.25	57.50	62.50	0.19	1.62	43.75	81.25	87.50	68.75	50.00	50.00	0.34	4
1.1.3 OoCS: Archive Office	-0.34	-0.25	0.54	0.51	53.33	55.00	55.00	-0.43	1.26	60.00	65.00	75.00	60.00	55.00	45.00	0.36	3
1.1.4 OoCS: Translation Board	-1.18	-0.82	0.47	0.46	55.00	55.00	65.00	-1.67	1.16	50.00	50.00	58.33	75.00	50.00	25.00	0.38	1
1.1.5 OoCS: Protocol Office	0.40	0.66	0.60	0.59	57.50	57.50	67.50	-1.05	1.53	50.00	50.00	75.00	75.00	50.00	25.00	0.25	2
1.1.6 OoCS: N/A Advisor Pool	-2.19	-1.84	0.39	0.36	40.00	40.00	40.00	-1.67	0.68	25.00	25.00	100.00	50.00	25.00	75.00	0.50	1
1.2 OoM: Legal Board	0.26	0.13	0.59	0.54	58.53	59.12	60.29	0.19	2.49	95.83	95.83	91.67	95.83	87.50	25.00	0.43	21
1.3 OoM: Communications	-0.51	-0.56	0.53	0.48	53.18	56.82	53.18	-0.01	1.24	80.00	80.00	50.00	75.00	80.00	25.00	0.14	11
2.0 Customs Department	-0.29	-0.26	0.54	0.51	55.00	53.10	53.80	-0.16	1.04	75.00	72.37	76.32	75.00	73.68	59.21	0.26	66
2.1 CD: Support and Development	-0.40	-0.26	0.53	0.51	53.75	51.88	54.38	-0.43	0.84	67.86	71.43	75.00	57.14	67.86	64.29	0.31	9
2.2 CD: Law Enforcement	-0.14	-0.25	0.56	0.51	55.63	54.38	53.75	0.19	1.53	87.50	75.00	87.50	100.00	87.50	62.50	0.30	10
2.3 CD: Customs Technical Affairs	-0.28	-0.09	0.54	0.52	57.14	54.29	56.43	-0.93	1.45	55.00	45.00	75.00	80.00	50.00	35.00	0.18	19
2.4 CD: Operations	-0.21	-0.43	0.55	0.49	54.17	52.50	51.94	0.81	1.04	100.00	100.00	75.00	75.00	100.00	75.00	0.25	21
2.5 CD: Preventing Violations	-0.21	-0.47	0.55	0.49	50.00	50.00	50.00	0.81	1.41	100.00	100.00	75.00	100.00	100.00	75.00	0.25	2
3.0 Revenues Department	0.29	-0.07	0.59	0.54	55.21	53.55	56.41	0.75	1.70	98.86	100.00	75.38	99.62	96.59	57.58	0.18	201
3.1 RD: Office of the DG (Revenue)	0.30	0.19	0.59	0.55	56.39	55.28	59.72	0.25	1.62	90.63	100.00	90.63	100.00	96.88	59.38	0.28	23
3.2 RD: Large Taxpayers Office	0.29	0.05	0.59	0.54	52.31	55.00	55.77	0.81	1.51	100.00	100.00	70.00	100.00	100.00	62.50	0.14	18
3.3 RD: Medium Taxpayers Office	0.83	0.64	0.63	0.59	61.67	55.33	64.00	0.81	1.49	100.00	100.00	69.44	100.00	100.00	63.89	0.13	21
3.4 RD: Small Taxpayers Office	0.63	0.42	0.62	0.57	57.22	56.39	58.89	0.81	1.49	100.00	100.00	69.44	100.00	100.00	63.89	0.13	25
3.5 RD: Appeals	-0.44	-0.75	0.53	0.46	49.09	49.09	49.09	0.81	1.62	100.00	100.00	65.00	100.00	100.00	50.00	0.10	12
3.6 RD: Legal	0.44	0.15	0.60	0.55	56.43	55.36	56.79	0.81	1.84	100.00	100.00	80.00	100.00	100.00	50.00	0.11	17
3.7 RD: Non-Tax Revenue	-0.23	-0.54	0.55	0.48	53.44	50.31	53.44	0.81	1.77	100.00	100.00	75.00	100.00	100.00	50.00	0.35	22
3.8 RD: Technical & Provincial	0.19	-0.19	0.58	0.51	55.42	51.67	54.58	0.81	2.33	100.00	100.00	62.50	95.83	66.67	50.00	0.19	17
3.9 RD: Services and Support	0.19	-0.13	0.58	0.52	53.75	52.50	54.11	0.81	2.01	100.00	100.00	100.00	100.00	100.00	58.33	0.13	32
4.0 Treasury Department	1.16	1.41	0.66	0.66	67.14	70.36	76.43	-0.93	0.91	58.33	58.33	95.83	91.67	79.17	79.17	0.45	19
4.1 TD: Systems Development	1.12	1.16	0.66	0.64	62.86	67.86	75.00	-0.43	0.56	75.00	75.00	100.00	100.00	87.50	87.50	0.46	9
4.2 TD: Accounting	0.94	1.43	0.64	0.67	66.67	73.33	81.67	-1.67	1.35	37.50	37.50	87.50	100.00	50.00	50.00	0.44	3
4.3 TD: Payments	1.42	1.64	0.68	0.69	75.00	72.50	75.00	0.81	-0.04	62.50	62.50	100.00	75.00	100.00	100.00	0.44	4
5.0 Budget Department	0.94	1.00	0.64	0.63	66.00	66.33	69.67	-0.20	1.41	79.69	75.00	93.75	71.88	76.56	59.38	0.40	19
5.1 BD: Budget Execution	0.79	0.85	0.63	0.61	63.33	65.83	68.33	0.19	0.86	58.33	66.67	83.33	66.67	75.00	54.17	0.42	8
5.2 BD: Budget Policy	1.04	1.11	0.65	0.64	67.78	66.67	70.56	-0.43	1.73	92.50	80.00	100.00	75.00	77.50	62.50	0.39	9
6.0 Admin Department	-0.09	-0.24	0.56	0.51	53.25	49.76	48.57	0.12	1.58	86.57	80.56	79.63	75.46	71.76	56.48	0.16	85
6.1 AD: Procurement and General	-1.34	-1.62	0.46	0.38	47.92	47.08	34.58	-0.01	2.53	75.00	91.67	75.00	100.00	58.33	33.33	0.18	15
6.2 AD: Finance and Accounting	-0.56	-0.58	0.52	0.48	51.11	47.50	51.11	-0.01	1.08	83.33	80.56	62.50	65.28	65.28	72.22	0.15	24

Team	X NORM SCORE	P NORM SCORE	X SCORE	P SCORE	RAW TIME SCORE	RAW QUALITY SCORE	RAW EFFECTIVENESS SCORE	Impact	Risk	Complexity	Behaviour change	No. of Organisations	Time required	Visibility of reform impact	Management Competency	TA	No of Scored KPIs
6.3 AD: IT	0.81	0.57	0.63	0.58	75.56	54.44	55.56	0.81	1.77	100.00	100.00	75.00	100.00	100.00	50.00	0.05	14
6.4 AD: MoF PIMU	0.24	0.01	0.59	0.53	50.67	53.33	53.00	0.43	1.93	90.63	71.88	95.31	71.88	67.19	48.44	0.27	15
6.5 AD: Auctions and Disposals	-1.40	-1.33	0.45	0.41	40.00	40.00	42.50	-0.84	1.53	70.00	55.00	100.00	50.00	50.00	50.00	0.06	5
6.6 AD: Gender Unit	-0.68	-0.60	0.51	0.48	52.00	53.00	52.00	-0.43	1.04	50.00	100.00	100.00	100.00	100.00	75.00	0.45	6
7.0 SOE Department	-0.80	-0.74	0.50	0.46	48.43	46.71	49.43	-0.76	2.14	55.26	76.32	90.79	85.53	35.53	64.47	0.31	28
7.1 SD: Policy & Coordination	-0.63	-0.63	0.52	0.47	54.00	42.00	54.00	0.19	0.47	50.00	87.50	75.00	100.00	75.00	100.00	0.65	8
7.2 SD: Financial Monitoring SoCs	-1.07	-0.63	0.48	0.47	45.00	45.00	46.00	-1.88	2.49	41.67	50.00	95.83	100.00	25.00	37.50	0.30	6
7.3 SD: Financial Monitoring SoEs	-0.53	-0.62	0.52	0.47	50.50	50.50	52.00	-0.43	2.35	70.00	100.00	95.00	75.00	25.00	100.00	0.32	18
7.4 SD: Divesture	-0.95	-1.16	0.49	0.42	45.00	45.00	45.00	-0.43	3.03	62.50	81.25	93.75	75.00	25.00	25.00	0.30	8
8.0 Property Department	-1.28	-1.32	0.46	0.41	39.54	38.98	46.02	-0.30	1.49	75.00	64.47	94.74	100.00	85.53	52.63	0.48	75
8.1 PD: Provincial Property	-1.07	-1.15	0.48	0.42	44.09	43.64	50.00	-0.22	1.69	69.79	63.54	85.42	89.58	80.21	52.08	0.42	23
8.2 PD: Registration & Resolution	-1.27	-1.29	0.46	0.41	32.33	32.00	40.67	-0.22	1.28	62.50	54.17	95.83	100.00	87.50	41.67	0.56	20
8.3 PD: Capital Properties (Kabul)	-1.44	-1.47	0.45	0.39	46.14	45.45	48.86	-0.43	1.49	78.57	67.86	92.86	100.00	85.71	57.14	0.44	29
9.0 Human Resources Department	0.43	0.76	0.60	0.60	65.50	60.33	63.33	-0.81	0.64	55.77	53.85	53.85	44.23	51.92	40.38	0.12	47
9.1 HRD: Training & Development	0.59	0.81	0.61	0.61	61.25	65.63	66.88	-0.43	0.68	50.00	58.33	50.00	58.33	50.00	50.00	0.22	11
9.2 HRD: Recruitment	1.03	1.40	0.65	0.66	71.25	62.50	70.00	-0.43	-0.16	50.00	62.50	50.00	37.50	75.00	50.00	0.13	6
9.3 HRD: Organizational Dev't	1.13	1.57	0.66	0.68	73.75	65.00	77.50	-1.05	0.62	62.50	37.50	50.00	50.00	50.00	37.50	0.13	6
9.4 HRD: Performance Appraisal	0.19	0.37	0.58	0.57	70.63	53.13	53.13	-0.43	0.80	50.00	58.33	66.67	33.33	50.00	33.33	0.05	10
9.5 HRD: Employee Relations	-0.34	0.11	0.54	0.54	55.00	58.33	58.33	-1.67	1.00	66.67	50.00	50.00	41.67	41.67	33.33	0.08	9
10.0 Insurance Department	0.02	-0.04	0.57	0.53	53.75	49.17	60.00	0.50	0.76	64.47	92.11	53.95	60.53	92.11	59.21	0.03	16
10.1 ID: Insurance Affairs	0.01	-0.03	0.57	0.53	53.75	49.17	60.00	0.46	0.77	64.47	92.11	53.95	60.53	92.11	59.21	0.03	11
11.0 Internal Audit Department	-0.24	-0.06	0.55	0.53	58.30	54.11	55.36	0.00	-0.14	68.97	58.19	64.66	35.78	70.26	83.62	0.35	61
11.1 IAD: Office of the DG	0.20	0.29	0.58	0.56	60.91	57.73	60.00	0.19	0.40	75.00	64.58	66.67	62.50	72.92	83.33	0.30	12
11.2 IAD: Compliance and IT Audit	-0.17	0.07	0.55	0.54	55.00	51.92	53.85	-0.16	-0.09	71.43	57.14	55.36	32.14	64.29	78.57	0.35	13
11.3 IAD: Budget & Treasury Audit	-0.23	-0.07	0.55	0.53	61.15	56.92	57.69	0.07	-0.30	61.54	57.69	63.46	26.92	61.54	80.77	0.38	10
11.4 IAD: Customs & Revenue Aud	-0.23	-0.07	0.55	0.53	61.15	54.23	55.00	0.07	-0.30	61.54	57.69	63.46	26.92	61.54	80.77	0.38	10
11.5 IAD: Audit and Capacity Dev	-0.70	-0.49	0.51	0.49	58.33	50.83	50.83	-0.12	-0.46	66.67	54.17	68.75	27.08	75.00	87.50	0.36	12
12.0 Programs Implementation and Coordination General Directorate	-1.22	-1.39	0.47	0.40	42.50	42.14	44.29	-0.18	2.11	75.00	65.00	100.00	100.00	65.00	50.00	0.16	19
12.1 PICGD: NPPs	-1.21	-1.37	0.47	0.40	42.69	42.31	44.62	-0.12	1.89	75.00	56.25	100.00	100.00	68.75	50.00	0.18	15
12.2 PICGD: Policy Research	-0.46	-0.44	0.53	0.49	40.00	40.00	40.00	-0.43	2.97	75.00	100.00	100.00	100.00	50.00	50.00	0.10	10
13.0 Monitoring, Analysis and Reporting General Directorate	0.28	0.31	0.59	0.56	57.50	50.00	65.00	-0.43	1.95	75.00	50.00	100.00	100.00	62.50	50.00	0.25	4
13.1 MARGD: Monitoring	0.74	0.76	0.63	0.60	55.00	50.00	75.00	-0.43	2.25	75.00	50.00	100.00	100.00	50.00	50.00	0.25	1
13.2 MARGD: Analysis &Reporting	-0.19	-0.15	0.55	0.52	60.00	50.00	55.00	-0.43	1.65	75.00	50.00	100.00	100.00	75.00	50.00	0.25	1
14.0 Reform Implementation Management Unit (RIMU)	-0.91	-0.73	0.49	0.46	52.50	51.25	51.25	-0.58	0.81	39.06	31.25	92.19	65.63	46.88	57.81	0.50	5
14.1 RIMU	-0.91	-0.73	0.49	0.46	52.50	51.25	51.25	-0.58	0.81	39.06	31.25	92.19	65.63	46.88	57.81	0.50	4
15.0 Revenue Planning Department	-0.12	-0.10	0.56	0.52	51.00	54.00	61.00	-0.18	1.28	75.00	80.00	75.00	100.00	75.00	80.00	0.36	7
15.1 RPD: Revenue Analysis	0.06	-0.22	0.57	0.51	50.00	50.00	60.00	0.81	1.65	75.00	75.00	100.00	100.00	75.00	75.00	0.35	1
15.2 RPD: Monitoring and Targets	-0.22	-0.47	0.55	0.49	51.43	55.71	61.43	0.81	1.28	75.00	81.25	68.75	100.00	75.00	81.25	0.36	1
16.0 Macro-Fiscal Performance Department	0.55	0.63	0.61	0.59	58.55	64.00	71.00	-0.18	0.75	70.83	65.28	91.67	61.11	77.78	63.89	0.50	17
16.1 MFPD: Fiscal Directorate	0.95	0.82	0.64	0.61	63.75	62.50	68.33	0.81	1.04	100.00	93.75	100.00	68.75	100.00	78.13	0.31	5

Team	X NORM SCORE	P NORM SCORE	X SCORE	P SCORE	RAW TIME SCORE	RAW QUALITY SCORE	RAW EFFECTIVENESS SCORE	Impact	Risk	Complexity	Behaviour change	No. of Organisations	Time required	Visibility of reform impact	Management Competency	TA	No of Scored KPIs
16.2 MFPD: Macroeconomic Unit	-0.45	-0.47	0.53	0.49	50.56	51.11	57.22	0.19	0.68	100.00	37.50	100.00	62.50	100.00	50.00	0.50	2
16.3 MFPD: Admin and Reporting	0.16	0.61	0.58	0.59	62.50	61.25	66.25	-1.05	-0.22	37.50	37.50	75.00	62.50	62.50	87.50	0.45	1
16.4 MFPD: PMT	0.62	0.89	0.62	0.62	57.50	58.33	74.17	-0.84	0.84	33.33	45.83	83.33	50.00	45.83	41.67	0.40	5
17.0 Aid Management Directorate	0.34	0.22	0.59	0.55	61.11	56.11	59.44	0.32	2.25	69.44	69.44	77.78	86.11	58.33	36.11	0.29	10
17.1 AMD: Aid Management	0.34	0.22	0.59	0.55	61.11	56.11	59.44	0.32	2.25	69.44	69.44	77.78	86.11	58.33	36.11	0.29	9
18.0 Office of the President	2.92	2.76	0.80	0.79	81.82	81.59	83.64	0.61	2.73	100.00	100.00	100.00	100.00	75.00	50.00	0.20	7
18.1 NPA	2.92	2.76	0.80	0.79	81.82	81.59	83.64	0.61	2.73	100.00	100.00	100.00	100.00	75.00	50.00	0.20	6
19.0 Other Partner Agencies	0.05	0.16	0.57	0.55	63.10	61.90	69.66	-0.25	0.94	92.86	85.71	100.00	60.71	89.29	89.29	0.54	14
19.1 AEITI Secretariat	0.05	0.16	0.57	0.55	63.10	61.90	69.66	-0.25	0.94	92.86	85.71	100.00	60.71	89.29	89.29	0.54	13

ATTACHMENT F: 2016 PERFORMANCE TRACKING RESULTS

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

PLANNED ACTION (THEME BASED - NOT YET TEAM BASED)	1395-2016	1395-2016 PERFORMANCE			1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
1.0 Office of the Minister		C+	C+	C+				
1.1 OoM: Office of the Chief of Staff		C	C+	B				
1.1.1 OoCS: Chief of Staff Operations		C+	C+	B				
1. Strengthen CoS with Potential Workforce	Strengthen CoS with Potential Workforce	C	C	C+	The office of the Chief of Staff have recruited additional staff to its necessities. Also, the office has developed its MIS software modules to better coordinate its operational activities, mechanisms for reporting, file storage, tracking documents and recording of incoming an outgoing letters.	the office of the Chief of Staff is working with limited resources, therefor attaining the target sometimes need more time.		**Good progress.** The COS has recruited four appropriately qualified staff to assist in the restructure and development of the Office of the COS. They have managed the overall needs assessment and are following through with training programs, restructures to the office space and assigning tasks. the COS with support from IT has also instituted a new web based task management system to assign and track tasks assigned to the office. It is new but progress so far has been positive. **The challenge** remains the low capacity of Tashkeel staff and lack of resources in the face of a busy environment.
2. Capacity Building of CoS Civil Servant Staff	Conduct Training Needs Assessment, TNA of CoS staff, in order to identify their existed performance gaps	B	B+	A	We have conducted a detail need assessment and TNA for CoS staff. Trainings will be designed to provide tailored trainings. Staff have attended seminars and/or workshops designed for helping employees understand investment, policy			**Good progress:** A general **and** comprehensive needs assessment of the four departments under the Chief of Staff was done followed by a Training Needs Assessment (TNA). Interviews were conducted with all Tashkeel staff individually. Most staff were not clear about what they should be doing and therefore what they need. First had to establish the needs for the departments then work out the training needs. Also capacity building efforts had been ineffective over the last 10 years. Had to establish the reality. No previous performance management system in place so no appraisals to work with. Coordinator who managed this process has relevant experience from an EU program particularly in MAIL working on the Fast Track program. Office space was renovated. Also held some focus groups to make sure staff felt comfortable

PLANNED ACTION (THEME BASED - NOT YET TEAM BASED)	1395-2016	1395-2016 PERFORMANCE			1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
					crafting, and international systems in areas of Finance.			speaking up. TNA - staff have received training but they are not using the skills. Problem is motivation. Follow up program will be a series of targeted workshops on general management, creative writing (in Dari), IT (email, excel, word processing). Workshops are scheduled for July but slipped a bit due to lack of people. Should start in August. Teaching materials put together in house with help of IT department. COS has budget. Plan is to set up a system to monitor training, particularly overseas training. Including follow up that people are holding seminars and presentations on their training. Also to ensure training is based on need and merit. Also discussing a rotation policy for admin staff. This was done in all 4 departments Correspondence, Protocol, Archive and COS office. Challenge: 1. Staff are reluctant to talk to team. Don't believe any change will happen. 2. Staff are demotivated and low satisfaction. 3. Senior staff not supportive of process.
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				once the digitalized correspondence system is finalized and tested, it will be monitored and oversee by CoS.			Remove this covered in 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 Center and obtain the budget	B	C+	B+	A detail needs assessment and training needs assessment have been conducted. We have used our finding to develop a digital client service. The system has been designed tested by the MoF I.T directorate. It is directly monitored by office of Chief of Staff. We have also			**Some progress: Gaps** were identified by a needs assessment and a plan put in place. Established basic client service system to register people attending the office or sending in paperwork for the Minister's consideration. It tracks tasks and progress and sends notifications to clients. Managed by receptionist now located downstairs. This is a new process and is working well. Some issues with the office space but should be fully operational by mid-August. **Challenges:** People are not used to the process and people are not necessarily happy with being asked why they are coming to the OOM. Team is doing some client satisfaction surveys and so far, team have been found to be professional.

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
					procured the tools necessary for E-communication, and change the service desks to a different larger space in the same building.			
5. Manage leadership group meetings	Strengthen management of routine leadership group meetings				We have a regular timetable for internal leadership meetings under the Chief of Staff for improvements in admistrative affairs of the Office.			Remove: Duplication see above sub activity.
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							Do not score - New Activity
7. Follow up and implementation of direct presidential Instructions to the Minister for Finance	Timely follow up and implementation of direct Presidential Instructions							Do not score - New Activity
8. Follow up and implementation of direct Ministerial Instructions to the Minister for Finance	Timely follow up and implementation of direct Ministerial Instructions							Do not score - New Activity
1.1.2 OoCS: Correspondence Office		C+	C+	B				
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	B	B	A	A detailed Training Need Assessment (TNA) and General Need Assessment has been conducted to identify capacity gaps and the process involved individual interviews with civil servants within the department, focus-groups and observations of the department operational activities.		Hard copies of data collected are available. Institutional letters for staff introduced to colleges are available. Payment slips and travel tickets of those attended	**Good progress:** A general **and** comprehensive needs assessment of the four departments under the Chief of Staff was done followed by a Training Needs Assessment (TNA). Interviews were conducted with all Tashkeel staff individually. Most staff were not clear about what they should be doing and therefore what they need. First had to establish the needs for the departments then work out the training needs. Also capacity building efforts had been ineffective over the last 10 years. Had to establish the reality. No previous performance management system in place so no appraisals to work with. Coordinator who managed this process has relevant experience from an EU program particularly in MAIL working on the Fast Track program. Office space was renovated. Also held some focus groups to make sure staff felt comfortable speaking up. TNA - staff have received training but they are not using the skills. Problem is motivation. Follow up program will be a

PLANNED ACTION (THEME BASED - NOT YET TEAM BASED)	1395-2016	1395-2016 PERFORMANCE			1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
					Consequently, we have considered and conducted education programs such as certified institutional trainings in Afghanistan, seminars and workshops abroad...etc.		seminars hosted and organized by entities in collaboration with MoF abroad, are available at our Protocols Department.	series of targeted workshops on general management, creative writing (in Dari), IT (email, excel, word processing). Workshops are scheduled for July but slipped a bit due to lack of people. Should start in August. Teaching materials put together in house with help of IT department. COS has budget. Plan is to set up a system to monitor training, particularly overseas training. Including follow up that people are holding seminars and presentations on their training. Also to ensure training is based on need and merit. Also discussing a rotation policy for admin staff. This was done in all 4 departments Correspondence, Protocol, Archive and COS office. Challenge: 1. Staff are reluctant to talk to team. Don't believe any change will happen. 2. Staff are demotivated and low satisfaction. 3. Senior staff not supportive of process.
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	C+	B	B	The Office of the Chief of Staff have recruited additional staff members, according to the needs, and will continue to do if deem necessary. • Technical assistant. (1) • Senior Program Coordinator. (1) • Edit Officer. (1) • Edit Assistant. (1) • Senior Communication Specialist. (1) As planned, Office space has been re-arranged to create a more comforting and safer office environment. New table partition has been installed at the Office of the			**On track:** Recruitment of Tashkeel is on track (see progress update) and some NTA recruitment is also in progress. Computer officer has been put in place to decrease the load on other staff. In addition a new task management system has been developed and is in the process of being implemented. Staff have been allocated functions and clear activities set by the Coordinator. This is across all 4 departments. **Challenge:** Recruitment took longer than expected. But outcome was good with high calibre staff. Required a lot of screening egg. 40 people for one position. Feedback from Minister is positive.

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
					Chief of Staff (CoS) Coordination Unite. The new partition can accommodate 14 people in comparison with the old partition, which has the capacity of only 10 people. Archive operation office has been redesigned to accommodate extra personal, and offer a more relaxing, safe working environment. The CoS office has also introduced client support service desk, and awaiting areas for parliament member.			
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+	C+	we have submitted our requirements to the IT directorate, they are currently on developing E-Maktoob system. We are hoping to have the system tested and running in the coming months.	The reason that the system took longer than expected was identifying needs of different departments within MoF. Making sure that official communication remains protected is our main priority, cyber security is a real threat. Considering that we have overcome most of the challenges, we are still making slow progress due to the mentioned reasons.		**Good progress:** Detailed assessment has been done and requirements sent to IT department. Want an E-Correspondence system for the OOM. Archive is the first priority and people will then turn to correspondence. Hope to have pilot up and running by end of year. **Challenges:** Cyber security. Flow of official documents, mapping the business process. Lots of consultation with IT.

PLANNED ACTION (THEME BASED - NOT YET TEAM BASED)	1395-2016	1395-2016 PERFORMANCE			1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
4. Timely Procurement of Required Items for the Office	Identify office equipment need and its timely procurement	C+	C+	C+	we have purchased all require office stationary, and continue to do so when needed.		Smart TV has been installed to display daily activities.	**On track:** purchased office equipment and supplies. This is routine but there has been a big improvement following the needs assessment.
1.1.3 OoCS: Archive Office		C	C+	C+				
1. Digitalize the Current Archive System	Review and assess the existed archive system and work on an advanced automated / digitalized archive for MoF	C+	B	B	we have developed a database for storing scanned copy of property Document (Amlak). The required IT and other technological equipment's have been contracted to be purchased, and undergoing the required procurement procedures.	Understanding MoF needs for the requested database for storing property documents took longer than we expected. It also took number of consultation with the IT team to make sure that all cyber security concerns have been properly addressed, which resulted in extra time. The Ministry top management took longer to decide on the safe location for the reallocation of the documents. The document can only be moved to the agreed location, in the presence of the assigned committee, however our progress have been prolonged due to poor attendance of the committee members. We have designed the new Archive storage facility in accordance with	We have reallocated almost 70% of the document to the agreed location. Required IT equipment are under last stages of procurement. The New design for Archive is ready.	**Significant progress:** Two main components. 1. Upgrading the operational space the office and warehouse. Renovated the office space, new desks, computers, scanners etc. Partitioned the space to separate staff and clients. When clients come in they go to a window one for putting stuff in and one for taking stuff out. 2. Upgrade and renovate the storage facility. Required a committee of representatives from agencies like AGs and PO etc to supervise the temporary transfer of documents to new location. This took longer than expected. 3. Next step once the documents are transferred to temporary storage will be renovate the long term facility. Design was required to make sure the archive met international standards. Done in house with some advice from PIU based on research and assessment of existing storage facility. Design included indicative costs and IT equipment has already been purchased by a contracted firm. Talking to international firms to try to work out what is required and what the total costs will be. Then intention is to go out to limited tender. Need two levels of security, one for property documents and one for everything else. Goal is to finish transfer in August. Scanning of documents will then start in August and building works in the next 2 months. Total IT Afs10 million and Building is a minor cost. Must be 50% complete by end of the year as per Cabinet requirement. **Challenge:** This is a very sensitive project because in the past data had been altered, including changing deeds for property. This led to criminal charges. So system has to be very robust. May need to have representatives from AGs, PO etc involved at every step. Information management is a very sensitive issue. Need to connect up to other offices like the land management office.

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
						international standards.		
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	Once we digitalized the archive and correspondence systems, we are planning to migrate the system design to provinces.			**Partly on track:** Some qualitative assessment has been done. This will be followed up once the digitization of the data is complete. A preliminary assessment of the needs is done and will feed into a broader plan to roll out the system.
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				document from Archive has been moved to a temporally place, in order to renovate and redesigned the current storage facility.	we waited for almost a month for other government institutions to reclaim their documents, so we can move our documents.	We have reallocated almost 70% of the document to the agreed location.	Need to change the wording of activity 1 to the wording in this activity
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				We have conducted a detail TNA of relevant staff. Workshops have been planned to provide tailored short term training for the personal.			Delete.
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+	C+	C+				**On track:** (reworded activity) letters were sent to all relevant ministries and some transfers of records and data have been done. NPA, Min of Culture, and Property Department have all received relevant documents. Transfer should be complete before the end of the year.
1.1.4 OoCS: Translation Board		**C+**	**C+**	**B**				
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. Everything are NTA as Tashkeel pay rates are insufficient to attract good people. Given the importance of high quality products into he 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							Remove this activity Tashkeel have been transferred out to another department. NTA for translators.

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
	performance gaps, i.e. English and computer skills							
1.1.5 OoCS: Protocol Office		C+	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	B	B	A	we have conducted a detail needs assessment and training needs assessments (TNA) of relevant staff. Workshops have been designed to provide tailored training to the Protocol Office.			**Good progress:** A general **and** comprehensive needs assessment of the four departments under the Chief of Staff was done followed by a Training Needs Assessment (TNA). Interviews were conducted with all Tashkeel staff individually. Most staff were not clear about what they should be doing and therefore what they need. First had to establish the needs for the departments then work out the training needs. Also capacity building efforts had been ineffective over the last 10 years. Had to establish the reality. No previous performance management system in place so no appraisals to work with. Coordinator who managed this process has relevant experience from an EU program particularly in MAIL working on the Fast Track program. Office space was renovated. Also held some focus groups to make sure staff felt comfortable speaking up. TNA - staff have received training but they are not using the skills. Problem is motivation. Follow up program will be a series of targeted workshops on general management, creative writing (in Dari), IT (email, excel, word processing). Workshops are scheduled for July but slipped a bit due to lack of people. Should start in August. Teaching materials put together in house with help of IT department. COS has budget. Plan is to set up a system to monitor training, particularly overseas training. Including follow up that people are holding seminars and presentations on their training. Also to ensure training is based on need and merit. Also discussing a rotation policy for admin staff. This was done in all 4 departments Correspondence, Protocol, Archive and COS office. Challenge: 1. Staff are reluctant to talk to team. Don't believe any change will happen. 2. Staff are demotivated and low satisfaction. 3. Senior staff not supportive of process.
2. Establish a strong Network of Coordination and Communication with Ministry of Foreign	Conduct a thorough assessment of the current status of communication	C+	C+	C+	We have also created a position of Senior Protocol and External			**On track:** System established to track overseas trips and workshops and to track needs, briefs, papers and logistics. System was designed by IT Dep based on needs assessment and is being trialled now. COS has identified a suitable

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
Affairs/embassies/governmental and not governmental entities	and coordination and identify the existed barriers				Communication Officer to assist the department with communication and protocol affaires. All potential candidates will be called for an interview, once we receive interview time confirmation with H.E the Minister. The department have been provided with database to record all official trips of Ministry of Finance personal and schedule all relevant events, conferences both national and international, meeting and other relevant activities.			candidate for new Senior staff member to bring cultural change to the team. Waiting on Minster's approval. **Challenges: The** established culture of how things are done will be difficult to change.
1.1.6 OoCS: Non-Allocated Advisor Pool		**D+**	**D+**	**D+**				
1. Deliver high quality advisory services to the Minster	Conduct a thorough assessment of current business operations of advisory team.	D+	D+	D+				**Off track:** Assessment was started but not completed. Needs to be followed up with Minister to resolve the TORs for advisers. **Challenge:** All advisors are effectively grade 1 and do not report to the COS. They report to the Minister and performance management is therefore difficult.
1.2 OoM: Legal Board		**C+**	**C+**	**B**				
1. Lead on legislative review and drafting of legislation on financial matters	Review and draft legislation on financial matters	C+	C+	C+				**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

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
								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	C+	C+	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 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

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
1.3 OoM: Communications and Public Relations Directorate		**C**	**C+**	**C**				
1. Communications Strategy for Brussels conference	Produce and implement a Communications Strategy	C	A+	C	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 multiyear strategy and deliver some media campaigns	C	C	C				**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	C	C	C	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. E.g., 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 MOF	Increase the number of viewers, likers, followers of MoF website, Facebook and YouTube 9% compare to the 2015	C+	C+	C+	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

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
								policy will be delayed until after the Brussels meeting in October.
2.0 Customs Department		C+	C	C				
2.1 CD: Customs Support and Development		**C**	**C**	**C**				
1. Organizational Efficiency & Human Resources - Policy Development	Operationalization of Afghan National Customs Academy (ANCA) as per the new Customs' Human Resources Reforms policy	C	C	C	NA	NA	NA	**On track but with significant risks.** The quality of the curriculum needs to be checked by an appropriately qualified specialist and the procurement looks to be tight with only two months to get it done. This is a typical activity managed by a PIU and is contributing little to capacity development within Customs.
2. Organizational Efficiency & Human Resources - Customs Cooperation, statistics and rotation	Strengthening Tariff Research & Statistics Unit (TRSU)	C	C	C				**On track but with significant risks around the recruitment process.**
3. Organizational Efficiency & Human Resources - Performance Reporting	Preparation of Annual Progress Report of ACD for the year 2016 (on 2015 performance)	C	B	B				**On track.** First draft done - hardly any other department produces an annual report. Report is on 2015 performance. Consulting with stakeholders. Qualitative data being collected. Surveys and questionnaires might be developed. ICU (International Customs Unit) drafts the report. Target date was January Feb for publication via printing. Draft was ready for then, but funds not available for printing. It has been reviewed by all directors but not yet approved by DG (has been submitted to DG). Reports include some trend data. ***Plans to improve quality of the annual report.*** Validators suggested inclusion of other performance data.e.g. against plans and budgets of projects and operations. Annual report publication is not required, so is a voluntary disclosure. **Challenges:** This is a very good initiative but is heavily reliant on consultants.
4. Organizational Efficiency & Human Resources - Statistics	Preparation of Annual Statistics Report of ACD for the year 2016 (for 2015 performance)	C	C	C				**Delayed.** Target date February. Directors have reviewed draft. - sent beginning of July. No comments received. Lack of funds early in the year impacted on timeliness including because of delayed assistance and printing. Team did not want to go with online publication only. Draft has not yet been submitted to the DG for approval. **Challenges:** This is another very good initiative that is reliant on TA. It is also unclear who the audience is and what the report will be used for.
5. Infrastructural Development	Beginning of Infrastructure works for the construction of Customs Data Center	C	C	C				**On track.** Managed by WB PIU.

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
6. Legal Development	Preparation of at least two Legislative Customs Procedures	B+	C+	B+				**Done. On track to get 3 done by end of the year. Target is 2 per year.** 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. Not approved. Will be on the website by mid-August. 2. T2 - Foreign Trade Guidelines: International transit documentation requirements. Finalised by DG on 30 July. Guidelines are for business people and customs officials. **Not yet published on website.** **TIR procedures under development (Transport and International Road convention).** **Quality is uncertain. Assistance provided by local adviser. Comparative study undertaken of other countries.** **List of backlog of guidelines has been developed.**
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)	C	C	C				**Done.** 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.
Undertake WCO Diagnostic Study	Inmate WCO Diagnostic Study							New Activity. Do not score until end of year.
Implement new HR reforms policy	Develop new procedures for HR reforms consistent with Cabinet decision.							New Activity. Do not score until end of year. Team will develop procedures in consultation with stakeholders. HR team will implement.
2.2 CD: Law Enforcement		**C+**	**C**	**C**				
1. Law Enforcement	Deliver law enforcement services	C+	C	C				**On track.** An informal review of Mobile Verification Teams procedures for control of imported and exported goods found no documented procedures or requirements for teams. New procedures were introduced and personnel changed. There are now monthly reports on differences on customs revenue collection, which shows doubled revenue collection. Work on developing new procedures continues. Reports indicate

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
								almost every MVT have improved by 100%. The Container Control Program (CCP) has started in two provinces with UNDOC support. c14 Chemicals now being scanned at these two posts. Detections not yet known. Report on effectiveness of CCP s recommended by end of year.
2. Human Resources Management & Legal Reforms	HR and Legal Reforms in Enforcement Department	C+	C+	C+				**On track.** There has been a full transition of customs police from MoI to MoF with a total of 618 staff moving to MoF. The procurement of uniforms and other resources for the special enforcement wing of the customs police is underway. While recruitment of a further 100 special enforcement wing police has been undertaken in the first half of the year. There is currently a joint 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.
2.3 CD: Customs Technical Affairs		**C+**	**C**	**C+**				**More than 100 staff**
1. Automation and Capacity Building	Implementation of ASYCUDA in accordance with plans	B	C+	C+				**On track with good progress.** Implementation of ASYCUDA valuation module in Kabul airport is up and running removing the manual legacy system which significantly reduces discretion by customs staff at the airport. Implementation of the valuation in Khost is on track to begin in mid-August. Training for the new module has been conducted at Kabul and will begin shortly for Khost.
2. Research & Development	Conducted Market Assessment and Analysis in relation to the Value of goods	B	C	C	Valuation teams regularly conduct market assessment based on ACD instructions or mostly in case of appeals	determining the real price is very difficult because businessmen & shopkeepers do not give the exact sales price	For example, Valuation team did the Markets assessment for steel bar	**On track to have some market testing done by the end of the year.** Market testing is one of the approved 6 methods under the law (amendment no 4. WTO). Team is working scope for reassessing valuation of goods.
3. Tariff Research & Reforms	Interpretation of Tariff Book in Pashto language	C+	C	C	It is completely interpreted but it requires professional proof reading	no Budget for proof reading	the First Pashto draft has been ready with Tariff Departmen t	**On track** for Pashto (Dari complete). Proof reading by technical professional.
4. Trade Facilitation & Control	Amendment of Temporary Storage Facilities Procedure	C+	C+	B	review of procedures that started in the Third	Any unclear and vague articles will be reported to ACD	Exemption Departmen t has	Work Started in July. Waiting on recommendations from review.

PLANNED ACTION (THEME BASED - NOT YET TEAM BASED)	1395-2016	1395-2016 PERFORMANCE			1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
					quarter of the fiscal year		started to work on it	
Implementation of WTO membership requirements	Start implementing WTO membership requirements	C	C	C				**On track.** Work has commenced and consolations are taking place.
2.4 CD: Operations		**C**	**C**	**C**				**No of staff and locations**
1. System Development & Automation	implementation of ASYCUDA National Transit at Abo Nasir Frahi border / Iran	C+	C+	C+	Survey has been conducted, system has been configured and Technical equipment has been deployed to Abo Naser Farahi	we do not have access to Internet, but the negotiation with the Afghan Telecom is in progress in order to provide the connection	Number of Official Letters have been sent to Farah for the survey and technical equipment	**Off track with high risk of failure, with good problems solving efforts. Benefits if achieved are Signiant:** 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 coming bigger as trade diverted from tier 1 posts to non-connected posts. 98% coverage already achieved under Tier 1 connected posts. **Latest version used: Asycuda World.** Modules DPS, Transit (Integral and external), Risk management, valuation, Payments, Exemptions, Dashboard management reporting (performance management), SMS alerts, Data exchange. **Sequence for establishment:** Step 1: Office fit out - furniture and computer equipment; 2: Network and electricity cabling and power back up. 3: Custom brokers license (market making and job opportunity program) and training (including Custom Officials). **Challenges:** Required connectivity to Kabul. Mobile phone is limited because remote area. Microwave not available either. Have been trying for 2 years including with VSAT but not working because of latency problems. Official request to MfCI for mobile coverage. Last private provider not economically viable either (AWCC). Agreeing the deal between supplier and purchaser being pursued. Personnel management is a key constraint. Remoteness is a big constraint. Roads and security is very poor. **Staffing challenges:** 30 Tashkeel on the border but only 5 at any one time. **Local - upload options.** Asycuda World cannot do local environment and upload. Transit needs minimum daily uploads/email transmittal of data. Requires local expertise and servers. **Fibre:** Request for inclusion by Afghan telecom (Salam) - MoCI/MoF to be part of Fibre roll-out plan. Currently assessing viability. Validators consider this to be the best

PLANNED ACTION (THEME BASED - NOT YET TEAM BASED)	1395-2016	1395-2016 PERFORMANCE			1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
								solution - i.e. wait until fibre solution roll-out and discuss roll-out policy. Involvement of DG and MfF crucial. DM signed letter and have raised it at the appropriate level. **Low bandwidth footprint option for real-time does not exist** under Asycuda World.
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 -- Training for transit officers -- Pilot implementation from Torkham to Sherkhan, Torkham to Hairatan -- Real implementation of the tracking device system	C	C+	C	only the initial steps has been taken	lack of qualified companies to fulfil the requirement of NPC in order to award the contract	It can be checked with the NPC or the copy of the file will be provided	**Off track.** 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 led 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 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.
3. Enhancement of Post Clearance Audit & Brokers performance Controls	Continue audit over regional Customs starting from Kabul - Audit around 100 major companies, NGO's,	C	D+	D+	around 40 companies were audited and others will be audited in the next 6 months	we do not have approved procedure and authority to go and check the trader's warehouses.	The copy of files will be sent if needed	**On track.** The Post Clearance Audit (PCA) Department will audit the 12 custom offices 4 times a year with random audits. As part of this process the team has already audited around 100 companies this year.
2.5 CD: Department of Monitoring and Preventing Customs Violations		**C**	**C**	**C**				
1. Deliver timely and high quality internal audit services	Deliver timely and high quality internal audit services	C	C	C				**On track to deliver key targets by end of the year - s.t. TA request for standalone investigation system and annual reporting writing.** for 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 organised into 3 sub-units 1. Complaints Reiving (4 positions 3 in place); 2. Central Operations - investigations (4 staff) 3. Provincial Operations (4 staff) - investigations.

PLANNED ACTION (THEME BASED - NOT YET TEAM BASED)	1395-2016	1395-2016 PERFORMANCE			1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
								a) **Complaints section:** 1 month operational (moved from law enforcement): The would like to create a complaints desk (so does Enforcement), complaints email address and complaints boxes all points (central and provincial), and a call centre. 3 Staff (Tashkeel) already that collect complaints from individuals (1 left, and 1 not available. 4 total positions). Sending teams to deal with complaints. Channel action to two other units. Number of complaints received every month: 20. Most are provinces (c15.) New DG have 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 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. b) **Provincial Operations:** 3 staff do investigations. **Team delivers a filtering function:** Simple issues are handled by team. Difficult issues are referred to IAD. Last year this team resolved a $23m issue. (Won the courts but money didn't come). Documented procedures for investigations: Only work on referrals from Ministry, DM, DG, etc. **Plans** 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, and 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.	C	C	C				Workshops delivered 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 iii) Certifications. All existing staff have received plenty of training in the past.
3.0 Revenues Department		C+	C	C+				
3.1 RD: Office of the DG (Revenue)		C+	C+	C+				**Satisfactory progress overall** on: i) managing the 5-year plan, initiating code of conduct; ii) detecting and deterring corruption and mismanagement; iii) lead HR reforms; iv) taking forward centralized risk-based management and tax system automation; v) securing passage of VAT law amendments; and vi) establishing new enforcement

PLANNED ACTION (THEME BASED - NOT YET TEAM BASED)	1395-2016	1395-2016 PERFORMANCE			1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
								department. **Performance at risk** due to inadequate resourcing - own source budgets and flexible and responsive development financing.
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	C+	C+	B				**Satisfactory progress.** There is some evidence that the DG and his office are coordinating implementation of the 5 year plans. Regular management meetings at the DG level and in directorates are being held and issues are being raised. However systematic use of the plans to drive performance was not as evident. Results of the self-assessment for 2016 activities are quite general. There is some indication that planning remains fragmented with APFM and the World Bank conducting planning missions without reference to the plan. There are financing constraints with the ARD budget unclear and some delays in getting technical assistance in some areas.
2. Reduce Opportunities for Corruption by ARD Staff and Taxpayers	Conduct Annual Code of Conduct Training	C	C	B				**Satisfactory progress overall**. Some promising outcomes on referrals and investigations including significant administrative sanctions. Development of a code of conduct is going more slowly than planned due in part to financing, resourcing and TA constraints. Oversight of SIGTAS is progressing satisfactorily, with good progress in central offices. Plans for roll out of SIGTAS to target provinces is still an emerging priority.
3. Lead and Manage HR Reforms	Establish Modernization Team to oversee reform efforts	B	C+	B				**Satisfactory progress.** HR reform proposal submitted but yet to be approved. Salary policy progressing well with costed proposal provided to CBR for approval.
4. Lead and Manage Organizational Restructuring - Strengthen Core functional programs	Commence Transitional Process to Functional Base Organizational Structure							**Do not score.** Activity delayed. A contingent Action.
5. Lead and Manage Establishment of a Centralized Risk Based Compliance Unit	Ensure SIGTAS Automated capabilities are utilized for Risk Identification	C+	C+	C+				**On track but at risk.** New section established and started functioning May but at risk due to lack of resources (TA). The ARTF has provide resourcing and is on track to provide additional TA (2 national and 1 international)
6. Lead and Manage efforts to enhance Automation / Information and Communication	Implement ARD automation strategy	C+	C+	C+				**Slow but satisfactory progress.** Have begun implementation against plan but ask due to delays in roll out.
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)	B	B	B	N/A	N/A	N/A	**Good progress.** Law Amendment Approved and Promulgated - effective in 2019. WTO requirements met according to stakeholders.
8. Tax Inspectors	Approval of new Custom and Revenue Enforcement Department							**Do not score until policy clarity.** Minster took decision to have Special Enforcement Wing to cover Customs and ARD. Reporting directly to Minster. WB and WCO recommended under DM customs and revenue.

PLANNED ACTION (THEME BASED - NOT YET TEAM BASED)	1395-2016	1395-2016 PERFORMANCE			1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
3.2 RD: Large Taxpayers Office		C	C+	C+				
1. Oversee Implementation of LTO 5-Year Strategic Plan	Review and Modify of 5 Year Plan via a series of management sessions as needed							Delete - leave for DG Office
2. Reduce Opportunities for Corruption by LTO Staff and Taxpayers	Implement plan to reduce opportunities for corruption by LTO and Taxpayers	C+	C+	C+				**Off track.** LTO view is that issues of corruption are the responsibility of the DG. LTO argue that opportunities for corruption are minimised given the small amount of large tax payers and the efilling system. An alternative view is that the small amount of large tax payers concentrates opportunities for corruption.
3. Ensure the Integrity of the LTO Registered Taxpayer Database (SIGTAS)	Continue to rollout SIGTAS to more offices and fully utilise SIGTAS systems.	D+	C	C+				**Satisfactory progress.** SIGTAS hazed been rolled out to LTO to more provincial offices and sub-sections but use is compromised by slow speed, training, staff stability and historical data constraints. Most staff in Kabul are using SIGTAS and have received training on using SIGTAS. There are some constraints in using the full functionality of SIGTAS because historical data has not been entered on the system. LTO has gone through a process of cleaning up large tax payer's records in SIGTAS.
4. Enhance Risk Based Compliance Methodology	Utilize SIGTAS Automated capabilities for Risk Identification	C	C	C				
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				**Do not score.** DAB is Freezing of accounts. LTO provides a letter to DAB who then actions. Not yet sold properties, but plans are to move in that direction by using DAB registry.
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							**Do not score.**
7. Implement VAT	Amend VAT Law to reflect WTO accession requirements and start date of 1 Jaadi 1398)							**Do not score. Change or delete.**
8. Initiate actions to identify and pursue inactive and nonfilers.	Implement initiatives to address inactive and dormant taxpayers	C+	C+	C+				**Satisfactory progress.** Identified 60 inactives and pursuing clarifications and rectification.
9. Enhance Institutional Development and Capacity building programs	Advocate for the ability to recruit staff with the appropriate skill sets - coupled with appropriate	C+	C+	C+				Recruited 2 qualified accountants for NTA process. Training provided. 2 national technical advisers (former ASI advisers) from the World Bank Project (PFMR2). No advisers from APFM in LTO. Financing from PFMR3 not yet available.

PLANNED ACTION (THEME BASED - NOT YET TEAM BASED)	1395-2016	1395-2016 PERFORMANCE			1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
	pay structure to attract and retain qualified staff							
10. Strengthen Audit Program	Provide employees with the tools and training to further develop skill proficiency and improve business performance	C+	C	C+				**On track.** Training on Audit Manual, Tax admin law, income tax law (refresher) and using SIGTAS. On the job training ongoing- e.g. calculation methodologies, problem solving, accounting laws. More training on accounting and auditors. No certified accountants, auditors, internal auditors, or tax auditors (other than NTAs). LTO wishes to get all staff certified at least 1 key area - constraint is funds.
3.3 RD: Medium Taxpayers Office		B	C+	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							Delete - leave for DG Office
2. Reduce Opportunities for Corruption by MTO Staff and Taxpayers	Conduct Annual Code of Conduct Training	B	C+	B+				**Satisfactory progress.** Process improvements have seen good progress on automation. Code of Conduct Training at risk due to a lack of current funding
3. Ensure the Integrity of the MTO Registered Taxpayer Database (SIGTAS)		C+	C	C+				**On track.** Staff have been trained, and have access to, SIGTAS. Process of registering all new medium size businesses has been automated. Cleaning up of data underway and secured agreements and provided data to 3rd parties. But at risk due to dependencies on others.
4. Enhance Risk Based Compliance Methodology	Utilize SIGTAS Automated capabilities for Risk Identification	B	B	B				**Satisfactory progress. A**utomated risk flagging in SIGTAS proposed but not yet rolled out. Manual risk based audits undertaken regularly and amendments to law proposed.
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	B	C	B				**Outstanding progress on tax arrears reporting.** Tax assessments have been agreed and irregularities are being investigated. These improvements will result in improved PEFA scores.
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.	B	C+	C+				On track to standard. Public awareness strategy developed.
7. Initiate actions to identify and pursue inactive and nonfilers	Implement initiatives to address inactive and dormant taxpayers							**Do not score until end of year and 2016 targets specified.**
8. Enhance Institutional Development and Capacity building programs	Advocate for the ability to recruit staff with the appropriate skill sets - coupled with appropriate	B	B	B				**Good progress.** Team capacities and skill gaps assessed. New staff recruited based on merit. Proposal to increase wage structures through CBR

PLANNED ACTION (THEME BASED - NOT YET TEAM BASED)	1395-2016	1395-2016 PERFORMANCE			1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
	pay structure to attract and retain qualified staff							
9. Strengthen Audit Program	Provide employees with the tools and training to further develop skill proficiency and improve business performance	C	C	C				**Satisfactory progress.** Staff provided training in tax admin law training as well as on the job accounting skills.
3.4 RD: Small Taxpayers Office		C+	C+	C+	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				0	0	0	Delete - leave for DG Office
2. Reduce Opportunities for Corruption by STO Staff and Taxpayers	Conduct Annual Code of Conduct Training	C+	C+	C+	0	0	0	**Progressing but with challenges.** Brokers have been stopped as there was no legal basis and having adverse consequences for STO integrity. Consideration of issues with improving regularity oversight of broker/tax accountant industry. Amendment included new provisions. Automation, on-line submissions, and linkages of systems Commerce and Industry for TINs. On-line submissions not yet policy or under consideration. Establishment Client Services Unit established this year is working to reduce face-face contact. Risk based compliance mechanisms are being strengthened and implemented, helping to reduce risks associated with face-face interaction. There is however still direct access to tax payers and further assessment of approach is warranted.
3. Ensure the Integrity of the STO Registered Taxpayer Database (SIGTAS)	Group 3 -Implemented in the Center	C+	C	C	Implemented in Case Management, Accounts and Audit Department.	The System is quite slow and causes delay in daily operations, when districts are not covered It will not fulfil the purpose of the Reporting	Cases are recorded and Sigtas first and second group are implement ed.	**On track.** SIGTAS modules Group 2(Case Management) is complete and Group 3 (Audit and law enforcement) is on track to get done by end of the year.
4. Enhance Risk Based Compliance Methodology	Initiate time audits, analyse audit results and propose changes to gaps in the law and/or regulations	C+	C+	B	0	0	0	**On track with some good progress.** Target of 20% of all STO cases being audited is being achieved. STO audit results reveal need to establish widespread network of intelligence to check audits are being undertaken and profits are accurate. Quality of audits has improved. Revenue collected so far is Afs220m from a 6-month target of Afs163m.
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	0	0	0	**Good progress.** Arrears are tracked. STO tracks both recoverable and no-recoverable tax arrears. Reports have been provided to the DG and DM for further action (monthly under KPIs). Tracking is done in spreadsheets, hard copies filed in archive. After 30 days' arrears are referred to law

PLANNED ACTION (THEME BASED - NOT YET TEAM BASED)	1395-2016	1395-2016 PERFORMANCE			1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
								enforcement. 50 cases have been registered and STO has access to DABS. Taxpayers who are non-compliant and have arrears, the STO can put a seizure on assets - cars warehouses.
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	0	0	0	**Mixed progress**. There has been some good progress in identifying a number of new sources of revenue. Work on awareness activities has been slow.
7. Initiate actions to identify and pursue inactive and nonfilers	Commence Collection based upon new tax regime	B+	B+	A	0	0	0	**Good progress.** Initiated a process to register small tax payers some of which have been inactive or not paying tax. Currently have 33000 but hope to increase to 53000. Director instituted a process to transfer staff to the STO and execute the plan. There has been a huge amount of consultation and work done on this with strong interest from the Minister. This process has generated around Afs1 billion and is the number one priority for the Director. Teams are working in all zones of Kabul. Daily reports on progress are available.
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+	0	0	0	**Some progress.** 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. Directors are not always in control of recruitment. No positions are supported under CBR. Directors position has been announced but not yet short-listed. Completion under CBR causes stress for staff. Sought senior level buy in from DG, DM and even Minister in recruitment process. There has been no work as yet on advocating for a wage and rewards system to recruit and train qualified personnel.
9. Strengthen Audit Program	Provide employees with the tools and training to further develop skill proficiency and improve business performance	C	C	C	0	0	0	Little progress. There has been little progress on this activity. An adviser has been hired to assist provide employees with the tools and training to improve performance. The adviser will begin in July.
					0	0	0	
3.5 RD: Appeals		D+	D+	D+	0	0	0	
1. Oversee Implementation of APPEALS 5-Year Strategic Plan	Review and Modify of 5 Year Plan via a series of management sessions as needed				0	0	0	**Remove:** Responsibility of the DG s Office
2. Reduce Opportunities for Corruption by APPEALS Staff and Taxpayers	Conduct Annual Code of Conduct Training	D+	D+	D+	0	0	0	**Consider develop owned plan or remove.** Claimed as not relevant, though opportunities exist, especially in appeal systems. Team believe appeals should embrace an anti-corruption plan.

PLANNED ACTION (THEME BASED - NOT YET TEAM BASED)	1395-2016	1395-2016 PERFORMANCE			1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
3. Establish an Effective and Efficient Tax Resolution Process:	Undertake Evaluation /Needs assessment	C+	C+	C+	0	0	0	**On track to complete restructure** by the end of the year. Good progress on outreach to educate staff and taxpayers on the objection and appeals process.
4. Support the establishment of Tax Dispute Resolution Board	Members is proposed and approved	C	C	C	0	0	0	**On track but may be subject to delays in getting approval and appointments.** There is a specific article (55) in the TAL to establish a dispute resolution board. The Board is there for when a taxpayer is not happy with their ruling or assessment or decision. Before under the ITL the taxpayer had to go straight to the courts but now they have the option to go to the TDRB. The Board is independent and has its own budget. Chair is appointed by the President and appoints the board. TORs are not done and proposals for budget, appointments and secretariat have been submitted to Minister. No timeframe for finalising is specified. USAID is leading. Challenge: generally, ARD has not had funds for plans to do outreach and training on dispute resolution. Also information sharing and cooperation from ARD staff as most cases are from ARD.
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	D+	D+	D+	0	0	0	**Generally off track** due to a lack of budget and resources. Some internal ad-hoc training done but long term needs of the section on professional development are not being met.
					0	0	0	
3.6 RD: Legal		C+	C+	C+	0	0	0	
1. Oversee Implementation of Legal 5-Year Strategic Plan	Review and Modify of 5 Year Plan via a series of management sessions as needed				0	0	0	**Delete** for Office of the DG
2. Reduce Opportunities for Corruption by Legal Staff and Taxpayers	Conduct Annual Code of Conduct Training				0	0	0	**Request to remove,** as claimed not relevant too legal. Do not score.
3. Develop and refine tax legislation	Draft amendments to ITM based on published changes in ITL and endorsement of the Manual by MoF	B	C+	B	0	0	0	**Good performance:** 1. On track with good legislative drafting efforts but risk of delay for approvals; 2. TAL manual draft complete; 3. Tax clearance guidelines complete; 4. on track with two double taxation agreements; 4. some advice provided on broadening the tax base.
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	C+	C+	0	0	0	**Satisfactory performance.** 1. Good work on solving some problems with VAT Law; 2. Draft of VAT manual complete; and 3. MoU signed with Finance.

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
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	0	0	0	**Satisfactory performance.** 1. No vacant positions, but no CBR position; 2. Tax accountants section established; and 3. some training on TAL and DTAs started.
					0	0	0	
3.7 RD: Non-Tax Revenue		C	C	C				**NTR is not a revenue collection department.**
1. Oversee Implementation of NTR 5-Year Strategic Plan	Review and Modify of 5 Year Plan via a series of management sessions as needed							Do not score, for office of the DG.
2. Reduce Opportunities for Corruption by NTR Staff and Taxpayers	Conduct Annual Code of Conduct Training							
3. Increase revenue as a %of GDP.	Monitor and follow up on ministry collection and remitting results	B	C+	B				**On track:** Proposal for increasing non tax revenue as a % of GDP through new sources. Various options considered. Targeted 5 biggest revenue potential ministries (MoFA, MoI, Civil Aviation. AFS2.6b pa. estimated. 2 other agencies considered (MoPW, MoIC, MoT). Approved by DM Revenue and other senior staff, DMs. Sent to COS for Minister to forward on to Cabinet. Cabinet has considered the proposal and had some additional recommendations including expanding the scope of the new sources. Should be implemented in all Ministries. Ratings were initially done on 5 year goals not 2016. Next step is for Director to meet with CSC to discuss the proposal.
4. Improve policies and procedures by strengthening NTR mandate and legal authorities	Develop legal alternatives, develop policy direction and mandate clarity	B	B	B				**Request to not score -** Director feels sub-activities are not under NTR's mandate. Worth reviewing.
5. Improve project management in ministries to further enhance revenue generation	Identify and prioritize needs, allocate funding to a few new revenue projects	D+	D+	D+				**$1 million has been allocated from the development budget** to give to the stakeholders for their needs. LMs and agencies put in requests for assistance and their requests have been forwarded to procurement who have put it out for tender. Current bids are worth 721k. NTR bid for every year.
6. Develop new non-tax revenue sources	Working groups commenced and producing development plans in target ministries	C+	C+	C+				**Off track.** Proposal done and sent to Cabinet and discussions with Office of the President are ongoing.
7. Enhance Institutional Development and Capacity Building Programs	Improve recruitment and compensation; increase staff capacity	D+	D+	D+				**Off track** - plans to attain preconditions for reward and recognition and market based pay not well developed. Options is pilot reward and recognition scheme based on the team-based performance management system.

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
8. Increase capacities of NTR staff	Deliver appropriate trainings	D+	D+	D+				**Off track.** No professional development activities for NTR staff ran tin the first half of this year.
3.8 RD: Technical and Provincial Liaison		C+	C	C				
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							**Do not score**
2. Reduce Opportunities for Corruption by Provincial Liaison Staff and Taxpayers	Conduct Annual Code of Conduct Training	C+	C+	C+				
3. Implementation of core service and operations model in key and tire-2 Provinces	Shared new Tashkeel with provinces and coordinated its implementation	C+	C	C				**On track but dealing resource constraints and lack of Tashkeel staff.** Hiring is responsible of Mustufias. Team is delving training and ensuring facilitates are appropriate. Facilities is challenging. Training rooms were provided in the past by ASI. Some delays with WB processes, but expect resources to flow soon. Currently spending under retroactive financing provisions. Study tours are included on the WB procurement plan (not yet approved).
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	C+	D+	D+				**On track - but constrained due to lack of expertise in the field.** 5 RBC committees set up 5 key provinces 1 year ago for 2, and 3 more this year. RBC strategy has been finalized and shared with all the provinces (training provided previously). SC structures included in the Strategy (supported by ASI). Monthly meetings to finalise risk assessments. No minutes now. Minutes previously provided.
5. Improved coordination level in a straight line reporting between HQ (ARD) and Mustofiats	Technical and provincial liaison established and expanded.	C+	C+	B				**On track.** Have improved connectivity to 8 provinces this year and are seeking approval to connect 17 more. Video conferences are being conducted for 8 provinces and VC facilities exist in 30 of 33 provinces.
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	C				**On track to do roll-out as planned** - risk is coordination among STO, Mustofiats and Prov Coord. Already started registration of small tax payers in the all 33 provinces. STO roaming field staff leading on this. Ongoing problems solving occurring through meetings and in-provinces. Training only provided to HQ for managers (train the trainer). Then on demand for field visits.
3.9 RD: Revenue Services and Support		C	C	C				
1. Oversee Implementation of RSSD 5-Year Strategic Plan	Review and Modify of 5 Year Plan via a series of management sessions as needed							**Do not score** - for the Office of the DG

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
2. Reduce Opportunities for Corruption by RSSD Staff and Taxpayers	Conduct Annual Code of Conduct Training	C+	C+	B				**On track with corruption risk reduction** by using SIGTAS and getting Client Services reduce face-to-face contact by ARD officials. Though risk is shifting to Mustofiats Client Services model.
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	C+	C	C+				**On track but at risk with resourcing delays.** SIGTAS implemented in 8 provinces (5 key and 3 tier-2 provinces). 16 modules done by 3 steps/groups. Group 1: 1. Core modules (registration). 2. Document and filings. 3. Tax accounts for all tax types - for revenue reports. Group 2: 5 core modules. Assessment, letters and reminders, Cashing, penalties, and withholding taxes. . Group 3: Audit, Enforcement, objection, refund (not implemented yet in tax centres for VAT) and instalments (part payments). Admin modules: system and management reports. Group 1 is implemented in 3 tier 2 provinces. Paktia, Parwan and Fariab. Group 1 and Group 2 Implemented in 3 key provinces. Nangarhar, Kandahar and Kunduz. All 3 groups in Kabul, Balkh and Herat
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							**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	C	C	C				**On track.** Professional development program in place and being implemented. Funding constraints slowing progress.
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.	C	C	C				**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 official 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.
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+				

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
2. Improved Cash Management	Implement cash management improvement program	B	B	B+				
4.2 TD: Accounting								
1. Building capacity in Financial Management	Continue to release financial management capacity							
2. Staffing, Training and Capacity Building	Deliver professional development plan							
4.3 TD: Payments								
1. Improved Payment and Collection Mechanisms	Strengthen payment and collection systems							
2. Improving Payroll generation and distribution	Strengthen payroll and HR systems							
5.0 Budget Department		B	B	B				
5.1 BD: Budget Execution		B	B	B				
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	B+	B+	Forward Estimates (soft ceilings for Baseline and New activities) were provided to LMs along with Budget Circular 01. Forward Estimates was approved by High Economic Council and served as policy direction to the LMs and budgetary units.	Challenge1: - lack of a development strategy that could guide our new policy priorities Problem solving: Used last year's 1394 development budget share of each ministry/LM to determine what share of the fiscal space each unit gets. Challenge 2: - Unpredictable nature of donor grants	1. Budget Circular 01 and Annexes 2. BUDGET MoF website	**On track** - **joint KPI** with Budget Policy and MFPD (see also Budget Policy and MFPD updates). Work at showing demarcation of responsibilities of policy and budget execution.
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	A	A	A+	Financial Plan is simplified and six-month allotment is issued for pilot BUs	No Challenges so far	financial plan	**Do not score. On track** to establish the working group and imitate drafting of an options paper. Allotment reform a key development and fiduciary risk issue.

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
3. Budget execution process reviewed, strengthened and monitored based on financial plans.	Review and refine budget execution procedures	A	B	A	A team is assigned to visit 16 line ministries to assess execution of budget based on financial plan.	No Challenges so far	assigned team	**On track.** Agreed to options paper on allotments and piloting. Budget execution procedures being simplified. Monthly performance against Financial Plan done routinely.
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	It is planned to assign and shift the competent staff via CBR process	CBR process is a time consuming process	CBR advertisement for critical positions and assigned staff via CBR	**On track** to ensure all position are filled with Tashkeel with CBR top-up as appropriate
5. Deliver Professional Development Opportunities for Budget Department Staff	Implement professional development program	B	C+	C+	50 budget staff are attended in inbound and outbound training.		List of attendees in trainings.	**On track but at risk** due to funding constraints/eligibility rules. Job descriptions progressing.
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	B+	B	SBPS and DAD are maintained and updated regularly. Financial Plan module is implemented. Shared Information Platform (SIP) is a work in progress	Last minute changes to these systems and lack of high speed internet in certain budgetary units results into slower data entry process which consequently affects budget preparation process	SBPS is rolled out to 35 budgetary department . Prototype of Financial Plan module is implemented but we are yet to get feedback from sectorial units.	**On track with key risks** associated with: i) interface development for allotments/commitment control and CoA alignment and management; ii) system development for consolidated budgeting, comparability in budgets and accounts, and system of forward estimates for operational, discretionary and non-discretionary budgets.
5.2 BD: Budget Policy		**B**	**B**	**B**				
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	B	C+	B+	Forward Estimates (soft ceilings for Baseline and New activities) were provided to LMs along with Budget Circular 01.	Challenge1: - lack of a development strategy that could guide our new policy priorities Problem solving:	1. Budget Circular 01 and Annexes 2. BUDGET MoF website	**Outstanding problem solving - Delivered on time to a satisfactory standard.** Effective coordination with MFPD. Constraints faced with new system, changing behaviours - officials and leadership including high economic council. Fiscal space calculations late. **On track to meet aspirational PEFA targets** on policy based

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					Forward Estimates was approved by High Economic Council and served as policy direction to the LMs and budgetary units.	Used last year's 1394 development budget share of each ministry/LM to determine what share of the fiscal space each unit gets. Challenge 2: - Unpredictable nature of donor grants		budgeting: Upgraded PEFA: i) PI-14i- medium term fiscal strategy; ii) PI-15i Medium term revenue forecasting; iii) PI-16ii Medium term budget framework; and liv) PI-15iii links between medium term framework and annual budget. Legacy PEFA: PI-12i Multi-Year Fiscal Forecasts.
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	C	C	C	For the transparency purposes are budgetary information is disclosed onto the website of the budget directorate. But to date there has been no progress on comparability of the budget. For 1396 however, the budget tables will be amended to reflect comparability of the budget with the outturn of previous year and current year expenditures.	This has been tried in the past. Budget and other stakeholders will work together.	BUDGET MoF website	On track but at risk, particularly with systems for: i) consolidated budgeting; ii) comparability of budget and accounts; and iii) function disclosures. Routine systems in place: website disclosures, Facebook page. Citizens' budget produced and published. Budget planner published.
3. Working towards establishment of a PPP Centre of Excellence	Develop PPP policy and transfer function outside of budget as appropriate	A	B	A	PPP National Policy has been developed, translated and shared with the stakeholders	Approval from Cabinet-Putting the top management in the loop to faster the approval process in the cabinet	Policy Document and official invitation letter to the stakeholders	**Generally, on track with some risk.** High level debate occurred in HEC on regulations including options for PPP models. Cross ministry debate occurred (e.g. with MO Economy). Regulation finalized and approved by CoM - with MoJ. Multi-stakeholder dialogue undertaken and was found to be very useful to secure broad based agreement to proposed policy and draft laws. Assistance provided by World Bank and DFID. Positive assessment of policy and regulations by DFID and UK Treasury. PPP Team worked long hours to deliver result. Major risk is location of PPP unit, where debate remains on location with an apparent conflict of interest if the PPP unit remains in Budget Department for a long period (recommend plans to establish at DG level within MoF or

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
								outside MoF (in the same way as AEITI) and to ensure PPP unit is not politicised and remains a technical agency.
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 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.		**Do not score**. Decision taken by authorities to do it differently. A lot of good work developing policy options, with assessment of top 10 ministries (80% of the budget).
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	A	A+	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 17 provinces. five	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 guideline sent to LMs. Financial data.	Outstanding progress with highly limited support. On track - on time and to standard. Likely to meet IP targets.

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
					years' financial data is collected for analysis. 4 LMs is supported in PB implementation and budgeting norms development processes			
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	B+	A+	A	O&M policy is approved. The policy is roll outed to 10 additional Bus. Separate guideline is sent to all O&M LMs. Workshops conducted for proper implementation of policy. 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	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 guideline. Workshops reports. Costing norms and cost divers. Training materials.	**Good progress - on time and to standard.** New Policy Approved by Cabinet. O&M system rolled out to 10 new budgetary units taking it to 29 budgetary units covered on the O&M system. 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.
7. Delivering the Annual Budget on time and to standard	Deliver the Annual Budget on time and to standard	B+	B+	B+	For 1396 Budget Preparation BC1 gives 6 weeks' time to LMS, the Budget Committee has been briefed on Budget Calendar and plan is to submit 1396 Parliament 2 months to review the budget	Challenge 1: Change in Budget process and late approval of FSP by HEC led to late issuance of BC1 which will ultimately affect timely submission of the budget to the Parliament i-e 2 months for review Solution: only 1 month will be given for BC2 and less than a month for MTBF preparation to	Budget Committee Meeting Minutes	**On track with some outstanding achievements** such as providing 6 weeks for line agencies to complete budget submissions and 2 months for parliament's debate of the budget. Some delays due political events and technical. All agencies bring forward submission this year (next year will be only bringing forward requested agencies). **On track to meet aspirational PEFA targets:** Upgraded PEFA: PI-17 i) budget colander; and PI-17ii Timely submission of budget to parliament. Legacy PEFA: PI11-i budget calendar; and PI-11ii timely submission

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
						adjust for late approval of FSP and FE.		
8. Delivering the Mid-year Budget Update if required	Delivering the Mid-year Budget Update if required	A	A	A	The operating and development budget has been reviewed, changes have been documented and will be presented to the Budget Committee, Cabinet and finally Parliament for Approval in the coming weeks.	All the standard massive challenges of running a whole-of-government budget incremental process	the MYR document will be uploaded onto the website once approved by the Budget Committee.	**On track and to high standard.** MYBU being delivered. Underspending was major driver for MYBU. Underspends moved to new projects/higher performing projects such as Citizens Charter, NRAP, and those projects with credible feasibility studies and preparatory work and new high priority fiscal policies such as IDPs. Donor prioritization but no changes in revenue and grants. Incremental approach followed in accordance with best practice. Key changes targeted to improve budget execution performance. Only done at discretionary budget level as non-discretionary budget is inflexible during the year and over years.
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 recommendations	A	B	C+	Annual Budget Performance report for FY 1394 and 1st Quarter budget performance report for FY 1395 are prepared and submitted to Parliament and Cabinet.	A few Budgetary Units was not submitted their quarterly budget performance report.	Budget performance annual report1394 and budget performance 1st quarter report 1395 are disseminated in Budget Website	**Outstanding timeliness, with plans to increase standards.** Budget execution and outputs. Recommendations and follow-up mechanisms not yet routine. Done by government wide unit. Coordination with Treasury/Execution Dept. on their reports. Reconciliation undertaken. 15 days' standard for production and send to Cabinet. Considering options for strengthening reports. Ring fencing issues introduces new constraints and beau racy.
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 link the budget with policy objectives of GoIRA and priority programs i.e. NPPS (But, there is no national strategy at the moment). The	The Program Budget Phase II strategy is Pending for approval of DGB and MoF Sr. Management. The alternative ways of solutions have been provided to DGB.	Draft 5 year PB Phase II Strategy	**Plans to modify 2016 Workplan.** Phase 2 ongoing. Phase 1 introduce idea to line agencies (programs, outputs and outcomes) - started 2006/2007. All line ministries spending against programs. BC1 and BC2 requests program - program budget tables. Appropriations not yet linked to programs. Program rules set to ring fence funding. Quality control on transaction processing at program levels. In-year fiscal reports include program expenditure to budget data. **All programs have program managers with authority to spend program budgets.** 3 options under consideration: i) continue with current systems - no benefit being achieved; ii) eliminate reform and go back to input; iii) move forward fully implement reform. A fourth option on sequencing of reforms. **Ring fencing issues introduces new constraints and bureaucracy.**

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					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.			
6.0 Admin Department		C	D+	D+				
6.1 AD: Procurement and General Services		D+	D+	D				
1. Strengthen the procurement internal control system	Publish procurement plan and improve annual reporting of procurement activities	D+	D+	D	Procurement Plan and Procurement Monitoring Plan have been prepared and shared with NPA	End-Users are rarely able to forecast their needs properly.	Copis of Procurement Plan and Procurement Monitoring Plan are available.	**Satisfactory Performance.** Procurement Plan is routine done every year, though progress on procurement reporting has stalled. Procurement monitoring plan is new. Idea was to publish but waiting for the NPA website. Monitoring plan includes comparing original plans with what actually gets done. The monitoring shows that variances are not that high and planned procurement methods are followed. Mostly the variances are caused by delays. Procurement plans for operations and development budgets are separate. Development budget variances are much higher. ICT project is an example. Dealing with international contractors takes more time.

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
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	D	The establishment of an interanl database system, connecting procurement and finance directorates is in progress.	Needs daily updating and tracking.	Database system is active in finance department .	**On track,** development of new database underway. Currently being used by Finance and they are working to connect it to procurement. The department is working to upload contracts to monitor and track payments and when the contract will be complete. This is a module of the Glory Group IFMIS system. It is a local a consultancy IT firm (Afghan). Database is web based. Hoping to have it finished by September. Asked to connect up to AFMIS but Treasury said no.
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+	D	The procurement cases referred for approval from provinces, are reviewed, and the weaknesses of the staffs are highlighted.	Launching procurement trainings in remote provinces are difficult.	Most of the provincial cases referred for approval, are recommended for re-tendering.	**Off track.** Challenges: Lots of problems with provincial staff not following procedures. Training has been proposed and training material has been developed, particularly for Revenue and Mustofiats but as yet no progress. On the job training is satisfactory at the central level, but more progress needs to be made at the provincial levels.
6.2 AD: Finance and Accounting		**C**	**D+**	**C**				
A. Budget Unit	Deliver Budgeting Services	C	D+	C	60% in Operating budget and 18% developmental budget in 6 months	procurement plan should be strictly followed by the organizations avoided expenses out of the plan		
1. Budget Planning MOF and Provinces	Budget Planning MOF and Provinces	C	D+	C	Budget planned and approved successfully	Provinces should be cooperative	0	**Business as usual.** Off track. Followed last year's system. BC1 follow-up at the provinces sent for approval to budget directorate. Forward estimates (on year) in BC1. Indicators removed and forward estimates. Currently preparing for BC2. $3m estimated needs by Director. Only receiving $2m.
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)	C	D+	C	passed the final budget	0	0	Send consolidated 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	on time budget is delivered	all organizations should be cooperative	0	
4. Deliver routine services	Deliver Routine services:				successfully done on daily basis	0	0	Consider deletion - routine
5. Develop and implement professional development programs for Budget Unit	Implement professional development program	D+	D+	D+	No progress.	HR does not approve our ideas.		**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. No plans for CBR.

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
6. Work with Treasury and Budget on reforms - allotments and commitment controls,	Work with Treasury and Budget on reforms - allotments and commitment controls,							**Not yet started.** Responsible for development and operating allotments. Onerous system. Time consuming for signatures.
B. Salary Unit	Deliver Salary Services	C	C	C				
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	0	
2. Improve timeliness of changes to payroll and personnel records	Improve timeliness of changes to payroll and personnel records	C+	C+	C+	couple of meetings held with DM in presence of HR and IT in regards, IT is instructed to develop an integrated system.	0	IT is currently on developme nt of the required database	
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+	couple of meetings held with DM in presence of HR and IT in regards, IT is instructed to develop an integrated system. In a couple of months, we will integrate HR and Finance which leads to effectiveness of payroll data and personnel records	HR, IT and finance department should work hard to achieve this goal	IT is working on the developme nt	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 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+	No progress.	HR does not approve our ideas.		**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	C+	C	C+	work in progress as mentioned above	0		At risk but on track to pilot new systems.

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
C. Book-keeping Unit	Deliver Book-keeping Services	D+	D+	D+				
1. Deliver routine services	Deliver routine services:				doing on daily basis	0	0	Do not score
2. Develop and implement professional development programs for Book-keeping Unit	0.00	D+	D+	D+	No progress.	HR does not approve our ideas.		**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	C	C	C				**On track** for plan to be agreed by the end of the year.
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.	C	C	C	to be discussed in the session and preparing to publish at the end of the year	0	0	**On track.** Workshops planned on Portfolio Budget Statements and Annual Reports for Sept/Oct.
D. Accounting (Payments) Unit	Deliver Payment Services	B	C+	B				
1. Deliver routine services	Deliver routine services:				doing on daily basis	0	0	Consider deletion - routine
2. Working on Financial database covering all units of directorate finance	working on Financial database covering all units of directorate finance	B	C+	B	Successfully implemented the database in all departments of the directorate finance and accounting. Reports go to Director (who meets every 2 weeks).	95% is implement some of the old entries are left which will be finish till the end of the year	0	**Good progress** developing systems to deal with central system/AFMIS constraints. **Done** pending move to using AFMIS for lover 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. **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+**	**C**	**C+**				
1. ICT Infrastructure of MoF HQ, branch offices in Kabul, custom directorates and Mustofiats	• Creating Technical proposal for the project. • Procurement department processes for the project. • Project tender announcement	A	C+	C+	● Technical Proposal Development (√) ● Procurement process: - Announcement			**Flagship program with rapid progress but s.t. significant risk.** Establishes the new vision for IT Infrastructure for MoF. Only network side (not PCs). Data center specs done within 1-2 months, DM and CoS approved. Costing was c$9m over five years for complete program including licensing, training and maintenance. Costings included estimates of cost savings

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
	• Project evaluation • Project award • Contractor mobilised with contract management systems in place (MoF finance, procurement, PIU) • Satisfactory progress against contract milestones				(V) - Bidding (V) - Evaluation (Under Process) - Award (X)			within MoF (e.g. AFMIS connectivity to provinces $0.7m pa, and $2.4m p.a. for central). Procurement process imitated and has been submitted to NPA within 2 months. Award likely to be done by August. **New Director and his new team has reset the agenda** and is focusing on getting MoF infrastructure established to a high standard. Management approval of single MoF IT solution to be managed by IT dept. **Risks** associated with this flagship program includes: i) procurement awards and contract management; ii) coordination with other MoF systems including AFMIS, SBPS and DAD; iii) reliability of internet source provider; iv) dealing with high costs - 1mb $2k per month in rural areas - set by MoCI - General Directorate. Fibre in Kabul is $200pm.); v) single champion driver; and vi) adequacy of time for technical proposal development and stakeholder's consultation. Risk reduction includes good experience in roll-out systems in MoE.
2. Software development and other initiatives	Roll-out program	B	C	C				**Flagship Program for building the IT foundations for an effective public finance institution. *Moving fast on developing bespoke software solutions but at risk:*** Key Ares for review include methods for prioritisation of workflow priorities and stakeholder consultation could be improved.
6.4 AD: MoF Project Implementation Unit		**C**	**C**	**C**				
1. Monitoring of development projects, of Ministry of Finance.	1.Collecting progressive reports of current projects.	C	C	C+	progressive report of projects is continuing as per PIU action plan	Quarter meeting organize by the PIU for better solving of income problems relating to DB	Receiving of monthly report for DB for better organizing of reporting system	**On track.** Excel systems being used. Collect project reports received monthly or quarterly. Compare with financial and procurement plans. Action plans for every projects. (Discretionary and Non-Discretionary Development Budget Projects). RIMU reports to PIU as RIMU is a project. Development Budget reports. (Check to see if the Plans are consolidated and used by Budget for allotments). Getting returns from project owners 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, c 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.

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
								Challenge: systems and processes improvements to reach high standards for monitoring performance of projects in accordance with PEFA standards for public investment management.
	2.Prepare and finalize project reports and Compare with action plans	C	C	C+	analysis of projects reports separately and compare with action plan	N	with compare statement of progressive report with action plan we analgise the state of project which is going on according to the action plan or not	**On time at risk due to CBR delays**. Not published. CoS decision to publish. Explanation for delays and quality issues are reported with follow-up recommendations. Low quality of staff constraining performance for qualified engineers. Just recruited 2 engineers.
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 weeky,monthly,and quarterly	B	B+	B+	updating of project expenditure as per AFMIS report and in project base	PIU trying to make sure the expenditure be according the Action plan	preparing of weekly expenditur e report	**On track and dealing with global problems. Using AFMIS to report.** Challenge on dealing with over-budgeting and not reporting on balance of grant agreements to complete on time. This means over-budgeting continues and practice of extending grant agreements. Significantly improved financial reporting comparted to last year. Claims that performance has improved. Reports do not compare with last year.
	2.The Arrangements and Preparation of developments projects physically reports	B	B+	B	updating of project expenditure as per AFMIS report and in project base	PIU trying to make sure the expenditure be according the Action plan	preparing of weekly expenditur e report	Secure data via standard report from AFMIS. Financial form at the start of the year identifying budget needs. (Finance use for allotments).
	3.Analysis of development projects and planning of projects for upcoming years	C	C	C	Receiving of B4 for better under sting of project requirement for upcoming FY	N	official DB formats	**On track.** Learning lesson sessions happen. Budget execution performance has improved from 0% to 9% first quarter, to 17% to 19% this year for ytd equivalent.
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	D	D	D				No Assessment
	2.the creations of activities related with projects							No Assessment - Do not score

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
4. The holding of Focal Point meetings	1.Holding of focal point meeting two times in a month	B	B	B	darling of monthly setting of focal point staff in PIU office for better observation of DBs	N	munities and agenda of the meeting	**On track and responsive to MfF, but maybe having unintended consequences.** Alternate in place. Standard agenda in place. Moved from monthly to bi-weekly - pressure from above to report. Compared to last year - claim of is of improved performance. Good evidence of system changing and improving, including reporting to Minster on high performing and underperforming projects. Major challenge is at leadership group level where project challenges need to presented at leadership group level to agree Reponses and follow-up.
	2.The arrangement of regulations and settings of focal point meetings	B	B	B				**Challenges include defragmenting project and performance monitoring.** i.e. there are some duplication of functions under RIMU, PMT and PIU with some potential synergies if functions
	3.Note the chasing and decisions of focal point meetings	B	B	B				
5. The collection of procurement plans annual, and administrative units, mastufiyats, customs, and central departments of Mof, and monotheism by timely before then fiscal year	1.The collections of procurements plans from Mustofiats and customs.	C+	C	C+	analyses of Custom and Mostfyet report	N	After completing of report the consider report had been send to procureme nt office	**Routine process:** Function of PIU is to consolidate plans from Mustofiats, customs and central MoF department and send to procurement directorate. This team monitors procurement. Need to confirm if intermediary role between spending units and procurement is appropriate (delays and risks).
	2.The Monotheism of procurement plans from Mustofiats and customs	C	C+	C	confirmation of priority of C &M projects	Major project of C&M had been considering as per Approved Budget		
	3.measurments of budget for the requirements	C	C+	C	consider of project as per the financial plan	N		
6. Designing, Planning and supervision of construction projects of construction projects (e.g. new MoF building in Darulaman, Sub-Directorates etc)	1The beginning Estimation of the project.2. designing of the project	C	C+	C+	the beginning estimation of 100 projects and designing of 25 projects	N	Procureme nts Documents	**Initiated.** New feasibility and design work to be confirmed. New building foundations will likely be laid by the end of the year. Working with IT unit to ensure.
	2.control and supervision of the construction projects	C+	C+	C+	supervision of Mustufias projects and custom projects	N	``	
	3.supervision on Ending estimation of the construction project	C	C	C+	ending estimation of 90 projects	N	``	
6.5 AD: Auctions and Disposals Unit		D+	D+	D+				
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	D+	D+	C	A three days training was conducted for provincial staff.			**At risk.** Conducted 3-day training course for provincial staff (Mustufias and Customs). 61 invited and 40 attended. Training in Kabul. Discussed the law and provided training in how to implement the law. Explained the changes and gaps in the

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	asset disposal, asset module, and fleet management (and in due course AFMIS data entry).							law. For the people that missed the training the section will email them the materials provided during the training. Materials were developed in house through consultations including with the DG. This was the first time they have done the training. In future they will invite all LMs. Hopefully this training will happen before the end of the year. Lack of budget and resources a constraint.
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	D+	D+	D+				**Off track** No regular summary reporting of activities. There are reports on each individual activity submitted to the Director General of Finance and Admin but no summary or tracking reports. Section has a plan to introduce 6 monthly reports. It will be part of the process of developing the database used by Finance, Procurement and Auctions. Hopefully this will be done by the end of the year.
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.)	D+	D+	D+	Auction and Disposal law is being amended			**Off track:** Planning at the moment is ad hoc. LMs inform Auctions and Disposals section and they assign staff. The team will start working on a plan for 2017. The team are waiting for the development of their database but need to be more proactive in developing a process for annual planning.
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				**On track but at risk due to resource constraints.** Doing 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 on recruitment of staff. The gender unit is looking for expertise and support to look at these policy issues and provide regular reporting to 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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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
7.0 SOE Department		C+	C	C+				
7.1 SD: Policy & Coordination		C	D+	C				**This team's role is coordination and facilitation.**
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				This team has focussed on the facilitation and coordination of the activities in this section. **Some progress** but still delays on the new SOC law and amendments to the SOE law. This includes clarifying the roles and responsibilities of the COM versus the SOE commissions. Some policy work has been done but the legislation is still with MOJ.
2. Capacity Building within SoCEsD	Build capacity with available resources	C+	D	C+				**Reasonable progress.** A budget has been secured for some training this year and a package of joint training for SOE Department staff and staff from the SOE/SOCs has been designed. It is waiting on procurement and may be delayed. **Progress on establishing the SOE Department as a DG is mixed.** The DG has been appointed but the Tashkeel proposal was not approved and there are no additional staff to start the new additional Directorate.
4. Implement analytical and reform work	Deliver reports with available resources	C	C	C				**Some progress on analytical work has been made** with COM agreeing to a process for analysing SOEs and SOCs. SOE Dep. Has done some work and LMs are completing their detailed analysis. It is not clear how this process will drive improved performance. Scope for the analysis is unclear and follow up will be done after the analysis goes back to COM. A proposal for an IT platform to link the SOE Dep with SOEs has been done and is with procurement.
5. Deliver priority reports	Deliver key reports	C	C	C				**Some progress** but there are significant risks that reporting and recommendations are not being tracked systematically.
7.2 SD: Financial Monitoring SoCs		D+	D+	D+				**Note: This is a technical team while the Policy and Coordination team function is primarily facilitation on these same issues.**
1. Administer SoC Legislation	Implement legislation	C	C	C				This team has delivered technical inputs to the drafting of the SOC law and amendments to the SOE law. See notes in above sections under Policy and Coordination Team. **Some progress** but still delays on the new SOC law and amendments to the SOE law. This includes clarifying the roles and responsibilities of the COM versus the SOE commissions. Some policy work has been done but the legislation is still with MOJ.
2. Capacity Building within the Unit	Implement training pogrom as approved and funded	C	C	C				**Reasonable progress.** A budget has been secured for some training this year and a package of joint training for SOE

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
								Department staff and staff from the SOE/SOCs has been designed. It is waiting on procurement and may be delayed. **Progress on establishing the SOE Department as a DG is mixed.** The DG has been appointed but the Tashkeel proposal was not approved and there are no additional staff to start the new additional Directorate.
3. Capacity Building within SOCs	Implement a training for program for SoEs - training to include performance analysis (including recapitalization assessments) Budgeting, and Accounting.	C	C	C				**Some modest progress** with a joint training plan for SOE Dep and some staff from SOEs designed for this year and currently being tendered. It will focus on project management, accounting and basic fiscal risk assessments and reporting. It will need to be significantly scaled up and be on-going if it is to be effective. It will only reach 50 SOE / SOC staff this year. Budget and resources are a major constraint.
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	C	C				**Some progress on analytical work has been made** with COM agreeing to a process for analysing SOEs and SOCs. SOE Dep has done some work and LMs are completing their detailed analysis. It is not clear how this process will drive improved performance. Scope of the analysis is unclear and follow up will be done after the analysis goes back to COM. A proposal for an IT platform to link the SOE Dep with SOEs has been done and is with procurement.
5. Deliver priority reports	Deliver key reports	C	C	C				**This team has provided technical inputs to the work in this section.** **Some progress** with regular analysis of balance sheets and performance conducted and recommendations made to LMs and individual SOCs. It is not clear that the team is systematically monitoring progress on these recommendations to see if they are implemented and monitoring the impact through improved performance. Training to ensure staff are adequately qualified to do the analysis also needs to be stepped up. These aspects need to be improved.
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	D				**Office not yet established see discussion on Tashkeel proposal under policy and coordination. Awaiting CSC sign off.**
7.3 SD: Financial Monitoring SoEs		**C**	**C**	**C**				**Note: This is a technical team while the Policy and Coordination team function is primarily facilitation on these same issues.**
1. Administer SoE Legislation	Key Action 2016	C	C	C				This team has delivered technical inputs to the drafting of the SOC law and amendments to the SOE law. See notes in above sections under Policy and Coordination Team. **Some progress** but still delays on the new SOC law and amendments to the SOE law. This includes clarifying the roles

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
								and responsibilities of the COM versus the SOE commissions. Some policy work has been done but the legislation is still with MOJ.
2. Capacity Building within the Unit	Implement training pogrom as approved and funded	C	C	C				**Reasonable progress.** A budget has been secured for some training this year and a package of joint training for SOE Department staff and staff from the SOE/SOCs has been designed. It is waiting on procurement and may be delayed. **Progress on establishing the SOE Department as a DG is mixed.** The DG has been appointed but the Tashkeel proposal was not approved and there are no additional staff to start the new additional Directorate.
3. Capacity Building within SOEs	Implement a training for program for SoEs - training to include performance analysis (including recapitalization assessments) Budgeting, and Accounting.	C	C	C				**Some modest progress** with a joint training plan for SOE Dep and some staff from SOEs designed for this year and currently being tendered. It will focus on project management, accounting and basic fiscal risk assessments and reporting. It will need to be significantly scaled up and be on-going if it is to be effective. Budget and resources are a major constraint.
4. Implement analytical and reform work	Establish and implement a rolling program of public expenditure/pricing reviews of SOEs by national and international experts.	C	C	C+				**Some progress on analytical work has been made** with COM agreeing to a process for analysing SOEs and SOCs. SOE Dep has done some work and LMs are completing their detailed analysis. It is not clear how this process will drive improved performance. Scope of the analysis is unclear and follow up will be done after the analysis goes back to COM. A proposal for an IT platform to link the SOE Dep with SOEs has been done and is with procurement.
5. Deliver priority reports	Deliver annual report on fiscal risk posed by SoEs	C	C	C				**This team has provided technical inputs to the work in this section.** **Some progress** with regular analysis of balance sheets and performance conducted and recommendations made to LMs and individual SOCs. It is not clear that the team is systematically monitoring progress on these recommendations to see if they are implemented and monitoring the impact through improved performance. Training to ensure staff are adequately qualified to do the analysis also needs to be stepped up. These aspects need to be improved.
7.4 SD: Divesture of State Profitable Entities and Establishment of New State-Owned Enterprises and Corporations		**D+**	**D+**	**D+**				**Note: This is a technical team while the Policy and Coordination team function is primarily facilitation on these same issues.**
1. Administer Divesture and New SoE Legislation	Pursue implementation of existing legislation -	C	C	C				This team has delivered technical inputs to the drafting of the SOC law and amendments to the SOE law. See notes in above sections under Policy and Coordination Team.

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
	consider options for review of legislation							**Some progress** but still delays on the new SOC law and amendments to the SOE law. This includes clarifying the roles and responsibilities of the COM versus the SOE commissions. Some policy work has been done but the legislation is still with MOJ.
2. Capacity Building within the Unit	Implement training pogrom as approved and funded	C	C	C				**Reasonable progress.** A budget has been secured for some training this year and a package of joint training for SOE Department staff and staff from the SOE/SOCs has been designed. It is waiting on procurement and may be delayed. **Progress on establishing the SOE Department as a DG is mixed.** The DG has been appointed but the Tashkeel proposal was not approved and there are no additional staff to start the new additional Directorate.
3. Implement analytical and reform work	Deliver analytical reports with available resources	D+	D+	D+				**Some progress but generally off track:** This team has delivered technical inputs to the drafting of the SOC law and amendments to the SOE law as with other teams but there is no progress on a rolling program of analysis for divestiture and assessments of proposed new SOEs.
4. Deliver priority reports	Prepare 2016 annual report on divesture (change status) and new SoE/Cs	D+	D+	D+				**Off track no plans for annual report in 2016.**
8.0 Property Department		D	D	D+				
8.1 PD: Provincial Property Directorate		**D+**	**D+**	**C**				**The new DG is working on a proposal to establish the legal and Policy basis for the PD.** He will submit it to the Minister and the HEC in due course. This will lead to significant revisions to the 5-year plan.
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	D+	D+	C	Total AFG 120m revenue collected from leases and rent of provincial property and AFG 104m revenue collected from capital of Kabul grand total of both is (AFG 224m)			**On track but many challenges.** First 6 months have collected around Afs120m for provinces. **Challenges:** Revenue Planning Department gives them a target for Kabul but not for provinces. So not working to a target except in Kabul. Also Property Department not responsible for collecting provincial revenue. It is the responsibility of the Mustufias. So property has no influence over collections. Mustofiats tend to put all revenue in one code, M29s don't split out property and so no way to get a property revenue reports from AFMIS. Data comes from Property staff in the provinces who work under the Mustufias. Not a good system. Therefore, reconciliation of actual to reported is not possible.

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	**First Review**
								Last year Property established an object in code in AFMIS for provincial property revenue (20090). Around 50% Mustofiats agreed to put revenue against the code, but RP says many Mustufias are complaining. They are worried that money for their target is going towards a property target. There is a clear need to have accurate targets for both Mustufias and property. RP are arguing to close the property revenue code. Plan made on improving the systems but challenges. Needs considerable support.
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+	C+	Total number of (185) contracts including capital property has been signed			**At risk for provinces but on track for Kabul.** Change 2016 target to 240 / 1200. Ahead of target for the year. 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. With renewals this estimate may actually be higher.
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	D	D	D	Protection/Care of the carried and incarriable of properties that have been transferred to prevent of abusing of persons and to the achieve to repair and green area of properties 24h in progress			**At risk** from low quality inputs and lack of policy sign off. Policy for operations and maintenance of government property developed and submitted to Minister and DM.
4. Reporting and Briefing	4 quarter	C	C	C	from two quarter done			**On track.** First two quarters have been provided. Limited distribution and impact.
5. Routine Property Department Operations	Ensure timely transfer of property revenues, Develop and agree timeline for performance management cycle,	C	C	C	it is on progress			Consider Removing and just keeping legal sub-activity

PLANNED ACTION (THEME BASED - NOT YET TEAM BASED)	1395-2016	1395-2016 PERFORMANCE			1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
6. Deliver professional development opportunities for staff	16 workshop in capital and provinces	D	D	D	0	Need budget support		**Off track: no plan is in place, not training has been conducted due to a lack of resources and budget.**
8.2 PD: Registration and Resolution Directorate		**D**	**D**	**D+**	1			**The new DG is working on a proposal to establish the legal and Policy basis for the PD.** He will submit it to the Minister and the HEC in due course. This will lead to significant revisions to the 5-year plan.
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)	C	C	C	total number of (1518) newly registered			**Good progress: Ahead of target.** Target IS 1000 for 2016 but so far already registered 1518 properties. Big effort from the team to increase the number of registrations this year. Last year was around 500-600. The big increase in 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	D	D	D+	number of (2) gov property has been released	Need help of MOF for hiring New lawyers, evaluations, resolutions, and legal proceedings pursued and also need help of ministry of justice and security departments.		**Partly off track:** 2 properties have been released but there is still low political support and no additional protection for staff. The Team are working on evaluations. 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.
3. Address problems associated with former Banks (Agricultural, Industrial, Mortgage and Construction Banks) including release of guarantees, retired staff's rights.	Need help of MOF Minister, Cabinet and President Office	D	D	C	0.2	Need help of MOF Minister, Cabinet and President Office		**Off track and carrying significant risks.** This issue probably needs a dedicated taskforce to manage it effectively. It should be done outside PD and given significant political support to resolve. 1400 former staff are affected plus over 33,000 mortgage holders with delinquent loans.
4. Reporting and Briefing	4 quarter	C	C	C	1FF%			**On track:** First two 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 performance management cycle,	C	C	C	0.7			**Consider Removing and just keeping legal sub-activity**
6. Deliver professional development opportunities for staff	16 workshop in capital and provinces	D	D	D	0	need help of MOF for budget support		**Off track:** no plan is in place, no training has been conducted due to a lack of resources and budget.
8.3 PD: Capital Properties (Kabul) Directorate		**D+**	**D+**	**D+**				**Note: The new DG is working on a proposal to establish the legal and Policy basis for the Property Department. He will**

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
								submit it to the Minister and the HEC in due course. This will lead to significant revisions to the 5-year plan.
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 AFG 120m revenue collected from leases and rent of provincial property and AFG 104m revenue collected from capital of Kabul grand total of both is (AFG 224m)			**On track but many challenges.** First 6 months they have collected AFS 120m Kabul and around Afs120m for provinces for a total of AFS 240. Provincial number is much less certain. Kabul reports are all the time but you get provincial reports quarterly. Property estimates they will be up by 10% on last year. Challenges are large in collecting arrears from some powerful interests and political support for the PD is required to meet targets and to keep improving.
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+	C+	Total number of (185) contracts including capital property has been signed			Change 2016 target to 240 / 1200. **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. With renewals this estimate may be higher.
3. Protect (MOF) Developmental projects and engineering and giving professional advice	(6) Developmental Project Need for Budget	D+	D+	C	0.3	need help of MOF dep		**Only partly on track, 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.
4. 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	D	D	D	1			**At risk** from 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.
5. Reporting and Briefing	4 quarter	C	C	C	1			**On track: Reports for f**irst 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,	C	C	C	0.7			**Do not score.** Consider Removing and just keeping legal sub-activity

PLANNED ACTION (THEME BASED - NOT YET TEAM BASED)	1395-2016	1395-2016 PERFORMANCE			1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
7. Deliver professional development opportunities for staff	16 workshop in capital and provinces	D	D	D	Need for budget support	need help of MOF for budget support		**Off track:** no plan is in place, no training has been conducted due to a lack of resources and budget.
9.0 Human Resources Department		B	B	B				
9.1 HRD: Training & Development		**B**	**B**	**B**				
1. Institutional Capacities	Administer the scholarships and training program	B	B+	B+				
2. Delivering Soft Skill Training	Administer the targeted training program	B	B	B				
3. Delivering Technical Training	Deliver technical training	C+	C+	C+				
9.2 HRD: Recruitment Development		**B**	**B**	**B**				
1. Recruit, motivate and retain male and female employees in MoF	Deliver recruitment services	A	B	B				
1. Recruit, motivate and retain male and female employees in MoF	Deliver merit based recruitment for CBR and national consultants	B	C+	B				
9.3 HRD: Organizational Development		**B**	**B**	**B+**				
1. Develop a comprehensive structure for Ministry of Finance to meet its budgetary needs.	Ensure transparency and effectiveness of organisational structures	B	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+	B	B				
9.4 HRD: Performance Appraisal & Record Keeping		**B**	**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	B	D	D				
3. Manage and Process Monthly Payroll	Manage time and attendance and payroll systems for MoF	B	B	B				
9.5 HRD: Employee Relations		**C+**	**C+**	**C+**				
1. Addressing Employees rights (Monetary and nonmonetary)	Deliver effective conflict management services for MoF staff	C	C	C				

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
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	C				
3. Provision of a safe working environment for MoF employees	Deliver a safe working environment for staff	B	B	B				
10.0 Insurance Department		C	D+	B				
10.1 ID: Insurance Affairs		C	D+	B				
1. Deliver supervision services of insurance industry. Providing insurance licence for all insurance activities, Financial Supervision of insurance activities, Preparing of application form for insurance companies, broker, agent, survior and insurance advisor. Ensure industry compliance with legislation including provision of financial statements (in support of fiscal risk management)	insurance companies, broker, agent, survior and insurance advisor	C+	C	B		0	0	**Generally, on track.** SAFI licence delayed due to compliance issue. Two other licence applications are in process. 2 out of 3 public companies have been audited. All registered national airlines have been inspected this year. License renewals complete.
2. Strengthen 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 a public awareness campaign	C+	C+	B	90%	0	0	**Awareness programs being implemented**, but effectiveness constrained by low level resourcing.
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	Develop professional development program in line with a CBR access strategy.	C	C+	C				**Basic Professional Development Plans in place but No Funds to implement.** 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

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
insurance supervision data base and to appoint insurance crime criterion and Establishment of insurance library. Received Financial grants, signing memorandum of understating with foreign insurance departments in the region and elsewhere, to earn international organization membership (ECO, saarc, Islamic development Bank and WTO). (Subject to finance).								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.
	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 for finance).	Continue to work towards setting the foundations for an independent insurance agency							**Do not Score delayed until 2017.** 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 Higher Economic Council. Costing of impact is worth doing including increasing revenue, wider insurance takes 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 , livestock, individual licencing, motor body, illegal insurance violation, expected and unexpected accident, micro	Strengthen legislative framework in line with plan and resources (Islamic insurance and micro-insurance for 2016)	C	D	C	40%	We do not have legal sources, reference, budget and insurance experts.	budget	**1. Third part liability drafting is on track but constrained by lack of budget for multilingual stakeholder consultation process.** First draft done. 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. Report is x pages long. 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-

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
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 illegal activities), arrangement of workshop with cooperation to government and private entities for realization of insurance industry . (subject for finance).								one has Islamic Law experience in Afghanistan. **3. Micro-insurance Law Status: Same as Islamic law status - risk due to lack of expertise and funds.**
6. Other activities: Social health insurance and Illegal Insurance	Develop social health insurance policy and pursue illegal insurance	C	C	C+	70%	0	0	**Social Health Insurance Status:** Collecting data for social health insurance policy which is still in draft form. 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. **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 stuffiest - 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.
11.0 Internal Audit Department		C+	C	C+				
11.1 IAD: Office of the DG		B	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.

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
1. New Methods of Fraud Investigation	Studying and introduction of new methods of Fraud investigation	B+	C+	B+	Guidelines and policies are reviewed		Guidelines and procedures	**New fraud investigation systems in place.** Manuals and policies done on Fraud investigation. Started in 2015 and finished early in 2016 assisted by consultants. Distributed to IAD staff. Producing results already with more referrals to the authorities. IAD are using these new procedures in training of other internal auditors in other ministries. World Bank provided a lot support including TA and G&S. International and local advisers. New methods include: i) surprise audit; ii) recording procedures; iii) checking actual delivery of products with invoice and contracts; iv) personnel appointments. Process includes how to handle complaints and methods to investigate. Other procedures to investigate other forms of fraud are not yet developed: i) holding invoices for facilitation payments; ii) booking expenditure twice against two projects; iii) cheque fraud; iv) ghost workers; v) payroll fraud; vi) allotment fraud, vii) contract fraud; viii) invoice fraud. World Bank consultants (c30 persons - 3 advisers) providing assistance in this area (for many years). 156 Tashkeel. 30 Consultants. **Challenge with CBR Tashkeel positions:** None. Advertised 2 years ago. Consideration of CBR applied for CIA. **Challenge in appointing a DG (currently vacant)** and ensuring Chief Auditor and internal auditors are fully qualified Internal Auditors, and empowering the DG to drive culture change. **There is an urgent need for diagnostic study and self-assessment on the degree of compliance with international standards** set by the Institute of Internal Auditors: - the International Professional Practices Framework (IPPF). Every standard needs to be assessed for degree of compliance with the view to established a rolling plan to achieve broad compliance over the medium term.
2. Updating of Policies and Manuals	Review of Audit Toolkits	B+	C+	B+	revision of Guidelines	inexistent of General Director		**Good progress - reviewing, consolidating and adding toolkits.** Delayed due to move of DG to Nangarhar/Jalalabad. Team believe they can still get the review of the toolkits done. 11 Toolkits originally. There was some duplication. Combined some reports. Some simplification and clarification done. New toolkit added.
3. Improvement of Work Environment	Providing electronic instruments to Audit staff (computers and Printers)	B+	B+	C+		non- cooperation of Auditee in providing documents on time		**Done.** Everyone that needs a computer has one. Printers all functional. Paid for by the ARTF project. Full access to Asycuda and SIGTAS provided to identified staff. Asset register is up to

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
								date. Central asset registry is in the MoF- A&F but under review for reform.
4. Fighting Against Fraud & Corruption	Fraud Investigations of reported cases	B	C+	B	Professional and legal opinion caused decrease corruption		writing out of the audit reports and toolkits	**Good progress.** Number of fraud investigations: 77 in progress. 30 complete. 117 in the courts or AGs. These stats include historical from last year. 47 new investigations from this year still progressing. Process in place for initial analysis to determine if report is to be investigated or deemed frivolous etc.
5. Revising the Legal mandates regarding Internal Audit	Developing of audit regulations				Inspection Committee was formed but yet it is not reflected,	Changes in Top Positions caused inactivity		**Do Not Score - On hold** pending transfer of the DG and new priorities. The ARTF national consultants have been helping develop audit regulations over the past years.
6. Quality Improvement & Assurance of Audit Reports	Review of audit effectiveness and improvements	C+	C+	C+	positive changes have come in execution		Report	**On track.** 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.
7. Special Audit Assignments	Special audit as per instruction of Minister	B	B	B	implemented according to guidance of MoF and legal & judicial offices		submitted files of judicial office and audit reports	**On track to a reasonable standard.** A few cases have been assigned by the Minister as a channel for complaints. Minister is happy with the response Some examples: - 1 termination actioned based on advice from IAD. Based on investigation report by IAD in Audit Committee Meeting, 3 MoF officials referred to AGs. - 1 more termination in Customs for theft. - 1 for interference in matters concerning auctions.
8. Follow up of Audit Recommendations	Follow up Audit	C+	C+	C+		non- cooperation of Payers and security organs in implementation of audit recommendation regarding acquisition, writing out.		**Routine system working.** Follow-up review report linked to audit effectiveness report above. Follow up is routine. 3 types/phases: 1. Separate team's follow-up or review. 2. Audit report with recommendations. 3. Follow-up tracking.
9. Surprise Audit	Surprise Audit	C+	B	B		no timely implementation of customers in related departments		**On track. A few surprise/random audits which are effective.** Some good examples: STO and MTO based on complaints (mistreated). Plain clothes investigations. Documented proofs. 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).

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
10. Resolution of Complaints	Resolution of complaints	C+	C+	C+		no timely implementation of customers in related departments		**Complaints mechanism being followed.** A clear mechanism exists for dealing with complaints on MoF. There are systems to deal with complaints of IAD staff/operations. Average of 20 complaints received per month (so c120 this year), and all go through the complaints handling process (initial analysis assesses validity - e.g. minor and late advice).
11. Feedback from auditees	Seek Feedback from auditees and respond as appropriate	C+	C+	C+	we didn't have serious problem			**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, 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+	C+	Attempted for implementation of all standards			**On track, but need to start certifying all MoF internal auditors at least to CIA level.** Currently following standards 12 IIA standards. IIA was first introduced in MOF IAD 8 years. IIA certification: None. 4-5 CIA in the PFMR2 (IA). 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 available in Kabul). The majority of staff want to do the course. The extent too which IAD is compliant with IIA standards is uncertain. Recommendation is to do a study to assess compliance with the 12 major standards and sub-standards.
11.2 IAD: Compliance and IT Audit and Fraud Investigation		**C+**	**C**	**C**				**Working progressing 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+	fourteen members of fraud investigation section attended to Capacity building program	some of them assigned for investigation of particular cases	Attendance and Evaluation Form	**Satisfactory progress:** Some training in Fraud Section: Theory by ARTF consultants. On the job training. Certified Fraud Examiners not approved/available but remains a priority. IT audit training. 2 Staff from project are working on IT auditing - via mentoring. ACL not currently being used.
2. New Methods of Fraud Investigation	Studying and introduction of new methods of Fraud investigation	B+	C+	B+				See Office of the DG
3. Updating of Policies and Manuals	Review of Audit Toolkits	B+	C+	B+	eight guidelines were reviewed and inspected		Guidelines and procedures	See Office of the DG
4. Improvement of Work Environment	Providing electronic instruments to Audit staff (computers and Printers)	B+	B+	C+	all employees are using from computer and printer		computer and printer	See Office of the DG

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
5. Developing Checklist	Developing Checklist for Mustofiats Audit	C+	C+	C+				**Minor progress:** 2 checklists done by ARTF
6. Fighting Against Fraud & Corruption	Fraud Investigations of reported cases	B	C+	B	seven -seventy cases were under investgation, thirty cases are investigated and rest are under the process		Reports	See Office of the DG
7. Risk Based Audit Planning	Identifying Risks and developing Risk Based Annual Audit Plan	C+	C+	C+	risk areas of auditees are first identified and then be inspected		toolkit-4	**Satisfactory progress:** Risk based auditing is in the toolkit 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 regulations				commandments of legal codes are applied in toolkits		report and toolkits	Do not score - on hold pending decision by DG.
9. Supervision of Internal Auditors Activities	Supervision of Auditors activities in Kabul and Provinces	C	C	C				Supervision of internal auditors is routine.
10. IT Audits	IT Audits	D	D	D	areas covered by the information technology are investigated	lack of employees and the high number of cases	database	**Off track.** Request to not score as not yet done in IT Audit and Fraud Section. This should really be a priority considering the name of the section is IT Audit. Internal audit IT solutions required (e.g. A Command Language - ACL has been shown to work successful on AFMIS branded general ledger systems).
11. HR Audit	HR Audit	C	C	C	human resource section of center provinces and two have been investigated	lack of Tashkeel in center and provinces offices	reports and toolkits	**Regular basis.** 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+	C+	all reports are followed up by the operational team	lack of cooperation of auditees in specified time	documents of operational department	See Office of the DG
13. Surprise Audit	Surprise Audit	C+	B	B	compliance audit investigates the departments unwarily.		report	See Office of the DG
14. Implementation of IIA Standards	Implementation of IIA standards	C+	C+	C+	Implementation of audit regulations, guidelines and procedures		Toolkit 1-11	See Office of the DG
11.3 IAD: Budget and Treasury Audit		**B**	**C+**	**C+**				**Good progress with annual audit planning. Getting Audit Committee functional is a pre-condition for effective internal auditing services.**

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1. Capacity Development of Staff	Capacity development of Fraud Investigation Section	C+	C+	C+	10 members are introduced to capacity building program	absent of employees cause of assignment	Attendance and Evaluation Form	See Fraud
2. Updating of Policies and Manuals	Review of Audit Toolkits	B+	C+	B+	Guidelines inspected and reviewed		Guidelines and procedures	See Office of the DG
3. Improvement of Work Environment	Providing electronic instruments to Audit staff (computers and Printers)	B+	B+	C+	most of employees are using from computer and printer		computer and printer	See Office of the DG
4. Developing Checklist	Developing Checklist for Mustofiats Audit	C+	C+	C+	revision of checklist		Toolkit 2	See Fraud
5. Risk Based Audit Planning	Identifying Risks and developing Risk Based Annual Audit Plan	C+	C+	C+	all earas identified on the base of risk and will audit	3 cases delegated to the audit committee and 11 offices have been investigated according to approved plan	Toolkit 4	See Fraud
6. Supervision of Internal Auditors Activities	Supervision of Auditors activities in Kabul and Provinces	C	C	C				See Fraud
7. Financial Audit of MOF Departments	Audit of MOF Units as per annual plan	B	D+	C	Treasury and Budget Departments have been investigated	Recommendation is included in reports		**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 goes 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 meet. DG has authorities to act in certain circumstances. If something is required to goes 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+	all recommendations are Chase and Follow up by the operational department	non-cooperation of relevant sections in specified time	documents of operational department	See Office of the DG
9. Surprise Audit	Surprise Audit	C+	B	B				See Office of the DG
10. Implementation of IIA Standards	Implementation of IIA standards	C+	C+	C+		using of IIA Guidelines and procedures		See Office of the DG

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
11.4 IAD: Customs and Revenue Audit		**B**	**C**	**C+**				**Generally, on track see comments above.** Need to restructure 5 year plans more account the actual job functions of the directorates, rather generic functions
1. Capacity Development of Staff	Capacity development of Fraud Investigation Section	C+	C+	C+	based on need and necessity ten employees introduces to private universities for bachelor and master degree		enrolment of employees in private universities	See Office of the DG
2. Updating of Policies and Manuals	Review of Audit Toolkits	B+	C+	B+	procedures of audit of custom and revenue were reviewed (100% progress)		guidelines and procedures	See Office of the DG
3. Improvement of Work Environment	Providing electronic instruments to Audit staff (computers and Printers)	B+	B+	C+	electronic equipment's have been Purchased and distributed to employees. (100% Progress)		computer	See Office of the DG
4. Developing Checklist	Developing Checklist for Mustofiats Audit	C+	C+	C+	in audit of custom and revenue checklists have been prepared and is used (90%)	lack of time and non-cooperation of auditee		See Fraud
5. Risk Based Audit Planning	Identifying Risks and developing Risk Based Annual Audit Plan	C+	C+	C+	100% Audit plans prepared according to risk		According to approved plan and Toolkits	See Fraud
6. Supervision of Internal Auditors Activities	Supervision of Auditors activities in Kabul and Provinces	C	C	C	80% auditor activities were monitored and auditor activities in provincial units controlled through phone as per requirement	lack of facilities in audit of provinces, supervision is implemented just through Phone		See Fraud
7. Financial Audit of MOF Departments	Audit of MOF Units as per annual plan	B	D+	C	according to approved plan 90% audit of MoF units have done	lack of employees		See Budget and Treasury

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
8. Follow up of Audit Recommendations	Follow up Audit	C+	C+	C+	100% follow up of previous audit recommendation		report	See Office of the DG
9. Surprise Audit	Surprise Audit	C+	B	B	5 surprise audit have done		report	See Office of the DG
10. Implementation of IIA Standards	Implementation of IIA standards	C+	C+	C+	80% IIA standards is considered in investigation		Guidelines and procedures	See Office of the DG
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 account the actual job functions of the directorates, rather generic functions
1. Capacity Development of Staff	Capacity development of Fraud Investigation Section	C+	C	C	50% implementation have done in outside areas	non-cooperation of relevant sections		See Office of the DG
2. Updating of Policies and Manuals	Review of Audit Toolkits	B+	C	C	50% guidelines and policies is reviewed	transfer of DG		See Office of the DG
3. Improvement of Work Environment	Providing electronic instruments to Audit staff (computers and Printers)	B+	C	C	Positive changes have come due to changes in departement, trainings and capacity buildings		changes in decision papers and better decision making in leadership	See Office of the DG
4. Developing Checklist	Developing Checklist for Mustofiats Audit	C+	C	C	implemented with agreement of general internal Audit directorate		checklists	See Fraud
5. Capacity Development trainings for Budgetary audit units	Providing Trainings for 10 Budgetary audit units	C+	C	C	formulation of educational programs for budgetary audit units	change of DG caused slow down implementation plan		See Fraud
6. Risk Based Audit Planning	Identifying Risks and developing Risk Based Annual Audit Plan	C+	C	C	identification of risks in project coordination units, attendance department and Inter-Continental Hotel		reports and toolkits	See Fraud
7. Supervision of Internal Auditors Activities	Supervision of Auditors activities in Kabul and Provinces	C	C	C	50% auditor's activities have been monitored	lack of employee		See Fraud

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8. Financial Audit of MOF Departments	Audit of MOF Units as per annual plan	B	C	C	80% implementation has Doon been	according to approved plan	reports	See Budget and Treasury
9. Follow up of Audit Recommendations	Follow up Audit	C+	C	C	not implemented yet			See Fraud
10. Surprise Audit	Surprise Audit	C+	C	C	not implemented yet			See Office of the DG
11. Process Audit	Process Audit	C+	C+	C+	not implemented yet			In Progress - tba
12. Implementation of IIA Standards	Implementation of IIA standards	C+	C+	C+	45% IIA standards is considered darning investigation	all standards are not applicable		See Office of the DG
12.0 Programs Implementation and Coordination General Directorate		D+	D+	D+				
12.1 PICGD: Directorate for Coordination of National Priority Programs		D+	D+	D+				
1. Secretariat function to Development Councils	Development Councils Work plans are implemented Regular high level and technical level meetings are organized	D	D	D	Policy Department is providing support to 4 out of 6 Development Councils, three of which are functioning; i.e. Infrastructure, Human Capital, Regional Connectivity Councils. The Land and Water and High Economic Councils have their separate secretariats.	Lack of clarity on leadership and roles within Councils.	Meeting minutes of the Developme nt Councils.	**Off track:** lots of room for improvement. Lost momentum in the beginning and now need to work to catch up. Need to train staff and improve me their capacity but team feels they have enough staff. Will require some TA for the analysis if they want to have a substantive input into the policy development process.
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	B	B	B	1. Citizen's Charter program has been drafted and its first phase (4 year) program document is in the final stages of completion. Financial projection has been	Low capacity in relevant ministries. Lack of clarity by lead ministries on what these programs should look like and how to go about developing them.	Concept notes, first draft of the program documents, financial planning	**On track** with some good progress. The Citizens Charter is complete and almost ready to launch. Will be presented to the Brussels meeting in October and is ahead of schedule. The infrastructure NPP is also well advanced and should be finalised as a program by the Brussels conference. Given the commitment was to have 2 NPP concepts ready by Brussels this is good progress. In addition, there is good work on-going on Woman's Economic Empowerment and the concept will be ready for Brussels. The draft of the urban concept is also done

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
	National Priority Program are developed Financial Plans of National Priority Programs are developed				completed. 2. WEENPP (Women's Empowerment) is under progress, consultation with lead and supporting ministries ongoing. First draft is almost ready for ministries inputs and feedbacks. 3. Comprehensive Agriculture NPP is finalized from MAIL and is waiting for cabinet approval. National Infrastructure Plan is in progress with a first draft almost completed. 4. Urban Development NPP is almost completed. Final Consultation is needed and then it will be sent to cabinet for approval			ahead of schedule ready for Brussels. The draft AG NPP Concept first draft is done, but not due for Brussels. **Challenges** include coordination of LMs, capacity in the LMs and in MOF to do multiple NPPs at once and clarity about the policy direction of these NPPs with some of the development councils not functioning effectively.
3. National budget allocation determined by national development strategy	Consultation, drafting and finalization of NDS	C	C	C	The 3 drafted NPPs and the draft ANDF is determining the national budget. Some NPPs like CCP is even co-financed by the national budget.	Low capacity in relevant ministries.	Resource allocations and co-financing	Maybe remove this activity.
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	C	C	D	NDS (ANDF) second draft is ready after several rounds of consultations with government ministries, donor	Low capacity in relevant ministries.	Drafts of ANDF and SMAF reports.	**On track but at risk:** First draft was shared with donors 1 month ago. 22 pages of comments received from donors. Shared with all LMs and agencies. Comments from 14 LMs received. Comments were mostly positive. Liked it being concise and liked the structure. Some agencies didn't find themselves in there. Needs a change to the way people see

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	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				agencies, civil society and private sector. Out of 39 SMAF Commitments 15 have been achieved and the rest are in progress.			the budget. Also given to civil society and private sector. CC focussed on women and corruption. PS want BEE. President received draft on Monday 25 July. Presented in conjunction with fiscal space analysis. Government deadline is 31 July but may slip into August. aim is to have it finalised by 23 August for the Brussels meeting. Under consideration by the President but should be on track. Process of getting clear guidance from the Cabinet and HEC was problematic which made the drafting more difficult.
12.2 PICGD: Directorate for Policy Research		**D**	**D**	**D**				
1. Policy research and development	X number of policies reviewed X number of policies developed	D+	D+	D+	An assessment for ANDF was conducted and ANDF first draft is developed.	Data collection	ANDF document	**Significantly Off Track:** Process for ANDF has been poor with the draft document very late and of poor quality. The deadline may be met for Brussels but only with significant interventions by the PO and external consultants. This reflects poor coordination.
13.0 Monitoring, Analysis and Reporting General Directorate		C+	C	B				
13.1 MARGD: Directorate of Program Monitoring		**C+**	**C**	**B+**				**Plan needs to be restructured.** Team is currently doing their own internal 5-year plan now. Once complete we need to do an impact and risk assessment and look at 5-year sequencing. Scores for the mid-year update will be provisional based on the old plan.
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	B+	SMAF commitments are being regularly monitored and status updated. Work on alignment of National Budget with NDS has not yet started. NPPs development and decisions of the Development Councils are being followed up.	Data collection	Government report of JCMB and regular update to the Cabinet on the status of the commitments. Four NPP documents, Citizen	**On track:** This Directorate is more about data collection and monitoring follow up on agreed actions etc. Will use IT solutions like a database. From SMAF, from Councils and from NPP's. More mechanical - they would do most of the SMAF reporting. Reports are on time, quality is a bit variable due to data and input from LMs but effectiveness is. good. Team is proactive about getting additional information. LMs tend to just say on track for everything. Team has set of questions and suggests solutions such as high level meetings. e.g. CBR update. Team will set up a system to monitor outcomes of the councils and the SMAF and NPP indicators. Goes back to Kabul Conference in 2010, no policy monitoring function. This DG

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
							Charter, Women Economic Empowerment Plan, Infrastructure Plan and Urban Development NPP.	established as a result of the experience in trying to do monitoring well. MOE, President's office and MOF all have differing responsibilities for monitoring. MOF has the budget monitoring but needed something else to monitor policy for alignment with national priorities. Can't just be imported from Budget. Big new function is monitoring work of the councils. By monitoring they mean follow up on decisions, document process and check if the plans have been turned into action. They are effectively a secretariat for the councils, arrange agendas and take minutes. Still initial steps, councils are just getting started. Demarcation between other departments is they do the planning and then this team does the monitoring. Challenge for the team is many of the things they are supposed to monitor are still under development - ANDF, NPPs. So they are helping on the ANDF and Working on the NPP's. As well as follow up on councils. Now they have 3 councils that are meeting and taking decisions - Infrastructure, Human Development and Regional Economic Cooperation. Infrastructure has been most successful so far. Important to note that the team not only does the secretariat role, they then work on the content and plans for the various areas of work, in consultation with the relevant LMs. Staffing: 4 or 5 all Tashkeel, no TA but plan for International TA (Alan Kelly) paid for by the ADB.
13.2 MARGD: Directorate for Analysis and Reporting		**B**	**C**	**C+**				
1. Analysis and reporting	Monthly reports on SMAF commitments. Biannual reports on alignment of national budget with NDS. Quarterly reports on development of NPPs and functions of development councils	B	C	C+	Reports are not being produced on monthly basis. No report has been developed on alignment of national budget to NDS. NPP status update is being developed and	Data collection	NPP Status Report to Heads of Agency Meetings and Cabinet.	**On track.** This directorate is more about analysis of policy and producing more of a narrative and reporting to Cabinet and other ad-hoc strategic briefings. e.g. report JCMB, and preparing highlights of NUG for Brussels and elaborated report for SMAF. SMAF reporting: 39 commitments that must be reported on up to Brussels. No standard but usually monthly and quarterly, plus specific deadlines based on indicators. Different means, HOA, circulation and JCMB. Team does updates each month / qtr. and then send to donors., JCMB,

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
					released to donors and government.			Cabinet. Based on reporting the President has decided to meet relevant Ministers in batches / groups. they do 10 at a time. 9 commitments are by donors and AMD monitor them day to day. DG is responsible for the reporting but not he content. Big challenge, data is inconsistent and late, AMD are not always responsive. Donors also tend to reinterpret the commitments egg. SWAP has been reassessed on whether it is practical. SMAF report has 6 areas. Achievements and annex on every activity. Serves both a political and a practical purpose. it is helps to put some pressure on LMs to complete work. Sub-National Govt, or penal code law, these have been long term problems and SMAF helps. SMAF is also seen as a reform package e.g. finance and banking. SMAF reports go to international community and GoIRA, Cabinet. HOA updates quarterly. Information comes in Dari and in English and is of variable quality. Getting data is also problematic unless there is a clear deadline like a JCMB or international meeting. Team is working with GIZ to design an M&E framework. Hoping to finish design phase this year and start using it.
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	First quarter Interim Financial Report (IFR) was prepared for1395FY and submitted to WB on time PFMRII project revised costing was done for the extension to end of Dec 2016 and June 2017. Similarly, PFMRII project high level WP and results framework	No specific challenge existed	Evidence is available	**Budget:** Is not an Annual Budget but a costed allocation of agreed additional financing provided by the Bank under for PFMR2 for period Jan 2016- June 2017. Additional financing for the extension is $41.2. It is unclear what the balance of PFMR2 was prior to additional financing. **Costing:** based on input based costing (TA costs) and reform themes rather than activity based costing. **Implementation plans**: Updated implementation plan Gantt chart for 18-month period of extension. This is organised by reform themes, not team activities under the 5-year plans. It is not being used activity to track progress. Reporting on implementation performance to Minster is responsivity of former Steering Committee. This is now being done through the TTL during 6 month missions.

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
					were update for extension.			**Progress report:** Produced 10 days after end of period. **Procurement Plan:** Done and sent to bank for no-objection. Separated by agency (NPA, RIMU, Treasury, SAO). PPs updated every 6 months. Annual report on actual performance against original procurement plan limited to prior review reports. **Team believe that there are no significant challenges faced by RIMU.** Challenges of coordination, quality and timeliness do not exist according to RIMU. RIMU have evidenced that World Bank have reported to RIMU that the team has delivered outstanding performance.
	2.providing secretariat services for the Project Steering Committee.	C	C	C	RIMU coordinated, Managed and organized the 17th SC meeting (2015) for the reallocation and readjustment of PFMRII project budget. Also RIMU coordinated and organized the 16th SC meeting (2015) and Kick off and wrap up meeting (2016) for the mentioned WB identification mission for the extension of the PFMRII Project.	No specific challenge existed	Evidence is available	**No Steering Committee meeting held this year.** A Kick of meeting (DM Finance, DG Treasury, Head of PFMR2 components) was planned and organised by RIMU: Schedules done. Agenda not done by RIMU - done by TTL. **Now no longer supporting Steering Committee as its been formally disbanded though it still operates informally through World Bank missions.** But providing scheduling support for visiting missions. Steering Committee used to be DM Finance and DG Treasury. Implementation support mission meet with same people. No minutes taken by RIMU as Bank does this function. Function involves setting up meetings.
2. Public Finance Management Reform II (PFMRII)Project Procurement Plan & Monitoring Report submission to WB on time	Prepare and finalize reports and plan				For the Oct 2015 Implementation Support Mission ISM of the WB, RIMU prepared and submitted to the WB the Project Progress Report, Procurement Monitoring Plan/Report, Project Detail and	No specific challenge existed	Evidence is available	Do not score as activity covered and scoring covered at item 1 above.

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3. Public Finance Management Reform II (PFMRII) Project Progress and Performance monitoring reports submission to WB on time	1. Collect and analyse data.				Project Progress Report submitted to WB	No specific challenge existed	Evidence is available	Do not score as activity covered and scoring covered at item 1 above.
	2. Prepare the reports				Project Performance monitoring report submitted to WB	No specific challenge existed	Evidence is available	Do not score as activity covered and scoring covered at item 1 above.
4. Preparing of MoF Technical Assistanc TA reports	1. Collect & analyse data from all MoF departments	C	C	C	Data collected and analysed from all line departments	No specific challenge existed	Evidence is available	**TA Reports covers number of NTA and international TA in total and by project.** Key message of report is that there has been a fall in number of TA. Included old data (CTAP) or wrong specification. APFM not included. No reconciliation procedures followed, for example, comparing data from units, with data from donors, data from NTA payroll. Quality is a major concern. Internal audit provides the raw data on NTA and international TA. Discretionary and non-discretionary budget source in TA table from Internal Audit can be calculated by project name. No performance information on TA in the reports. RIMU position is to not be involved with performance assessment. There is no assessment of the overall quality or performance of TA. Reports have no recommendations on TA.
	Prepare draft for review.				first draft was prepared	No specific challenge existed	Evidence is available	Do not sore as 1 score sufficient as there are simple process steps.
	3. Finalize the report				Final reports prepared and submitted to top management and WB.	No specific challenge existed	Evidence is available	Do not sore as 1 score sufficient as there are simple process steps without in-year deadlines.
5. Preparing of MoF period 100 days and quarterly, semi-annual and annual performance review reports	1Collect & analyse data from all MoF departments.	B	C+	C+	Data collected from all line departments to create a unified reporting file which then to be submitted to the office of administrative affairs.	The reporting template received from OAA seemed to be a little complicated which created some problems.	documents exist	**RIMU produced the 2016 Annual Plan, and 2015 Annual Report.** Annual Plan is different to the 2016 plan of the MoF 5-year plan. The 100-day plan is a Presidential initiative. First 100 days developed by DM Policy. RIMU made responsible for 2nd and 3rd 100-day plan reports. 4th is due. Process is requesting infor from units. Progress is % and a short narrative. Consolidation of WoG report is done at the Office of the President. MoF publishes the WoG report on the MoF website after approval. 10-15 days provided to publish report from end of the 100 days. Quality scores based on approval of the Office of the President.
	2. Prepare draft for review.				first draft of second 100 days and third 100 day reports were prepared for review	Some units had not reported based on their plans and we had to contact them again and again to make correction.	documents exist	

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	3. Finalize the report				MoF 2nd 100 days and 3rd 100 day reports prepared and submitted to the office of administrative affairs.	There was no challenge regarding the preparing of the reports	documents exist	
6. Preparing MoF period 100 days and annual Plan	1. Prepare draft for review.				First draft of MoF annual Plan, second 100 days and third 100 days were prepared for review	lack of knowledge and experience of Departments regarding the planning format was the main challenge that we faced during the period and after frequent discussions on the issue it was solved.	plans are available and will be handed over in case of inquiry.	Do not score as activity covered and scoring covered at item 5 above.
	2. Finalize the report				MoF annual plan and 2nd and 3rd 100-day report were prepared and submitted to top management	regarding the preparation of final draft and sharing it with top management, there was no specific challenge.	plans are available and will be handed over in case of inquiry.	
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				The TNA of the FY 1394 has been tailored and modified for the FY 1395.	No specific challenge existed	Evidence is available	HRD function - already covered under HRD. Do not score.
	2. Coordinate the issue with all HRD departments at headquarter sub national level.				The training plan for 1394 has been forwarded with some modifications to 1395 for implementation	No specific challenge existed	Evidence is available	**Do not score - a function and primarily done by HRD.** Training Needs Assessment Started December 2015. Training needs assessed by reviewing plans presented by directorates. RIMU HR specialist conducted workshops and based in HRD. Skill Gap assessments, Functional and job requirements, and competency standards were not specifically addressed, but was delegated to the Teams and individual to request what they felt was needed. Supported training on how to communicate with HQ: e.g. using email, using video-conferencing. Done for 5 zones (i.e. 4-5 provinces under 1 zone). Participants come to Kabul (Accommodation etc provided). Security conditions prevent trainers to undertake field visits for training. Quality of TNA is viewed to the responsivity of HRD. Quality here is assessed on following Bank procedures required under PFMR2. RIMU is very

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								responsive to the Bank as evidenced by the latest aide memoire on the PFRM2.
	3. conduct training sessions at national and sub national level (subject to financing)				During the period, 13 various training programs on different topics in line with the training plan have been conducted for MoF employees and more than 235 staff have been trained.	At sub-national level due to security problem, training delayed and it will be conducted in the future.	Evidence is available	HRD function - already covered under HRD. Do not score.
15.0 Revenue Planning Department		C	C	B				**This Department is assigned for possible functional reassignment to ARD and MFPD.** 40-45 staff will need to be reassigned. if this takes place. Challenges include: RP being merged with ARD and MFPD. This represents a major problem, particularly for staff motivation. At the first leadership group meeting on the 5 year plans the DG argued that RP should not be shut down. There is a view that RP is not valued because there is a lack of understanding of the functions of RP as well as the actual performance. An issue moving forward to ensure key tax and customs revenue planning and provincial target monitoring and data entry functions retained in ARD and Customs, with higher level fiscal forecasting functions remaining in MFPD. **Functional reassignment crucial to get right if it is to go ahead**. It might take some months to do merger to other departments. Currently with the CSC for approval of the new structure for MOF. Once done it goes to President. Might be around 2 months. **A long history of a battle of functions and data systems** had occurred. RP had a legacy database - Revenue Reconciliation Database (RRD), which was a system of reconciling provincial revenue targets and performance - it was standard closed database. Another system - RTAS Revenue Trend Analysis (ASI helped on development 2009-10). EGGI (USAID) supported RRD. RTAS database was set up to read data from AFMIS (AFMIS direct access was not available to RP. Access only available via a one way read restricted interface). RRD and RTAS have different functions and objectives. RTAS is more

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								about increasing transparency of operations and having wider centralized oversight of revenue performance at the provincial level and ensuring targets, assessments, payments and collections reconcile, whereas RRD is more about timely revenue assessment of provincial collections in order to provide more timely follow up at the provincial level. It is claimed that most activities under 5 year plans would be supported by RRD not RTAS. Another claim is that if RRD is fully developed then there is no need for RTAS. Other complications include functional issues related to RTAS and RRD v's current and future functionalities of SIGTAS and AFMIS.
15.1 RPD: Revenue Analysis and Forecasting		C	C	B				**Off track.** Function will transfer to ARD (customs function uncertain).
1. Support Improving Revenue Target Setting	Implement plans to improve accuracy of revenue forecasting and deliver more effective revenue target system	C	C	B	The President of cases that require financial support in the development of the plan Madyvl not feel the need to do his schoolwork analysis, the development time it is able to simply implement your plan.	The lack of development of the system (Developer) at the department, which we Mjbvrsakhth to get from other sources to develop cooperation.	Proposal dated 09.04.1395 No. 1677 orders dated 12/4/1395 of the Ministry of Finance	**Off track due to resourcing constraints and slow progress.** Challenges was people and money for this function. No money for developers for systems. Spoke to some donors and RP also made requests to the MoF including for full systems, not just IT, but also processes, monitoring, training. DG spoke to WB PFMR2, Claudia, AEITI - GIZ. Once word got out that DG was being abolished interest stopped. Despite this some progress has been made. In June RP made a submission to it and were assigned 2 developers. They are helping with RRD to move it from local system to web-based and centralised so everyone including provinces can use it. Can set target by object, secondary unit and tertiary unit. DG was satisfied. RP are leading. Partially complete, some presentations on progress are scheduled for July which will help determine when work will be complete. Will also help to simplify reporting and processes. Before the targets were quarterly % but not even. Now it is equalised, so 25% each quarter. The trend has stayed the same indicating this was ineffective. Nominal targets have gone up which is good, but it is not clear that the analysis of trends and gaps is driving the forecasts or targets. No way to target the gaps due to poor data and classification and information gaps.
15.2 RPD: Monitoring and Evaluation of Revenue Targets		C	C+	B				Thinks the department should remain separate under the DM Revenue. Also outlined how they cover tax, non-tax and customs. So doesn't fit neatly into ARD. Nor does it fit neatly into MFPD. Has raised with the minister his concerns bout the need or a better analysis of the functions. Will transfer to MFPD.
1. Support Development of Revenue Recording and Reporting Systems of RRD & RTAS	Implement plans to strengthen the recording and reporting systems of RRD & RTAS	C	C	C+	این ریاست در قسمت دریافت منابع مالی غرض انکشاف سیستم ها به مقام محترم وزارت پیشهاد ترتیب و	با وجود اینکه همه ساله این ریاست بودجه انکشافی خویش را ترتیب و غرض اجرآت بعدی به ریاست محترم مالی و حسابی	Developme nt budget requests with	**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

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					حسب هدایت حکم (877) مؤرخ 1395/2/21 به تعداد دو تن از کارمندان ریاست محترم تکنالوژی معلوماتی بالای انکشاف سیستم RRD در حال حاضر نظر به اولویت بندی کار خویش آغاز و بخش Backin آن را تکمیل نموده است. الی دو ماه آینده سیستم از نگاه کار کرد مورد امتحان قرار خواهد گرفت.	فرستاده است اما هیچ گونه بودجه در بخش درخواست شده به این ریاست مد نظر گرفته نشده است که خود یکی از چالش های برزگ در قسمت اصلاح و انکشاف سیستم ها در جهت ثبت به موقع ارقام عواید و را پور دهی عواید گردیده است.	attachments and other documents are available.	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	C+	B	B	Look at all departments under the supervision of revenue reporting, but there has been direct assessment of a small number of central offices.	Guided by letter number (HR-6368) historian / 11/1 / 1395- Head of Human Resources that the effect of Decree No. (7) of 3/1/1395 of the Ministry of the number (11) of the employees of the department as a service to Central region were introduced that were not sending employees to the provinces.	Documents are available in the field. (Several case reports were prepared and implemented subject)	**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 Mustofiats. 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 Mustofiats 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	C	C	C	A staff member was sent to the workshop twenty days and a few were introduced to ensure higher education and the	Lack of financial and technical support	Guidelines, 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.

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					number of procedures, guidelines were under Barngry but did not print.			
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	D+	C+	B+	در حد امورات داخلی انجام فعالیت های ارتقای ظرفیت به کارمندان صورت گرفته ، اما به شکل تخصصی آن طوریکه لازم است و شامل پیشنهاد در این برنامه غرض استخدام مشاور گردیده است کدام عمل خاص انجام نگرفته.	Lack of qualified personnel and expert analysis and forecasts revenues at the helm.		**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.
16.0 Macro-Fiscal Performance Department		C+	B	B				
16.1 MFPD: Fiscal Directorate		B	B	B				
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	A	B+	B+	Budget is in the progress to be developed on the basis of forward estimates, FSP prepared and approved by the HEC,	Nonexistence of new policy costing and life costing of the development projects, developing framework for the non-discretionary development budget	FSP and the new national budget document	**On track to high standard with excellent problem solving.** New Fiscal Strategy Paper marks a significant change to budget preparation. Policy was approved by the High Economic Council with government leadership involved in setting the primary budget parameters. New revenue forecasting methodology used to drive robust fiscal space calculation. Changes have resulted in a politicization of the revenue forecasting, partly as the result of the separation of revenue and fiscal space estimation in MFPD and expenditure in Budget Fiscal envelope developed based on new systems to estimate the medium term costs of existing policies. Workshops held to agree policy on medium term budgeting and content of the new Budget Circular 1 for 1395/2016. Good understanding emerging at line ministry level of rollover process and Forward Estimates being used as a baseline for next year's budget year. Significant challenges remain around the lack of staff and resources. Cross-team collaboration was challenging - within MoF and with ministries. Team was very effective in solving the problems going above and beyond to work with stakeholders - e.g. running dozens of workshops. Paper on pension policy done this year. Submitted to Minister of Finance with plans for submission to Cabinet once approval from Minister. High Economic Council discussion occurred on key parameters (accrual rates, retirement age increase,

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								biometric system) and political consequences (e.g. demonstrations). World Bank feedback was very positive.
2. Support the development and implementation of forward estimates framework	Establish first phase of forward estimates framework	B	C+	B+	MTBF developed, FSP published	Nonexistence of new policy costing and life costing of the development projects, developing framework for the non-discretionary development budget	FSP and the new national budget document	**On track to high standard with excellent problem solving.** Fiscal strategy paper advice well received by High Economic Council with good debate. Plans to improve the Fiscal Strategy Paper to comply with the highest standards under the Upgraded PEFA are in progress.
3. Support Development and Implementation of Sustainable Debt Policy	Review and update debt strategy and complete DSA	C+	C+	C+	in progress	capacity constraint and lack of government strategy on debt	A group of MFPD, DMU, DAB, and Budget being trained to learn DSA and Debt Strategy Developme nt	**On track.** Workshop on debt sustainability analysis has been held.
4. Deliver timely and high quality advice on tax policy along with consistently accurate revenue forecasts	Implement plan for improving tax policy advice and revenue forecasting	C	C	C+	revenue forecast is completed, macroeconomic policy brief submitted	resource constraint	ToR for Tax Policy Committee was Completed and approved	Tax Policy Committee approved by Cabinet to ensure is systemic and a coordinated approach to tax policy development across government. Staff have been allocated (revenue unit of MFPD). International Growth Centre are being engaged to support the TPC secretariat (MFPD). First Tax Policy Committee meeting planned by end September.
5. Manage and Coordinate IMF programs for successful outcomes	Successful oversight and coordination of SMP. Negotiate ECF coordinate implementation of program.	A	A	A+				**On track to high standard** with outstanding problem solving. 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**	**C**	**C+**				
1. Deliver timely and reliable forecasts of key macroeconomic variables	Update and refine quarterly macro-risk report and improve macroeconomic forecasts	D+	C	C+	completed		FSP	**Only satisfactory performance.** Macro-risk reports delayed, limited use and enchantments of macro models, and no improvement of the routine review of macro-economic forecasts.
2. Provide highly valued macroeconomic policy advice	Improve macroeconomic analysis and pursue macroeconomic policy development work	C	C	C+	completed	Lack of reliable historical data	Macro-Economic brief for Minister	**Generally good progress: i)** Macro-economic analysis having influence on fiscal reallocations; ii) Pensions modelling continuing; and iii) Fiscal risk indicators continue to be used. Policy notes delayed and communications remains weak.

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16.3 MFPD: Admin and Reporting Unit		**B**	**B**	**B**				
1. Set up Macro-Fiscal Performance Department	Continue implementation of new structure for MFPD	B	B	B	completed	Negotiation with HR, IACSC	MFPD Structure	Made good progress on implementing new structure. Approval for Tashkeel has been sought with decision pending from CSC. In short term staff have been hired through NTA and CBR while waiting for approval. Many positions still remain vacant however Department has been able to fulfil many core functions and high priorities to a high standard. For example, delivering responsive and high quality secretariat services to the Higher Economic Council.
2. Deliver Professional Development Opportunities for MFPD Staff	Agree and implement a plan for ongoing professional development program							No progress. Subject to TAF and Staff
16.4 MFPD: Performance Management Team		**C+**	**C+**	**B**				
1. Establish and Strengthen the PMT	Adjust PMT structure and professional development plans as required	C+	C+	B+	The PMT staffing proposal was included in the overall MFPD Tashkeel which was submitted to the MOF executive. The MFPD proposal was approved by the Minister but is yet to be approved by the CSC. As a result, the PMT has had no Tashkeel and has been managed 100% by consultants up until July 2016. Two NTA staff funded from CBR were appointed to the PMT in mid-July 2016 and it is expected they will transition to full-time permanent staff by the end of the year. No Director for the	The day in appointing Tashkeel to the PMT has constrained efforts to build a structure and to develop professional development plans. The lack of Tashkeel permanently in the office with appropriate training is also impacting on the effectiveness of the assessment process for progress against 5 year plans. The mid-year assessment has not going as smoothly as it could have if there was a well prepared and appropriately resources team in place.	MFPD Tashkeel proposal and MOF approval.	**Slow start on staffing but on track to get done by end of the year.** Performance Management Team structure approved but delays in approval of new positions. Tashkeel positions are with CSC and may require political support to secure timely approval. There has also been loss of existing staff. Good efforts to get CBR approved for MFPD (and PMT) for NTA. Job descriptions done and looking at re-focusing with new PMT staff. Professional development plans have been delayed but will be agreed with staff including 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.***

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					Reporting and Admin Directorate or manager for the PMT has been appointed and the risk is that this slips until after the end of year assessment.			
2. Develop and Maintain a Performance Information Management System	Enhance PMIS as required and implement systems integration plan	B	B	A	The PMIS is still being managed through spreadsheets. The proposal to develop an online database has not progressed due to a lack of funding. It was part of the PMT proposal developed by ISE but donors have declined to fund it. The Government is considering funding the PMIS from the budget, possibly with the cost being reimbursed by the ARTF though the TAF grant to MFPD. Discussions with both an international firm and a local sub-contractor have taken place and the development of the PMIS could be started fairly quickly should finding be made available. A working prototype would take up to 6 months meaning both he mid-year	The delay in funding for the PMIS has made the management of the performance management system much more difficult. It has increased the risks and means it will take longer to make the business process something that the PMT Tashkeel can manage without assistance. We have been discussing alternative sources of funding with the DG and there is some prospect the PMIS will receive funding from the budget.	PMT TORs and funding proposal by ISE. Spreadsheet templates and user guide.	**Off track but positive signs of improvement.** Funding approvals for database reversed 4 four times by contractor. Donors have not agreed to fund database. Government agreed to financing. Government now considering to fully fund work, potentially through a retroactive financing arrangement with the new World Bank TAF.

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					assessment and the annual assessment will be conducting using the spreadsheets.			
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 inaugural 5-year plan is finalised but is yet to be launched due in part to a delay in getting the plan translated into Dari. Initial meetings with additional agencies to expand the 5 year plans to some technical agencies and up to 2 line ministries in 2017 have been conducted. Further work will be needed to complete the plans for new agencies and get them into the 5 year rolling plan for early 2017.	The inaugural 5-year plan took much longer to finish than was anticipated. The initial meetings in late 2015 went well, but due to delays in getting the leadership group to validate the plans and in getting translation have meant the launch is yet to be done. Much of the delays were due to this being a new process for teams and because of a lack of staff in the PMT. PMT has learnt some valuable lessons and rolling over the plans should be easier.	Inaugural 5-year plan in English and Dari.	**On track**. Mission held with key agencies (Agriculture, Interior and Defence, Statistics, Supreme Audit, IDLG, Embassy in DC) with in-principle agreements to participate in process. Line agency involvement in Fiscal Performance Improvement Plan was to focus on key areas including: i) Budget statement production; ii) improving budget execution during the year; and iii) Annual Reporting.
4. Run workshops on key unresolved issues	Run workshops on key unresolved issues as required				No action in 2016, partly due to lack of budget.	This should be done in 2017 after the first annual assessment.		Workshops have not taken place, though in depth discussions have occurred with Budget on key issues. Agreements have been reached with DGB and MFPD for need. AMD is still to confirm. Line agency involvement also being considered. Still working on building the legitimacy of the performance management system. Next mission planned to cover 5-year plan reach expansion and workshops.
5. Brief and report	Brief leadership group in line with work plan	B	B	A	Regular leadership group meetings have not occurred. Despite requests to hold meetings at the beginning and end of missions by the PMT consultants only 1 meeting has been	The leadership group of the MOF is quite ad hoc and getting broad by-in to the 5 year plans and the performance management system has been challenging. The lack of permanent PMT	BTORs and progress reports.	**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.

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					held this year. Progress reports and BTORs are provided to the DG MFPD and to the President's office at the end of each mission outing what has been achieved, challenges and recommendations for follow-up actions.	staff has also put pressure on the DG MFPD on follow-up actions.		
6. Deliver Routine Operations for the PMT	Tracking Report (May/June) and Annual Performance Report (Nov/Dec) produced	B	B	B+	The midyear assessment is underway and will be complete by mid-August to feed into preparations for the Brussels meeting in Sep / Oct. Preparation was satisfactory but would have been better had the PMT had local staff to assist. Self-assessments by teams have varied, but given it is the first time are generally of lower quality than is required longer term. We would expect the self-assessments to improve for the annual assessment later in the year. The mid-year assessment is also highlighting that some of the team level plans need	This is the first round of self-assessments and most teams will need assistance in understanding the performance system. Assessments will take longer and be more intensive. Given the time constraints this will be challenging to get all the assessments done. Due to a lack of PMT staff in the lead up to the assessment coordination is not as good as it could be. Some meetings are not confirmed, particularly the leadership group meeting. Poor progress on development of the PMIS has also made the spreadsheet templates harder for teams to use and for the PMT to manage. We will have to	Mid-year assessment schedule, templates and guidance. Tracking Report outline.	**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. Plans for scheduled workshops next time. DG was proactive in getting letters out, securing agreement and prioritizing team work. Preparations were compromised due to lack of routine leadership meetings.

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					significant modification. The PMT has 4 consultants, 3 internationals and 1 local, plus 2 Tashkeel for the mid-year assessment. The crucial leadership group meeting at the beginning is not yet confirmed and the validation meeting at the end is also still tentative.	assess this process and make some changes for the annual assessment. One strategy might be to have the consultants arrive 2 weeks before the assessment and stay for a week after to finalise the process. This would ass significant cost.		
17.0 Aid Management Directorate		B	C+	C+				
17.1 AMD: Aid Management		B	C+	C+	(1) Drafting and revision of required guidance notes (6) Coordinate the implementation of donor's commitment under area 6 of SMAF (8) Negotiation with the DPs on the long-term commitment on aid effectiveness is underway (9) The New Deal Study is completed (10) In collaboration with MoFA, g7+ ministerial meeting was organized in Kabul during which the New Deal Study was launched (25) AMD webpage			**Generally, on track with plan. Major issue is getting AMD (and the DAD) working as part of a unified budget process -** supporting forward estimates, fiscal space calculations, consolidated budgeting and accounting, with comparable budgets and accounts.

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					designed and uploaded (26) Facebook and Twitter accounts activated (27) Donor profiles developed for bilateral, UN and multilaterals and Trust Funds (37) %?Financing Agreements are signed for on and off-projects (38) Development Framework Agreements are signed with the XXXX donors (39) MoU and other project agreements are negotiated with the involvement of technical ministries			
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.	B+	B	B+	AMP draft revised and finalized. The monitoring and evaluation framework is being drafted. In total, 7 guidance notes are either drafted or revised. Approval of the policy by the government is pending.	Consultant's contract was finished before the motoring and evaluation framework was finalized. Budget for translation is yet to be worked out. Staff turn-over at Aid Policy Unit. Poision yet to be filled. AMD has allocated staff from the Aid Coordination Unit to support the policy work.	Draft AMP, Monitoring and Evaluation Framework, AMP guidance notes.	**All on track to be finalised by the end of the year. The AMP is attempting to transform past traditional donor-government engagement practices - putting self-reliance at the heart of the agenda. Some delays with self-imposed deadlines for having it ready for Brussels.** (1) AMP on track for endorsement - internally approved by MfF (been to the OoP). Dari being translated and will be tabled at HEC (time to be determined). Once HEC have approved it will then go out to donors for wider consultation. (2) AMP implementation plan - First draft complete; (3) Drafting and revision of required guidance notes - Drafts done, and are being used; (4) Implementation has commenced (informally pending approval of AMP, etc). (5) Monitoring and Evaluation framework is in draft but is being used to measure compliance with policy. **Highlights:** i) Self-reliance - policy driving the budget process, Cabinet driving the policy setting process; ii) Guidance note7 - budget support etc are on the website. Shared with g7+ and ODI who have provided positive feedback. Donor consultation will help address any quality issues that remain (considered to

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								be high quality by the team). **Challenges** include: i) overcoming lack of support for AMD (UNDP have agreed to help with AMP policy development); ii) delays with delivering quality translation of materials including AMP and guidelines. One issue raised in discussion is how to set aid policy that supports the new PFM reform agenda on: i) consolidation - single currency and single CoA; ii) rolling forward estimates of costs of existing policy; iii) fiscal space estimation and re-prioritisation; and iv) flexible resourcing options (like single window, budget support, sector budget support).
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+	B	B+	Donor commitments under Area 6 of SMAF has been reviewed. Detailed minutes and follow up actions identified. Status report on donor commitments prepared and shared with the policy unit. Negotiations on longer term commitments will take place under the refreshed SMAF process.	Policy Department is the lead on these negotiations and often late is preparing the process. These negotiations are not linked to AMP discussions. AMD need to lead this process for substance and timeliness. Donors in most cases are unable to provide evidence of progress.	Area 6 updated matrix. DCD presentations and meeting minutes.	**On track.** (1) Area 6 of SMAF has been reviewed. Reporting is routine (DCD is annual) - follow up is set based on DCD agreements. (2) Mutual commitment - Donor - self-assessment conducted in April (sought evidence). Report produced. Quarterly reports on mutual commitment part of SMAF: 1st quarter done in July 2016. (3) Negotiation with the DPs on the long-term commitment on aid effectiveness: routine process. It is part of the process towards Brussels. **Challenges:** Ensuring internal coordination is effective (i.e. with PIDCG and other stakeholder agencies), and outreach with key ministries works well to build a good understanding of commitments, ensure good engagement in the commitment process and establish united Government position. AMD strategy is to engage regularly at technical level and seek political support. **Impact of reports: Development Cooperation Report** (DCR) is believed to have an impact with donors. Recommendations of previous DCR are tracked on annual basis.
3. New Deal Engagement	(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,	C+	C	B	The New Deal Study is completed; the final draft of the report is being reviewed. The g7+ ministerial meeting was organized in Kabul in collaboration with MoFA. Summary of the findings from	There is not budget for completing the follow on activities. UNDP has recently received a small allocation to support the remaining activates and is expected to start by mid-August 2016. Lack of political well from the	Draft New Deal Study, g7+ conference communique. New Deal implementation Workplan.	**(1) The New Deal Study was completed in** June: Fragility assessment found that out of the 5 peacebuilding goals (fragility stage), 3 areas are at the build and reform stage; and 1 is in the transition stage. Profile found to be the equivalent to Sierra Leone (Economy), Somalia (Security) etc). Study was written by a UNDP consultant. Aim of the report is to help the country understand where it is in terms of development towards moving out of fragility. (2) **g7+ ministerial meeting was held** in Kabul and the **New Deal Study was launched (as a summary -but not ready for publication yet. Plan is to publish later** after drafting is complete and approvals provided. Delays s.t. funding and

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
	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.				the New Deal study was presented.	government to take the New Deal process forward. All discussions remain at technical level.		contracting constraints linked to support from UNDP. (4) **Plan is now to have New Deal Study finalized by the end of the year**. Implementation including the monitoring framework will commence next year. Required close coordination with Council work to ensure NPPs reflect New Deal agenda. i.e. Councils need to decide how the New Deal targets/actions are to be reflected in NPPs (informing policy development). Considering doing presentations to various Councils. (5) Multistakeholder dialogue between the Govt., the DPs, and civil society on the implementation of the broader New Deal Agenda and the g7+ processes is in place. e.g.g7+ conference, DCD, DCR. (6)) **New Deal Implementation Project** is being developed by UNDP, who are seeking approval from NY. Given the heavy reliance on UNDP there is a question about ownership in all of this work.
4. Management ODA Data and Information	1. ODA data collected from Afghanistan development partners 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 communicated to the DPs; (4) DAD and FMAS comparability is resolved; (5) DAD rolled out to at least 3 ministries by offering sector specific DAD trainings, preparing of a user guide (6) dissemination of donor specific ODA Data Score-Cards on quarterly basis; (7) Work with Budget and MFPD on developing systems and processes for the new rolling forward estimates process; (8) Review International Aid Transparency Initiative	C	C	C	ODA request #1 was issued and aggregate data collected as per the ODA data cycle. ODA request #2 was issued in July and the data collection process is expected to be completed by September 2016. ODA reporting and DAD user guide prepared and disseminated. Data score card was prepared for Q1.	Delay in reporting by donors. No budget allocation for DAD upgrading and its rollout. AMD was not involved in the budget preparation process.	Aggregated ODA data table. ODA request#2 format and timeline. Aid reporting and DAD user guidance note. Data score card for Q1.	**(1) ODA data collected from Afghanistan development partners** in accordance with the MoF ODA Data Cycle and entered in the DAD - 3 points: 1) Jan/Feb; 2) Jul/Aug - detailed disaggregated disbursement and forward estimates; 3) Validating data. Data is shared with Budget. Budget collects data from agencies and uses that. Issue is timing of DAD data collection points are after Budget submission. ***New Forward estimates system*** will allow MOF to stop the request from Agencies of total expenditure estimates. Instead they will be asked if the forward expenditure estimates are accurate - with follow up with donors to secure agreement. ***Important to link SBPS and DAD and new Forward Estimates process. Additional restrictions sought by AMD for Synergy. DAD is constrained by lack of funding. Challenge is to get the specs right for enhancing DAD/SBPS and securing funding.*** **(2) DAD system improvement concept note on restrictions done, with plans to enhance.** It just needs to be updated for the new Forward Estimates system and getting the right linkages with SBPS for a consolidated medium term budget. (3) ODA data analysis conducted and the results communicated to the DPs - for DCR for later in the year (starts October) **(4) DAD and AFMIS compatibility issues not yet resolved** - will seek to enable system to import expenditure data. Bridging table issues are with: i) distinguishing between Country and Agency; ii) ARTF is a donor in AFMIS, where earmarked donors to ARTF projects are tracked in DAD; ii) economic classification might be ok; COFOG not in DAD, Sector not in AFMIS; ii) interface issues. **A high priority was**

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
								identified by the team to commission a DAD, SPBS and AFMIS compatibility Report. (5) DAD rolled out to at least 3 ministries by offering sector specific DAD trainings, and by preparation of a user guide. Web-based already available (all have read access). ***Progress on this issues is contingent on good progress on resolving compatibility issues*** (otherwise there is little benefit to users). (6) Dissemination of donor specific ODA Data Score-Cards on quarterly basis; - **done** (7) Work with Budget and MFPD on developing systems and processes for the new rolling forward estimates process. **Not yet, but see above.** (8) Review International Aid Transparency Initiative (IATI). **Team is considering options to assess options on how GoIRA can move towards developing IATI compliant systems.**
5. Drive Development Cooperation Dialogue	(1) Development Cooperation Dialogues with bilateral donors, militi-lateral/UN programs and agencies and Trust Funds are managed effectively.	B	C+	C+	Development Cooperation Dialogues (DCDs) conducted with bilateral donors and TF administrators. UN DCDs are planned for later this year.	Limited participation from the relevant departments in MoF and line ministries in the DCD process. Minutes of the DCDs were shared with all stakeholders	DCD schedule, presentations and minutes.	**On track:** DCDs with UN still to be complete. JCMB is managed by PIDCG. Full day dialogues. Highlights include: i) pledging for donors discussed in detail s.t. to Government ownership of the strategy; ii) supporting the reforms for the self-reliance agenda. 23 meetings occurred (schedule and minutes available). It takes three months to complete for 1 month of meetings including preparation, follow-up and reporting. Managed schedule under pressure. Donors view in DCDs as main forums because more time (Hoax and JCMB less flexible). Managing action items is linked to MoF actions only. LM actions are responsibility of the LMs (actions set in minutes).
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 Cooperation and OECD surveys is facilitated.	C	B	B	Portfolio review was conducted with 3 donors. Two more will be reviewed towards the last quarter of the year. Facilitated the participation of and input form the government of Afghanistan and major donors to the Global Partnership monitoring process.	Capacity to conduct detailed review of donor portfolio and participation from relevant agencies.	Portfolio review results. Correspondence with donors on GP monitoring. Afghanistan's data submitted for GP monitoring.	(1) **4 of 5 planned portfolios review complete:** Germany, WB, ARTF and ADB. US and EU have agreed and team will agree which one. Many projects restructured, cancelled and issues resolved. World Bank Portfolio Review introduced a world first: required disbursement rate multiple to complete project/grant on time. 3 parameters will be followed: i) disbursement rate; ii) time lapsed and time to close; ii) challenges. 2) **Annual DCR on track** for end of year. (3) **Afghanistan's input done** into relevant international development partnership platforms/forums/surveys- namely the Global Partnership for Effective Development Cooperation and OECD surveys is facilitated: Started, with comments provided and dialogue occurred. HLF planned for Kenya later in the year. MfF may attend.
7. Communication and Advocacy	(1) AMD webpage designed and uploaded; (2) Facebook and Twitter accounts	B	C+	C+	AMD web pate and social media accounts are	Capacity to regularly update the website and the social media	AMD website: amd.mog.g	**2015 multi-year communications strategy developed and implemented.** (1) **AMD webpage designed and uploaded - High quality**.

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
	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 quarterly basis; and (6) Policy briefs are prepared and shared with the management.				activated. Donor profiles are prepared and amiable on the website. Donor score card was prepared for Q1. Numerous policy briefs prepared and shared with the management.	is lacking. AMD has proposed to hire a communications person and the position is yet to be recruited.	ov.af Twitter: @aidafghansitan Copy of briefing notes to the management. Copy of donor profiles	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 resources 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 resources 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+	C	AMD structure was revised and approved by the ministry. Recruitment of staff through the CBR process is in progress.	Recruiting new staff is extremely time consuming. We have announced 5 positions through the CBR last year and the process is not complete yet. There is no capacity building budget. We have managed to get few of our staff included in training programs that were organized by the budget department.	AMD revised structure. CBR process documents.	**Progress is constrained by lack of resourcing.** Team has been innovative to find solutions. (1) **Recruitment challenges being faced: All positions approved under CBR and 5 positions** have been advertised (Oct last year). Short-listing only done as at July 2016. (2) **AMD's structure has been revised** and approved by MfF and CSC (early 2016) (3) **Transition to NTA to CBR-Tashkeel is challenging** (8 people already on NTA). The 5 positions advertised have been applied for by incumbents. Overall plans are that all staff will be Tashkeel on CBR (c20). (4) **Progressing efforts to mobilize resources for AMD's functio**n - UNDP are progressing, PFMR3 preparations are underway and non-discretionary budget. (5) **No budget for training but have piggy-backed on DG Budget** approved training programs (3 on MBA after work, 3 on Japan Program). ***Courses on GFS and COFOG crucial. DAC-OECD systems. Data analysis. Seeking support for data-mining AFMIS to help analysis.*** (6) **Procedures in place** for improving communication, information management and coordination functions: e.g. Processing Donor Data - 11 steps.
9. Project/Program Coordination	(1) Financing Agreements are signed for on and off-projects; (2) Development Framework Agreements are signed with the donors; (3) MoU and other project agreements are negotiated	B+	B	C+	Financing agreements are singed for all on-budget projects, however only 41% of off-budget projects has such agreements in	It takes time to receive comments from the line ministries. Donor have their own processes to follow for amending finance agreements and	Draft DFAs. A sample of Financing Agreements. Letters signed by Minister of Finance	(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. (2) **4 New Development Framework Agreements are on track**

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
	with the involvement of technical ministries;				place. Three (3) new DFA's were negotiated and will be completed by the Brussels conference. AMD is leading the negotiations on financing agreements for projects with all donors.	other framework agreements. Some line ministries need these agreements in local languages. AMD does not have the resources or the capacity to translate these documents. The absence of legal support to AMD has resulted in significant delays in concluding some of these agreements on time.	authorizing AMD to negotiate project agreements .	**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. (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.
18.0 Office of the President		A	A	A				
18.1 National Procurement Authority (NPA)		A	A	A				
1. Institutional Reform	- 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				**Outstanding progress:** 1) development of high quality 5-year rolling plan and team management; ii) timely recruitment and transfers to establish new team; iii) timely approval of high quality standard operating procedures for the NPA and secretariat; iv) good progress in ensuring appeals systems is working to increasingly high standards; v) National Procurement Instate on track to become operational as planned; vi) provincial procurement capacity assessment complete and training commenced; and vii) concept note on preferred supplier/framework contracts for low value high quantity products almost ready for submission to the President.
2. Legal and Regulatory Reforms	- Follow-up on approval of the Procurement law by the parliament - Comprehensive revision of ROPs, SOPs and SBDs - Develop New Procurement threshold mechanism - Review draft PPP	A	A	A				**Outstanding progress:** i) For the first time in the history of Afghanistan a world standard procurement law has been passed by the Parliament; ii) Comprehensive revision of procurement Rules of Procedures completed without any international technical assistance; iii) provided timely advice on PPP policy, including warnings on institutional arrangements; iv) Good progress in developing policy for large framework agreements (big multi-year contracts for generic goods and services); v) working well to establish a Procurement Professional Group backed by recognised system

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
	regulation - Framework agreements/contracts mechanism developed							of certification; and vi) Leading the way globally on incentivising good practice in procurement by establishing rule and evidenced based "hurdle approach" to providing increasing autonomy for procurement.
3. Procurement Professionalization and Certification	PCBC continues to deliver essential procurement trainings to procurement entities Conduct capacity and certification assessment of PEs	B+	B+	B+				**Solid progress:** i) Procurement Capacity Building Centre has scaled up efforts in training with around 1,200 procurement staff trained since 2015; and ii) small team recruited to help manage the performance of the procurement professional cadre.
4. Electronic Government Procurement E-GP systems Development	Developing E-GP readiness assessment report and strategy Upgrading PMIS and E-purchasing Upgrading NPA website in accordance with the new functions of PMIS	A	A	A				**Good progress in establishing the foundations for getting a fit for purpose plan in place for electronic Government procurement.** Goal is for reliable system that provides the useful information on time on procurement and purchasing activities and contracts, with systems integrated with accounting, budgeting and contract management. Key achievements: 1. Services ToRs was finalised and were rated by the World Bank as highest quality. Site visits planned to assess integrated information managements to help inform design specification. 2. Procurement process maps (147 out of 211) well on track to be completed on time. 3. Contract monitoring system on track, with pilot progressing. 4. AFMIS review has been initiated. 5. Trilingual website has been enhanced including with linkages with a temporary procurement management information management system.
5. Phased-out procurement facilitation services with increased due diligence (during procurement process and award approval through NPC)	Continue to provide procurement facilitation and due diligence in tandem with progress made on certification and professionalization Continue to conduct due diligence and prepare reports to NPC regarding proposed contracts for award approvals	A	A	A+				**Very good progress:** Procurement capacity assessment of 12 procurement entities out of which five were certified for standalone procurement (Procurement facilitation ramped down for five procurement entities). Team is going above and beyond expectations in providing sectarianist services to the NPC resulting in high valued outcomes like financial savings and increased perceptions of government effectiveness.
6. Strengthening Transparency, Anti-corruption and Public Outreach mechanisms	Register all assets of NPA staff members with High Office of Anti-corruption Prepare, Implement and strengthen strategic	A+	A	A	NPA has engaged with HOOAC to facilitate declaration of assets of its Tashkeel Staff. A comprehensive	Efforts by bad elements to interfere, sabotage and defame procurement reform process and NPA's fight against	NPA website postings, public outreach channels such as	**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 all officials and Cabinet Ministers have declared assets to the HOAC. Perverse incentives do exist with asset declarations held in an insecure environment.

PLANNED ACTION (THEME BASED - NOT YET TEAM BASED)	1395-2016	1395-2016 PERFORMANCE			1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
	communication plan and framework Increase public access to procurement information in line with Open Contracting Partnership guidelines Strengthen relationship with civil society and transparency organizations (such as Open Contracting Partnership and Transparency International and Integrity Watch Afghanistan) and hold joint transparency forums and workshops Establish procurement complaints hotline and whistle blow mechanism Training of NPA staff to become certified anti-corruption officers by the Malaysian Anti-Corruption Commission Implement Polygraph (lie detection) test on all NPA staff and recommend to all procurement staff of PEs				strategy for strategic communication has been developed as part of the five-year procurement reform strategy. There is also an implementation plan for the strategy and it is being implemented. NPA has been publishing information related to procurement such as bid opportunities, contract award notices, NPC session reports, NPC decisions, debarment lists, ARC decisions. NPC reports have been published more than 100 times on 11 local newspapers that have large readers. They have also been released on ARG, AOP and NPA websites, Facebook and twitter pages that have more than one million followers. Moreover, the Girona has committed in London Anti-Corruption Conference that it will increase access	corruption in procurement sphere.	social Media, Newspapers, Press conferences, ARG, & AOP public outreach pages	**Communication on track.** Coalition of the likeminded for reform is building well. **Increasing access to procurement info progressing well** - See Website comments above and complaints systems in comments below. **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. **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. 63 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 OoP with NPA as secretariat - in line with international standards for appeals committee. **Certification on track.** 2 staff sent to Malaysian Anti-Corruption Commission. 2 papers now need to be written on anti-corruption. Staff were tested. Certification expected to be received by end-of-year - if papers pass. Anti-corruption specialist being recruited.

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
					to information including that of the procurement in accordance to open contracting principles to the extent possible and legally feasible. NPA has continued to boost its rapport with CSOs and anti-corruption organization such as TI, IWA, MEC, SIGAR and also it has been delineated in the strategy to build a "Coalition for Reform" which should cascade government to government, government to private sector, government to civil society and vice versa interactions. NPA also plans to hold anti-corruption and public awareness workshops and campaigns. NPA conducted a comprehensive research on different models and mechanisms to use Polygraph system as a transparency assurance tool in NPA and in the procurement			

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		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
					sector. NPA had several meetings on this issue with CSTC-A and came up with a conclusion to use the PCAS system (which is an advanced version of Polygraph system) currently being used by security organizations in Afghanistan for discovering insider threats. CSTC-A has raised this issue with the highest RS authorities to facilitate authorization of PCAS system for anti-corruption purposes in Afghanistan. It is expected that upon authorization of usage of this system, within 8-10 months a team which will be vetted by the PCAS administrators will be trained to conduct tests and NPA will volunteer as the first government entity to implement it on all its staff members.			

PLANNED ACTION (THEME BASED - NOT YET TEAM BASED)	1395-2016	1395-2016 PERFORMANCE			1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
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+	The 4th EITI Reconciliation Report for the year 1391 and 1392 has been published and easily accessible to general public. Development of the 5th reconciliation report is in progress for the year 1393 and 1394.	The MSG had short time to published the 4th report but with the help of EITI International Secretariat, the task was done within the deadline. Process of the 5th reconciliation report is initiated early in order to avoid problems of the 4th report	The Report has been published and is available on both EITI and AEITI websites: www.aeiti.af and www.eiti.org. The report is also widely disseminated in public, CS Organizations and government authorities	**Tracking well - on time and to standard with good risk management.** Delivered 4th report as planned and on track to get 5th report done. Risk of delay is associated with collection of data by government agencies. 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.
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	Outreach activities to several provinces and ministries has been conducted	No specific challenge faced	Reports of the workshops and events are available on website	**On track and to standard.** Communications strategy development, published and being implemented. Target audiences are Government, civil society and private sector.
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	C	B	A joint committee consisting of senior government officials of both MoF and MoMP has been established which will look into the recommendations and will report to MSG	Government commitment needed	The MoF's letter regarding the committee is available with secretariat and MoF and MoF archives	**Good progress.** 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.

PLANNED ACTION (THEME BASED - NOT YET TEAM BASED)	1395-2016	1395-2016 PERFORMANCE			1395-2016 SELF-ASSESSMENT COMMENTS			1395-2016 INDEPENDENT COMMENTS
		T	Q	E	Progress	Challenges and Problem-Solving	Ev	First Review
4. Improving quality of data collection and addressing gaps from previous reports	Improve data quality	C+	C+	B	4th report recommendations explain the areas of improvement for the upcoming reports and will sought be incorporated in 5th report	in light of the recommendations of the 4th report, gov. is required to bring reforms in the management of the extractive sector	0	**Challenging activity, but there has been some progress at political level** to prioritise systems reform: Have 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 MFPD)
5. Support adoption of reforms within the extractive industries sector	Work with the public and extractive sectors to adopt and implement reform	C	C	C	The EITI Standard is an effective tool for the government to bring reform in the extractive sector	0	EITI Standard 2016	**At risk.** Shift activity to follow-up (no 3). And delete major activity.
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	B	B	B	0	0	0	**Delete** and move sub-activities to follow up (3.0)
7. Strengthen Multi-Stakeholder Group (MSG) structure, function and processes	Continue to Strengthen MSG	C+	C+	B	The MSG ToR has already been approved by the MSG which explains its structure, role and functioning and capacity building workshops has been held for the MSG	The turnover of membership of constituency is a challenge and the roping in of the higher level officials for the solution	MSG ToR approved, minutes of MSG meetings and report on MSG participation in workshops is available with Secretariat	The processes and TORs to improve the MSG are on track, 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.

ATTACHMENT G: 2016 TEAM PERFORMANCE ONE-PAGERS

136. **This attachment presents short summaries for each team** that covers, mid-year tracking performance scores, achievements and challenges being faced. It is envisaged that future performance publications will include data on staffing and TA profiles and corresponding budgets.

Table 18. Summaries: Office of the Minster (DG)

1.0 Office of the Minister		Grade	Score	Rank (out of 19)
	Raw Performance Score	C	0.54	9
	Standardised Raw Score	B	0.09	
	Standardised Risk, Impact, TA adjusted Score	B	-0.03	11

Progress Highlights

1.Needs assessment for the COS Office, Translation, Protocol and Correspondence teams and a new task tracking system in place.

2. Commutations strategy for key events progressing on time and to a much better standard.

3. A new tasking systems is in place and an archive storage facility has been designed in accordance with international standards.

Major Challenges Being Faced

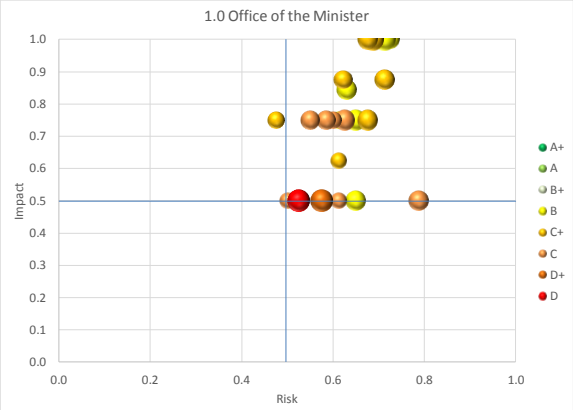
1. Huge workload, a large number of ad-hoc tasks are assigned from the President's Office and Cabinet making routine schedules difficult to maintain.

2. Staff capacity, Tashkeel staff require significant training starting with basic administration.

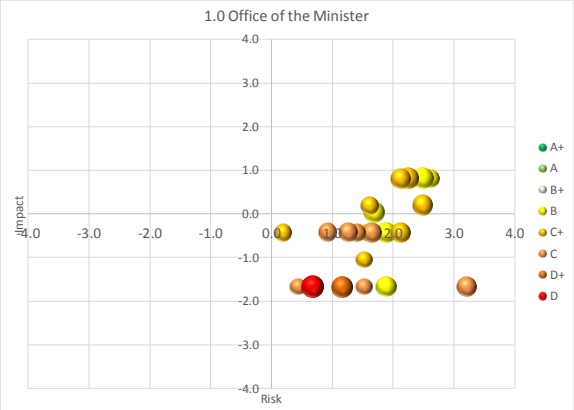
3. Information flows and the quality of briefing by departments needs to be more standardised and of more consistent quality.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



Staffing and TA Profile

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	0.60	17
1.1.1 OoCS: Chief of Staff Operations	Standardised Raw Score	A	0.76	
	Standardised Risk, Impact, TA adjusted Score	A	0.57	16

Progress Highlights

1.COS has conducted needs assessment for the COS Office, Translation, Protocol and Correspondence teams. A comprehensive Training Needs Assessment has also been done.
2. A new task tracking system to improve the efficiency of the office has been designed and is being trialled.
3. Changes to the physical space including setting up a reception area on the ground floor to manage the flow of visitors to the Office and improve client services.

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+	0.56	19
	Standardised Raw Score	B+	0.27	
	Standardised Risk, Impact, TA adjusted Score	B+	0.36	19

Progress Highlights

1.Training Need Assessment has been conducted to identify capacity gaps and staff have been introduced to education programs.
2.Recruitment of Tashkeel and some NTA are in progress and a new task management system has been developed and is in the process of being implemented.
3.Detailed assessment for E-Maktoob system has been done and requirements sent to IT department, IT department are currently developing E-Maktoob system.

Major Challenges Being Faced

1.Staff are reluctant to talk to team and don't believe any change will happen, staff are demotivated and low satisfaction, senior staff not supportive of process.
2.Recruitment took longer than expected.
3. E-Maktoob system took longer than expected due to identifying needs of different departments, cyber security, Flow of official documents, mapping the business process. Lots of consultation with IT.

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	0.51	37
	Standardised Raw Score	C+	-0.25	
	Standardised Risk, Impact, TA adjusted Score	C+	-0.34	43

Progress Highlights

1. The new Archive storage facility has been designed in accordance with international standards.
2. Documents from Archive has been moved to a temporary place, in order to renovate the current storage facility and design sufficient and standard space for storage of MoF historical data.
3. Letters were sent to all relevant ministries concerning transfer of the historical data and some transfers of records and data have been done and all will be complete before the end of the year.

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. May need to have representatives from AGs, PO etc. involved at every step. Also need to connect up to other offices like the land management office.
2.The 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	18
	Standardised Raw Score	C	-0.82	
	Standardised Risk, Impact, TA adjusted Score	D+	-1.18	59

Progress Highlights

1.Qualified translators has been recruited, all of them are NTA.

Major Challenges Being Faced

1.Recrutiment 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 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+	0.59	15
	Standardised Raw Score	A	0.66	
	Standardised Risk, Impact, TA adjusted Score	B+	0.40	18

Progress Highlights

1.Training Need Assessment has been conducted to identify capacity gaps and Workshops have been designed to provide tailored training to the Protocol Office.
2.System established to track overseas trips and workshops and to track needs, briefs, papers and logistics. System was designed by IT Department based on needs assessment and is being trialled now
3.Two new positions of Senior Protocol and External Communication Officer have been created to assist the department with communication and protocol affairs and to bring cultural change to the team. Waiting on Minster's approval.

Major Challenges Being Faced

1.Staff are reluctant to talk to team. Don't believe any change will happen. Staff are demotivated and satisfaction levels are low. Senior staff are not supportive of process.
2.The established culture of how things are done will be difficult to change.
3. 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	D	0.36	64
	Standardised Raw Score	D	-1.84	
	Standardised Risk, Impact, TA adjusted Score	D	-2.19	66

Progress Highlights

1. The Banking Adviser is working on a Banking Sector policy. A plan for this function is under development and will be included in the annual assessment.

Major Challenges Being Faced

1.All advisors are effectively grade 1 and do not report to the 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 TORs for advisers.

1.0 Office of the Minister		Grade	Score	Rank (out of 66)
1.2 OoM: Legal Board	Raw Performance Score	C	0.54	20
	Standardised Raw Score	B	0.13	
	Standardised Risk, Impact, TA adjusted Score	B+	0.26	22

Progress Highlights

1.Strengthening of MOFs presence in the Legislative Sub-Committee of Cabinet and the effectiveness of the Minister’s interventions in Cabinet, particularly on the financial implications of legislation.
2.Review and significant improvement of key legislation and related procedures to ensure Afghanistan’s eligibility for WTO membership.
3.Improved responsiveness on financing agreements with international development partners ensuring agreements are concluded in a timely way and are consistent with Afghan law.

4.Have negotiated an agreement with DLA Piper for international legal services and training.

Major Challenges Being Faced

1.Legal Board is still being established, recruitment has been slower than anticipated. 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	D+	0.48	40
1.3 OoM: Communications and Public Relations Directorate	Standardised Raw Score	C+	-0.56	
	Standardised Risk, Impact, TA adjusted Score	C+	-0.51	47

Progress Highlights

1.Communication and media strategy for the Brussels Conference has been developed and signed off by the President. Work on multi-media products is progressing well.
2.Work to upgrade and unify the MOF website is progressing with a trial in the Policy Department underway.
3.Good work on using the MOF and Minister's Facebook pages with 32,000 followers for MOF and 87,000 followers for the Minister, up significantly.

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.

Table 19. Summaries: Customs Dept.

2.0 Customs Department		Grade	Score	Rank (out of 19)
	Raw Performance Score	C	0.51	14
	Standardised Raw Score	C+	-0.26	
	Standardised Risk, Impact, TA adjusted Score	C+	-0.29	17

Progress Highlights

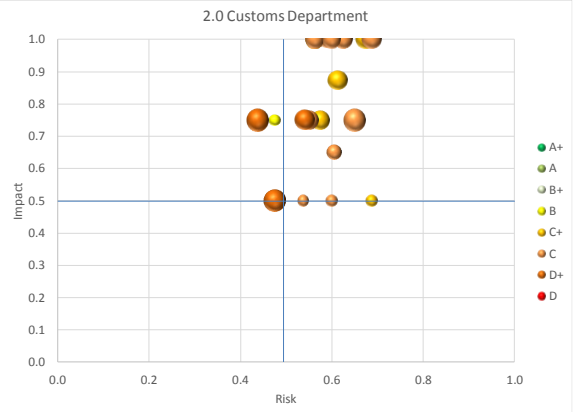
1. Customs are ahead of their revenue targets with a doubling of revenue from mobile collection units.
2. Roll out of Customs Information Management (ASYCUDA) system to more provinces with increased functionality is progressing.
3. Stronger tracking and monitoring of containers entering Afghanistan through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

Major Challenges Being Faced

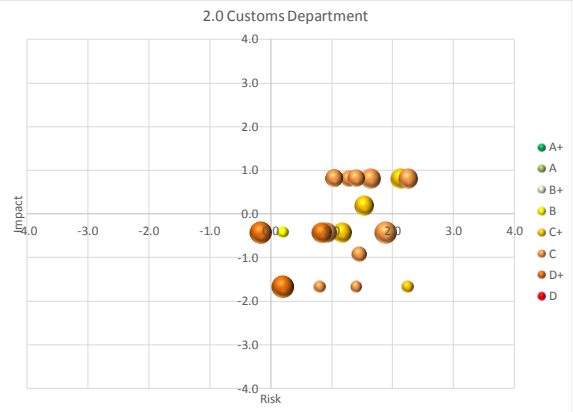
1. Need for greater investment in the institutional capacity and structure. One DG is inadequate for the scale and complexity of the operational requirements.
2. Significant institutional culture change is needed. This will require moving to a strong performance culture and big investments in human resources, 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



Staffing and TA Profile

2.0 Customs Department		Grade	Score	Rank (out of 66)
2.1 CD: Customs Support and Development	Raw Performance Score	C	0.51	44
	Standardised Raw Score	C+	-0.26	
	Standardised Risk, Impact, TA adjusted Score	C+	-0.40	65

Progress Highlights

1.. The curriculum work for the Customs Training centre is 80% complete and will meet the October 2016 deadline.
2. Initial infrastructure works for construction of the Customs Data-centre has been done, assessment of the land space and site work. There have also been discussions with relevant sections for the design and preparation of customs data. The project has been advertised in newspaper.
3. Established PIU for the implementation of world bank custom reform. The Tasked is approved by validation team and 12 positions in PIU filled. Some local UNOPS consultants were retained/transferred from the previous project.

Major Challenges Being Faced

1. insufficient budget for publishing and distributing reports.
2. Progress is heavily reliant on consultants.
3. The quality of the curriculum needs to be checked by an appropriately qualified specialist and the procurement looks to be tight with only two months to get it done.

2.0 Customs Department		Grade	Score	Rank (out of 66)
2.2 CD: Law Enforcement	Raw Performance Score	C	0.51	39
	Standardised Raw Score	C+	-0.25	
	Standardised Risk, Impact, TA adjusted Score	B	-0.14	33

Progress Highlights

1.Review of Mobile Verification Teams procedures for control of imported and exported goods has been done, introduced new procedures and changed the personnel, reviewed reports show almost every team have improved 100 %
2. There has been a full transition of customs police from MoI to MoF with a total of 618 staff moving to MoF. A joint 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. The procurement process for new uniforms of the police is underway
3. A month training delivered to staff through ANCA on general customs (up to 200 people - mix of province and HQ) and certificate of successful examination provided. Good feedback provided by participants and trainers.

Major Challenges Being Faced

1. There is no space in ACD for police officers being recruited and also the process of procurement uniform for police seems to be taking a long time.
2.Lack of cooperation among stake holders i.e. OOA, MoJ and LE.
3. Lack of funds for recruitment of 100 personnel in the Enforcement Department as per the plan.

2.0 Customs Department		Grade	Score	Rank (out of 66)
2.3 CD: Customs Technical Affairs	Raw Performance Score	C	0.52	33
	Standardised Raw Score	B	-0.09	
	Standardised Risk, Impact, TA adjusted Score	C+	-0.28	42

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 HS 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	D+	0.49	47
	Standardised Raw Score	C+	-0.43	
	Standardised Risk, Impact, TA adjusted Score	C+	-0.21	37

Progress Highlights

1. Implemented ASYCUDA T1 anT2 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 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	D+	0.49	55
	Standardised Raw Score	C+	-0.47	
	Standardised Risk, Impact, TA adjusted Score	C+	-0.21	36

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 ASYCUSDA 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) Produce an annual plan for investigations and

Table 20. Summaries: Revenues Dept.

3.0 Revenues Department		Grade	Score	Rank (out of 19)
	Raw Performance Score	C	0.54	13
	Standardised Raw Score	B	-0.07	
	Standardised Risk, Impact, TA adjusted Score	B+	0.29	8

Progress Highlights

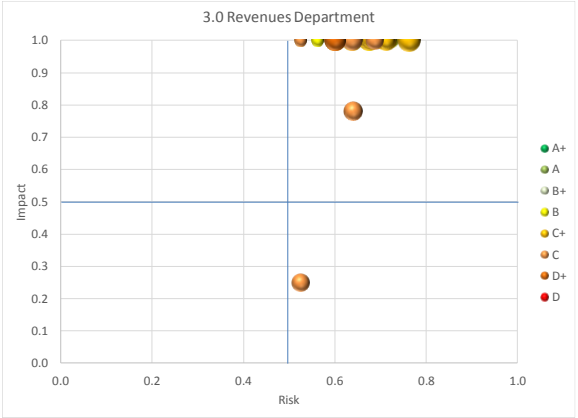
1. Revenue collection is up significantly from all offices with a significant drop in externally funded technical assistance.
2. Additional investment in systems to improve reconciliations and tracking of tax arrears. This is an indication of more emphasis on checks and balances.
3. Active pursuit of non-filers and dormant businesses to increase revenues, including through increased tax audits in the Small Taxpayer Office under the fixed tax program.
4. Review of and amendments to streamline and simplify the tax system in the Income Tax Law and drafting of procedures for the Tax Administration Law manual.

Major Challenges Being Faced

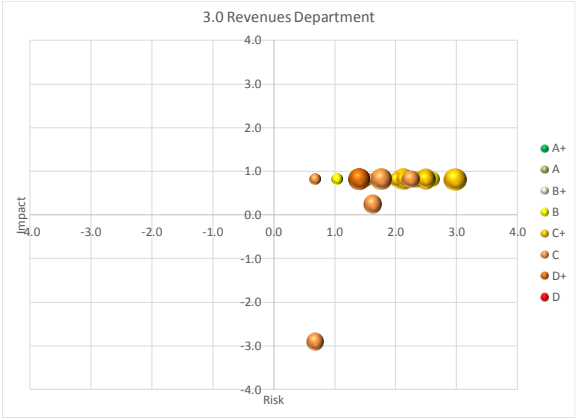
1. Need for greater investment in the institutional capacity and structure. One DG is inadequate for the scale and complexity of the operational requirements.
2. Significant institutional culture change is needed. This will require moving to a strong performance culture and big investments in human resources, 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



Staffing and TA Profile

3.0 Revenues Department		Grade	Score	Rank (out of 66)
3.1 RD: Office of the DG (Revenue)	Raw Performance Score	C	0.55	26
	Standardised Raw Score	B	0.19	
	Standardised Risk, Impact, TA adjusted Score	B+	0.30	54

Progress Highlights

1. Promising outcomes on referrals and investigations including significant administrative sanctions.
2. Tax Law Amendment enshrining WTO requirements (according to stakeholders) approved and promulgated (effective 2019).
3. Effective oversight of Tax system automation (SIGTAS) and establishment of risk-based compliance function.

Major Challenges Being Faced

1. Lack of earmarked operational budget for ARD.
2. Insufficient, unpredictable and/or inflexible development financing - delays in securing sustainable financing.
3. Ensuring single plan principle is followed (5-year plan is the only plan being used).

3.0 Revenues Department		Grade	Score	Rank (out of 66)
3.2 RD: Large Taxpayers Office	Raw Performance Score	C	0.54	36
	Standardised Raw Score	B	0.05	
	Standardised Risk, Impact, TA adjusted Score	B+	0.29	21

Progress Highlights

1. SIGTAS has been rolled out to more provincial offices almost all staff utilize SIGTAS system which includes 32 sub directors.
2. Regular reports on tax arrears are being recorded and maintained on regular basis in spreadsheet, Non-payment on time is recorded then sent to enforcement. Actions are tracked in the spreadsheet. Tax arrears is believed to be around 20% (AFS4b) of annual LTO tax collections.
3. Identified 60 inactive taxpayers and is pursuing clarifications and rectification.

Major Challenges Being Faced

1. Lack of Personnel Capacity, Lack of Equipment, Lack of on job trainings for system of automation.
2. Transformation of old cases to SIGTAS, Lack of Adequate support from SIGTAS.
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	C+	0.59	16
	Standardised Raw Score	A	0.64	
	Standardised Risk, Impact, TA adjusted Score	A+	0.83	9

Progress Highlights

1. Promising outcomes on referrals and investigations including significant administrative sanctions.
2. First ever tax arrears report and tax reconciliation report on assessments, payments, collections and transfers produced (using manual systems), with good progress in automating tax arrears reporting and tax reconciliation.
3. Effective oversight of Tax system automation (SIGTAS) and establishment of a risk-based compliance function.

Major Challenges Being Faced

1. Lack of earmarked operational budget for ARD.
2. Insufficient, unpredictable and/or inflexible development financing - delays in securing sustainable financing.
3. Ensuring single plan principle is followed.

3.0 Revenues Department		Grade	Score	Rank (out of 66)
3.4 RD: Small Taxpayers Office	Raw Performance Score	C+	0.57	25
	Standardised Raw Score	B+	0.42	
	Standardised Risk, Impact, TA adjusted Score	A	0.63	13

Progress Highlights

1.Initiated business process improvements to minimize taxpayer face-to-face interaction with data processing, case managers, accounting sections removed, brokers have been stopped.
2. increased BRT from 2 % to 4% that simplified the argument of paying tax twice.

3. Target of 20% of all STO cases being audited is being achieved and the quality of audit has improved and Revenue collected so far is Afs220m from a 6-month target of Afs163m.

Major Challenges Being Faced

1. 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.
2. Tax Payers' presence to accept the tax liability is sometimes challenging to initiate timely audit and enforcement of actions.
3. Less care given to tax and tax related issues and illiteracy is a problem. Creating a culture of paying tax will take time.

3.0 Revenues Department		Grade	Score	Rank (out of 66)
3.5 RD: Appeals	Raw Performance Score	D+	0.46	56
	Standardised Raw Score	C	-0.75	
	Standardised Risk, Impact, TA adjusted Score	C+	-0.44	45

Progress Highlights

1. Good progress shown on outreach to educate staff and taxpayers on the objection and appeals process.
2. Good progress on promoting the Appeals process, a workshop for NGOs was held in the Akbar office, also recorded a TV advertisement that went on air for 10 days informing taxpayers of their rights.
3. A proposal was developed with the help of USAID that explains what the Tax Administration Law is and how the Tax Dispute Resolution Board will operate. Proposal also explains the relevant qualifications for the board members, set out the need for a separate budget and also the requirement for a secretariat.

Major Challenges Being Faced

1. Time consuming and multiple authority's approval required for new organizational structure.
2. Lack of budget for publishing and distributing brochures and guides among taxpayers and concerned departments.
3. 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	C	0.55	31
	Standardised Raw Score	B	0.15	
	Standardised Risk, Impact, TA adjusted Score	B+	0.44	17

Progress Highlights

1. Good progress on drafting law Income Tax Law (ITL) which is currently being distributed to stakeholders for comments, the draft might be approved by Government this year and will go to parliament for consideration next year.
2. Good work on solving some problems with VAT Law; Draft of VAT manual is complete and MoU signed with Fintraca.
3. Completed recruitment for all vacant Tashkeel positions. Tax accountants section has been established and some training on TAL and DTAs has started.

Major Challenges Being Faced

1. Outdated and illogical recommendations by stake holders and other partners for ITL. More information on Income Tax needs to be presented by the RD.
2. Proposed new law for VAT is politically sensitive and is hard to get through both the Government and the Parliament.
3. Lack of resources such as furniture, equipment and computers, no response from admin department to requests. Also low salary for employees and HR is also non-responsive to requests.

3.0 Revenues Department		Grade	Score	Rank (out of 66)
3.7 RD: Non-Tax Revenue	Raw Performance Score	D+	0.48	48
	Standardised Raw Score	C+	-0.54	
	Standardised Risk, Impact, TA adjusted Score	C+	-0.23	39

Progress Highlights

1. Proposal for increasing non tax revenue as a % of GDP through new sources has been approved by DM Revenue and other senior staff, it was sent to COS for Minister to forward on to Cabinet. Cabinet has considered the proposal

and had some additional recommendations including expanding the scope of the new sources. Should be implemented in all Ministries.
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.
3. Some site visits conducted to telecommunication firms to monitor the 10 % tax on telecommunications.

Major Challenges Being Faced

1. Lack of Technical Staff, less access to Telecommunication Companies existing systems than is optimal, lack of coordination with MoCIT. Also 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	0.51	42
	Standardised Raw Score	B	-0.19	
	Standardised Risk, Impact, TA adjusted Score	B	0.19	27

Progress Highlights

1. initiated business process improvement to minimize tax payer face to face interaction, established one stop shop for Mustofiats in the five key provinces.
2. Standardized Client Service Processes are being implemented in the 5 key provinces along with training programs.
3. Have improved connectivity to 8 provinces this year and are seeking approval to connect 17 more.

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	C	0.52	43
	Standardised Raw Score	B	-0.13	
	Standardised Risk, Impact, TA adjusted Score	B	0.19	25

Progress Highlights

1. Developed public awareness campaign.
2. Implemented SIGTAS in 8 provinces 5 key and 3 tier-2 provinces.
3. Professional development program in place and being implemented.

Major Challenges Being Faced

1. Lack of taxpayer's knowledge.
2. Lack of Budget and top Management Support.
3. Lack of Servers, equipment, web services and data centres.

Table 21. Summaries: Treasury

4.0 Treasury Department		Grade	Score	Rank (out of 19)
	Raw Performance Score	B	0.66	2
	Standardised Raw Score	A+	1.41	
	Standardised Risk, Impact, TA adjusted Score	A+	1.16	2

Progress Highlights

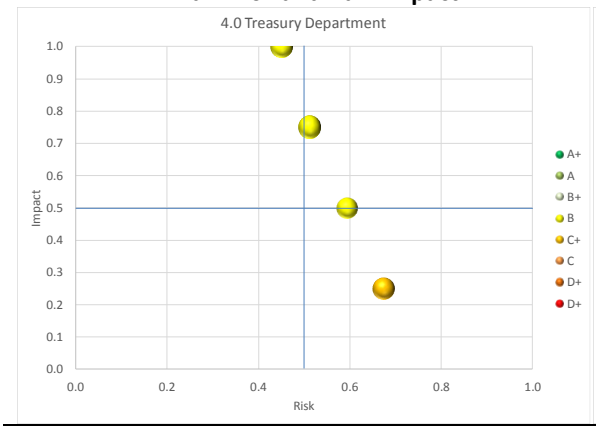
1. Plan for major upgrade to Afghanistan Financial Management and Information Management System (AFMIS). This is a long term investment in additional functionality that will improve financial management and lower risks.
2. Agreement to move commitment controls (allotments) from Budget to Treasury. This will reduce administration around payments, speed up budget execution and reduce corruption.
3. Good progress on electronic payments of salaries and vendors. This reduces corruption.

Major Challenges Being Faced

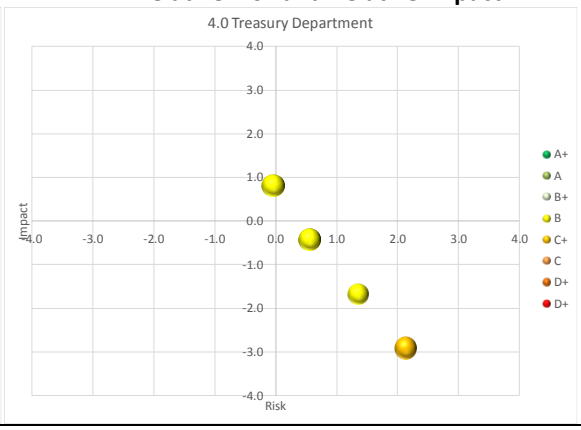
1. Heavy reliance on external assistance to both manage operations and develop new systems.
2. Low capacity of staff on financial accounting and reporting. AFMIS does not provide sufficient performance information. The system upgrade needs to be matched with investment in professional development for staff.
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



Staffing and TA Profile

4.0 Treasury Department		Grade	Score	Rank (out of 66)
4.1 TD: Treasury Systems Development	Raw Performance Score	B	0.64	5
	Standardised Raw Score	A+	1.16	
	Standardised Risk, Impact, TA adjusted Score	A+	1.12	5

Progress Highlights

1. Treasury and Budget have agreed that allotments (process of full commitment control) 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 will lower fiduciary risks and speed up budget execution of line ministries.
2. Treasury has rolled out AFMIS to 9 municipalities which will result in less discretion and better accountability.
3. Good progress has been made on testing of a significant upgrade to AFMIS introducing significant improvements to the financial management information system.

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 MoD, MoE, and MoF, is still required.
2. Addressing key constraints, such as: i) those between 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 (1396 - 2017).
3. There is a significant risk that the IT infrastructure requirements of AFMIS are inconsistent with IT Department Plans. Cross-team collaboration is required.
4. Negotiating and managing the new FreeBalance contract continues to be complicated and carries 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	B	0.67	2
	Standardised Raw Score	A+	1.16	
	Standardised Risk, Impact, TA adjusted Score	A+	0.94	8

Progress Highlights

1.Progress in establishing Private Sector Accounting Framework Law.
2. Establishment of the Accountancy Board.
3.Out of 550 Tashkeel staff of treasury 500 staff studying bachelor or masters and MSc in Public Financial Management (London university) will be explored.

Major Challenges Being Faced

1. How to get moving on public sector accounting standards.
2. Compliance of private sector accounting standards.
3. Ensuring Accountancy Board operates effectively.

4.0 Treasury Department		Grade	Score	Rank (out of 66)
4.3 TD: Payments	Raw Performance Score	B	0.69	3
	Standardised Raw Score	A+	1.64	
	Standardised Risk, Impact, TA adjusted Score	A+	1.42	2

Progress Highlights

1.Test phase of electronic fund settlement system through DAB undertaken (anti-corruption).
2.Replaced bonded trustees with EFT mechanisms in all provincial centres.
3. Moving forward with web-based fully integrated AFMIS.

Major Challenges Being Faced

1.Inaccessible locations and security for replacement of bonded trustees with EFT mechanisms in all provincial centres.
2.Assessment for developing interface between HR system in MoF and payroll generating software is completed but not compatible, Currently MoF 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.

Table 22. Summaries: Budget

5.0 Budget Department		Grade	Score	Rank (out of 19)
	Raw Performance Score	B	0.63	3
	Standardised Raw Score	A+	1.00	
	Standardised Risk, Impact, TA adjusted Score	A+	0.94	3

Progress Highlights

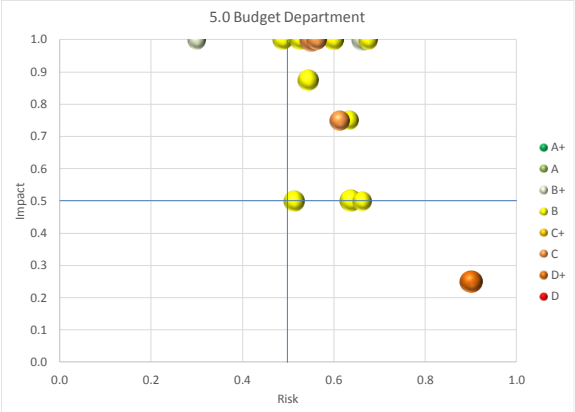
1. Establishing forward estimates will lay the foundations of a medium term expenditure framework with more emphasis on costing existing policy, scrutinising new policy proposals and reallocating budget from low impact poor performing programs to high impact high performing programs.
2. The transfer of commitment controls from Budget to Treasury in 2017. This was not on the table a year ago and will reduce administration, increase budget execution and reduce corruption. This showed very good leadership from the DG.
3. Progress has been made in getting a provincial budgeting policy up to Cabinet for consideration. There is a long way to go and implementation is going to be very difficult but a policy is the first step.

Major Challenges Being Faced

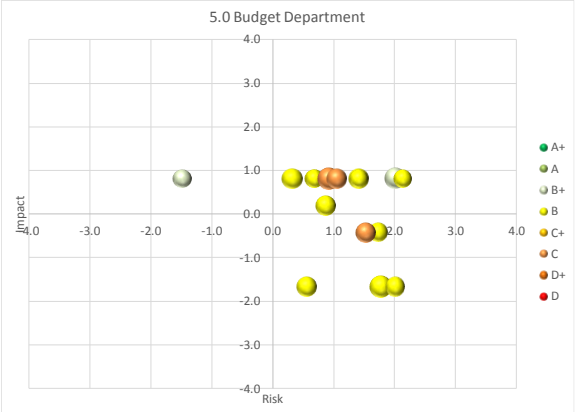
1. Heavy reliance on external assistance and using TA in line roles means Budget has some capacity gaps and is behind in doing its Tashkeel and CBR proposals.
2. Priority setting is still problematic, staff understanding of sequenced reforms is still relatively low. There is a need to focus on basic foundations rather than more complex approaches like program budgeting (poor sequencing) or PPPs (conflict of interest).
3. The budget system is not connected to AFMIS; 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



Staffing and TA Profile

5.0 Budget Department		Grade	Score	Rank (out of 66)
5.1 BD: Budget Execution	Raw Performance Score	B	0.61	8
	Standardised Raw Score	A+	0.85	
	Standardised Risk, Impact, TA adjusted Score	A	0.79	10

Progress Highlights

1. Outstanding progress on transformational reform: i) Agreement with Treasury on moving budget controlled allotment system to Treasury under standard commitment control system; and ii) An excellent start on developing the forward estimates system, with good cross-team collaboration making real progress towards high global standards for policy linked budgeting.
2. On track for roll out of the budget system SBPS to all budget units with 35 pilot budget units using the online system for budget preparation.
3. Addressing leakages in the budget through innovative approaches to identifying ghost workers.

Major Challenges Being Faced

1. How to transform the budget execution department to a class leader in helping the government produce budgets that are accurate, have the most impact, and reflect government policies.
2. How to enhance the functionality of the budget preparation system (SBPS) to support key reforms such as forward estimates, a consolidated national budget, recording budget expenditure by function and comparability of budgets to financial statements.
3. Professional development plans for staff yet to be developed, costed and financed.

5.0 Budget Department		Grade	Score	Rank (out of 66)
5.2 BD: Budget Policy	Raw Performance Score	B	0.64	6
	Standardised Raw Score	A+	1.11	
	Standardised Risk, Impact, TA adjusted Score	A+	1.04	4

Progress Highlights

1. An excellent start on developing the forward estimates system, with good cross-team collaboration making good progress toward high global standards for policy linked budgeting.
2. More time given for line agencies to prepare submissions (6 weeks), and parliament to debate the budget (2 months), thereby achieving progress towards high global standards for orderly budget processes.
3. Mid-year budget update reveals effectiveness in flexibility of budgets.

Major Challenges Being Faced

1. How to improve budget disclosures including delivering comparability between budgets and financial accounts, a consolidated national budget, (e.g. single currency, single classification system, single budget), and budget estimates by function.
2. How to sequence program budgeting addressing constraints, while supporting other key initiatives such as forward estimates, new policy proposals, a consolidated national budget and comparability of budgets and financial statements.
3. How to move over time towards a PPP Technical Centre of Excellence at DG level within or outside MoF.

Table 23. Summaries: Administration Dept.

6.0 Admin Department		Grade	Score	Rank (out of 19)
	Raw Performance Score	C	0.51	16
	Standardised Raw Score	C+	-0.24	
	Standardised Risk, Impact, TA adjusted Score	B	-0.09	14

Progress Highlights

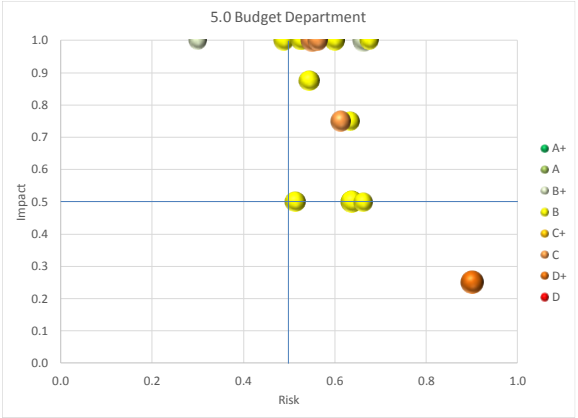
1. Investment of around $9m in the IT backbone and ICT capacity of the MOF. This is a well overdue investment and seems to be progressing. It needs to be followed up with good business processes and better consultation with other stakeholders in MOF, like Treasury, Budget, ARD and ACD.
2. Procurement monitoring plan put in place for the first time to track progress of procurement across the MOF.
3. Development of the internal FMIS in the Finance Department is good but it is not being used to drive any change in the way the MOF operates.

Major Challenges Being Faced

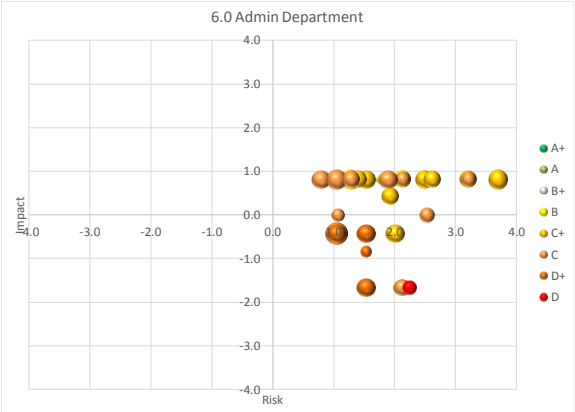
1. The MOF should be setting the standard for the Government in finance, admin, HR, procurement, operations and maintenance. A permanent DM needs to be appointed.
2. This is probably the weakest area in the whole of the MOF. There has been a huge under investment in corporate functions.
3. The culture 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



Staffing and TA Profile

6.0 Admin Department		Grade	Score	Rank (out of 66)
6.1 AD: Procurement and General Services	Raw Performance Score	D	0.38	63
	Standardised Raw Score	D	-1.62	
	Standardised Risk, Impact, TA adjusted Score	D+	-1.34	51

Progress Highlights

1.To Strengthen the procurement internal control system, Procurement monitoring plan has been prepared, monitoring plan includes comparing original plans with what actually gets done.
2.The establishment of an internal database system, connecting procurement and finance directorates is in progress.
3.Strengthened filing system.

Major Challenges Being Faced

1.MOF departments are unable to estimate their needs and often provide plans late. PD asks for plans 6 months in advance. So circular is about to go out for next year.
2.Procurement budget is not credible. Procurement plan is often bigger than the budget. Often there are projects with higher budget that they ask for so PD ask DG 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 Mustofiats 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	54
	Standardised Raw Score	C+	-0.58	
	Standardised Risk, Impact, TA adjusted Score	C+	-0.56	49

Progress Highlights

1. Discussions have started on key areas of reform including integration, HR 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 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	C+	0.58	22
	Standardised Raw Score	A	0.57	
	Standardised Risk, Impact, TA adjusted Score	A+	0.81	11

Progress Highlights

1.The progress on building the 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.Progress on plan to establish the MoF data centre, internet and telephony and data solutions.
3.Dealing with crucial software development in MoF including HR, payroll, time and attendance, archiving and standards on MoF software requirements.

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 HR systems.

6.0 Admin Department		Grade	Score	Rank (out of 66)
6.4 AD: MoF Project Implementation Unit	Raw Performance Score	C	0.53	46
	Standardised Raw Score	B	0.01	
	Standardised Risk, Impact, TA adjusted Score	B+	0.24	23

Progress Highlights

1. Reporting financial performance against budgets and providing regular updates to the Minister.
2. Reporting non-financial performance against contracts and annual plans and providing regular updates to the Minister.
3. Conducting regular meetings with focal points with formal minutes.

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+	0.41	62
	Standardised Raw Score	D+	-1.33	
	Standardised Risk, Impact, TA adjusted Score	D	-1.40	63

Progress Highlights

1. Training for Mustofiats provided for the first time.
2. Plans developed for broader training programs.

Major Challenges Being Faced

1.Lack of budget and resources is a constraint.
2.There is no regular summary reporting of activities or tracking reports.

6.0 Admin Department		Grade	Score	Rank (out of 66)
6.6 AD: Gender Unit	Raw Performance Score	D+	0.48	50
	Standardised Raw Score	C+	-0.60	
	Standardised Risk, Impact, TA adjusted Score	C	-0.68	52

Progress Highlights

1.Provision of scholarships, educational workshops, trainings and English language courses to men and women.
2.Doing well with limited resources (gender unit just has 3 staff).
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 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.
3.Limited resources.

Table 24. Summaries: SoE Dept.

7.0 SOE Department		Grade	Score	Rank (out of 19)
	Raw Performance Score	D+	0.46	17
	Standardised Raw Score	C	-0.74	
	Standardised Risk, Impact, TA adjusted Score	C	-0.80	15

Progress Highlights

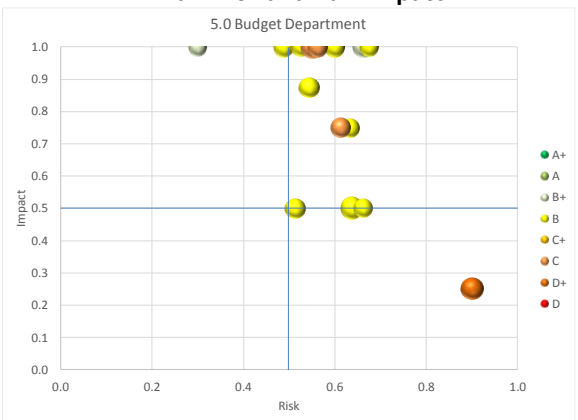
1. A DG has been appointed to lead the reform of this area, but will need qualified staff and political support to be successful.
2. A process to systematically analyse SOEs and SOCs has been started under the direction of the COM, but it is not clear on what basis the analysis is being done or how it will drive change.
3. Amendments to clarify the roles and responsibilities for oversight of SOEs and SOCS have been drafted but not yet agreed / approved. They are waiting for consideration by COM.

Major Challenges Being Faced

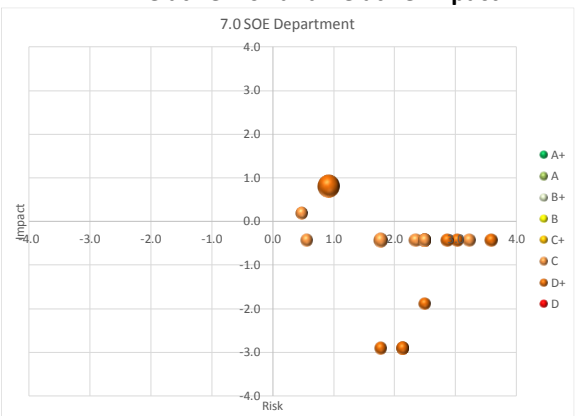
1. Capacity is low and vision from the leadership has been missing. This may change with the appointment of the new DG.
2. A lack of resources and budget, particularly for training and professional development.
3. Skills in analysing fiscal risks to the Government from SOEs are largely absent, creating a significant contingent risk that is not immediately visible to the MOF. E.g. the Ag Bank that was closed a few years ago leaving 33,000 delinquent loans and 1400 staff with no entitlements.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



Staffing and TA Profile

7.0 SOE Department		Grade	Score	Rank (out of 66)
7.1 SD: Policy & Coordination	Raw Performance Score	D+	0.47	53
	Standardised Raw Score	C	-0.63	
	Standardised Risk, Impact, TA adjusted Score	C	-0.63	50

Progress Highlights

1. Some progress to transfer the functions of high councils to high commission, provided information about the transfer of responsibilities to explain the efficiency gains, met with COM and commissions and discussed existing arrangements and explained the changes. e.g. Hiring and Firing practices - can have negative impact on SOE performance.
2. Reasonable progress on capacity building to SOE with available resources, able to secure $ 300K budget. Plan is for training in the 4th quarter.
3. Good progress on reconsideration of SOE and SOCs staffing charts salary ranges. Both SOE and SOC have their own budget and are not covered under Government rules. Needs a clear policy that has to be approved by COM.

Major Challenges Being Faced

1. LMs are not going to agree on salary range, SOE provided information but did not seek agreement. It is also unclear how the COM will provide better oversight apart from providing some consistency across SOEs.
2. There is a chance of delay in procurement of training firm plus there is no venue for training of employees.
3. Staffing issues, SOE proposed 125 employees in the new Tashkeel but got approval of only 73.

7.0 SOE Department		Grade	Score	Rank (out of 66)
7.2 SD: Financial Monitoring SoCs	Raw Performance Score	D+	0.47	59
	Standardised Raw Score	C	-0.63	
	Standardised Risk, Impact, TA adjusted Score	D+	-1.07	57

Progress Highlights

1. Some progress on draft bill, delivered technical inputs to the drafting of the SOC law and amendments to the SOE law. Draft submitted to MOJ in 2015 and follow up by phone to the legislative department.
2. implemented training programs as approved and funded. A budget has been secured for some training this year and a package of joint training for SOE Department staff and staff from the SOE/SOCs has been designed.
3. Progress in strengthening supervision of assets and improve asset management in SOEs and SOCs. SOE Department did a survey of 5 provinces plus Kabul. Produced a report and sent to the President's Office.

Major Challenges Being Faced

1. Challenge is getting MOJ to prioritise on the draft bill due to busy legislative schedule. MOJ have indicated that the draft should be ready in late August or early September. Getting it through parliament may be problematic. Follow up letter from the Minister is the next step.
2. No reply from security agencies for reclaiming property.
3. Delays on the new SOC law and amendments to the SOE law. This includes clarifying the roles and responsibilities of the COM versus the SOE commissions.

7.0 SOE Department		Grade	Score	Rank (out of 66)
7.3 SD: Financial Monitoring SoEs	Raw Performance Score	D+	0.47	52
	Standardised Raw Score	C	-0.62	
	Standardised Risk, Impact, TA adjusted Score	C+	-0.53	48

Progress Highlights

1. Some progress on draft bill, delivered technical inputs to the drafting of the SOC law and amendments to the SOE law. Draft submitted to MOJ in 2015 and follow up by phone to the legislative department.
2. implemented training programs as approved and funded. A budget has been secured for some training this year and a package of joint training for SOE Department staff and staff from the SOE/SOCs has been designed.
3. Progress in strengthening supervision of assets and improve asset management in SOEs and SOCs. SOE Department did a survey of 5 provinces plus Kabul. Produced a report and sent to the President's Office.

Major Challenges Being Faced

1. Challenge is getting MOJ to prioritise on the draft bill due to busy legislative schedule. MOJ have indicated that the draft should be ready in late August or early September. Getting it through parliament may be problematic. Follow up letter from the Minister is the next step.
2. No reply from security agencies for reclaiming property.

3. Delays on the new SOC law and amendments to the SOE law. This includes clarifying the roles and responsibilities of the COM versus the SOE commissions.

7.0 SOE Department		Grade	Score	Rank (out of 66)
7.4 SD: Divesture of State Profitable Entities and Establishment of New State-Owned Enterprises and Corporations	Raw Performance Score	D+	0.42	60
	Standardised Raw Score	D+	-1.16	
	Standardised Risk, Impact, TA adjusted Score	C	-0.95	56

Progress Highlights

1. This team has delivered technical inputs to the drafting of the SOC law and amendments to the SOE law.
2. A budget has been secured for some training this year and a package of joint training for SOE Department staff and staff from the SOE/SOCs has been designed.

Major Challenges Being Faced

1. Challenge is getting MOJ to prioritise on the draft bill due to busy legislative schedule. MOJ have indicated that the draft should be ready in late August or early September. Getting it through parliament may be problematic. Follow up letter from the Minister is the next step.
2. No reply from security agencies for reclaiming property.
3. Delays on the new SOC law and amendments to the SOE law. This includes clarifying the roles and responsibilities of the COM versus the SOE commissions.

Table 25. Summaries: Property Dept.

8.0 Property Department		Grade	Score	Rank (out of 19)
	Raw Performance Score	D+	0.41	19
	Standardised Raw Score	D+	-1.32	

Progress Highlights

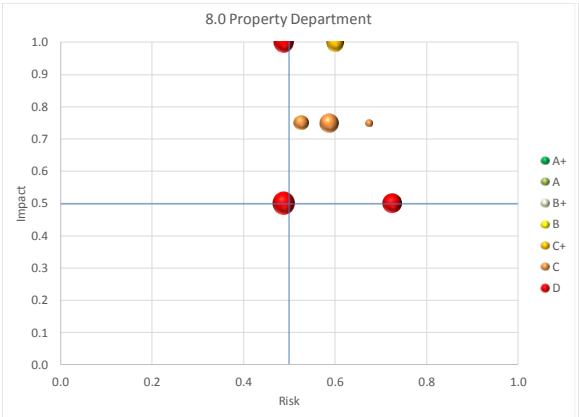
1. New DG is working on a new vision and plan for the property department.
2. Revenue from property is up and the property department have approached new agencies as well as identified new sources of revenue.
3. The team are tackling some tough issues where individuals with powerful backers either owe the Government rent, or are hanging on to Government owned property for below market rents.

Major Challenges Being Faced

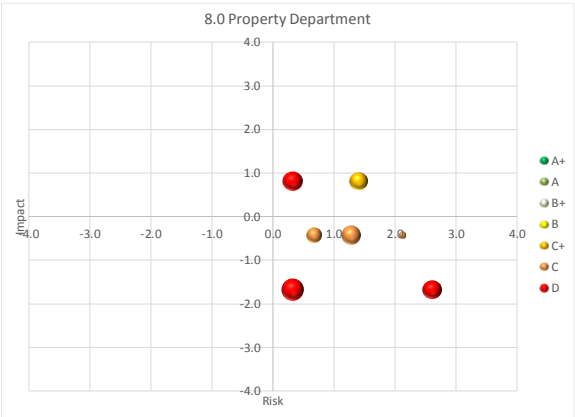
1. Requires significant political backing to challenge the status quo. Staff need physical protection related particularly to seizing assets.
2. Gains in Kabul are not matched by the provinces where the Mustofiats are responsible for property and collecting revenue.
3. The status of the department might 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



Staffing and TA Profile

8.0 Property Department		Grade	Score	Rank (out of 66)
8.1 PD: Provincial Property Directorate	Raw Performance Score	D+	0.42	58
	Standardised Raw Score	D+	-1.15	
	Standardised Risk, Impact, TA adjusted Score	D+	-1.07	58

Progress Highlights

1.Widened scope to more ministries including 1-2 more ministries (high risk agencies include: Culture, Haj, Transport, Agriculture, Foreign Affairs).
2.The property target is (AFG 240m) growth is (AFG 224m) which made (93 %).
3.Ahead of target for the year, total number of 185 contracts (target is 150 contracts) including capital property has been signed.

Major Challenges Being Faced

1.Revenue Planning Department gives a target for Kabul but not for provinces. So not working to a target except in Kabul. Also Property Department not responsible for collecting provincial revenue. It is the responsibility of the Mustofiats. So property has no influence over collections. Mustofiats tend to put all revenue in one code, M29s don't split out property and so no way to get a property revenue reports from AFMIS. Data comes from Property staff in the provinces who work under the Mustufiat. Not a good system. Therefore, reconciliation of actual to reported is not possible.
2.Operations and maintenance policy was done in house with no assistance. Expertise is low and no feedback was sought or received on the quality or appropriateness of the policy document, document was produced by looking at some examples from other countries and cutting and pasting into a local document.
3.To get people to vacate their properties at the end of their lease is a challenge.
4.No training has been conducted due to a lack of resources and budget. Need budget support and help of MOF

8.0 Property Department		Grade	Score	Rank (out of 66)
8.2 PD: Registration and Resolution Directorate	Raw Performance Score	D+	0.41	66
	Standardised Raw Score	D+	-1.29	
	Standardised Risk, Impact, TA adjusted Score	D+	-1.27	62

Progress Highlights

1.Big effort has been done to Increase number of newly registered properties on Property Accounts, target for 2016 is 1000 but so far already registered 1518 properties the big increase in due to more support from management and a concerted effort to chase up line ministries.
2.There are 2 or 3 types of monitoring processes. Survey teams go and do visits. PD receive orders from the PO or other agencies and are instructed to send a team to go follow up. Staff are located in the provinces for follow up, but for a big issue or a problem teams go from the centre.

Major Challenges Being Faced

1.No legal expertise. Lack of support from key Government departments especially AGs, Courts, PO. Employees need to be empowered against powerful interests low political support and no additional protection for staff.
2.There are 1410 properties occupied by powerful people. These have been flagged with MOJ and courts. They ask for a range of documents on these properties and PD has been collecting information and establishing files for MOJ. So far 300 have been compiled and sent on to the MOJ, but there are 100% challenges in getting information, dealing with Mafia, political pressure etc.
3.Need help of MOF for hiring New lawyers, evaluations, resolutions, and legal proceedings pursued and also need help of ministry of justice and security departments.

8.0 Property Department		Grade	Score	Rank (out of 66)
8.3 PD: Capital Properties (Kabul) Directorate	Raw Performance Score	D	0.39	57
	Standardised Raw Score	D	-1.47	
	Standardised Risk, Impact, TA adjusted Score	D	-1.44	64

Progress Highlights

1.Widened scope to more ministries including 1-2 more ministries (high risk agencies include: Culture, Haj, Transport, Agriculture, Foreign Affairs).
2.The property target is (AFG 240m) growth is (AFG 224m) which made (93 %).

3.Ahead of target for the year, total number of 185 contracts (target is 150 contracts) including capital property has been signed.

Major Challenges Being Faced

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

2.Operations and maintenance policy was done in house with no assistance. Expertise is low and no feedback was sought or received on the quality or appropriateness of the policy document, document was produced by looking at some examples from other countries and cutting and pasting into a local document.

3.Currently overseas property is managed by MOFA but property thinks there are a number of properties, some commercial where more revenue could be made, a report on overseas property has been done and submitted to PO but no discussion as yet. Needs consideration by Cabinet and team might consider talking to MFPD about getting HEC to consider.

4.No training has been conducted due to a lack of resources and budget. Need budget support and help of MOF.

Table 26. Summaries: HR Dept.

9.0 Human Resources Department		Grade	Score	Rank (out of 19)
	Raw Performance Score	B	0.60	6
	Standardised Raw Score	A	0.76	
	Standardised Risk, Impact, TA adjusted Score	B+	0.43	5

Progress Highlights

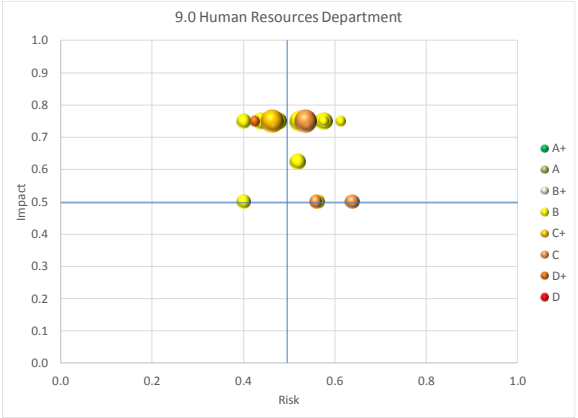
1. MoF restructure including a 7% downsizing finalised and to be considered by President for approval.
2. Newly established MBA scholarship program with the America University of Afghanistan which will see 100 scholarships awarded over the next two years. This program has a focus on quality through rigorous testing procedures and value for money.

Major Challenges Being Faced

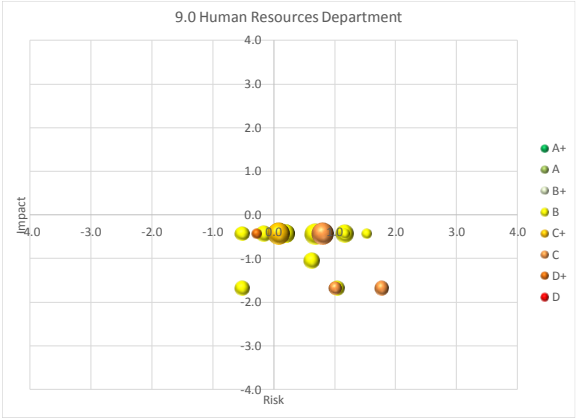
1. Strong cultural and political norms in recruitment that will require a lot of behaviour change. This will require strong political support.
2. Need to develop a credible, transparent and costed professional development program for MoF based on reliable assessment of current competencies of all MoF staff. Also need to provide a credible training budget for all departments at the directorate level.
3. Need to streamline CBR approvals process and further minimize significant delays. Also need to strengthen systems, processes and budgeting for recruitment of National Technical Assistance. Need better integration attendance, payroll and HR systems across Government.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



Staffing and TA Profile

9.0 Human Resources Department		Grade	Score	Rank (out of 66)
9.1 HRD: Training & Development	Raw Performance Score	B	0.61	12
	Standardised Raw Score	A+	0.81	
	Standardised Risk, Impact, TA adjusted Score	A	0.59	15

Progress Highlights

1. Newly established MBA scholarship program with the America University of Afghanistan which will see 100 scholarships awarded over the next two years. This program has a focus on both qualities through rigorous testing procedures and value for money.
2. The internship program continues to deliver a pipeline of the best and brightest young talent to MoF.
3. Testing of learning outcomes for short courses (need to follow up if this is actually happening).

Major Challenges Being Faced

1. Need to develop a credible, transparent and costed professional development program for MoF based on reliable assessment of current competencies of all MoF staff.
2. Need to develop and manage a credible budget for training at the director level for all departments.
3. Using the internship program as a foundation, strengthen the pipeline of junior professionals entering MoF.

9.0 Human Resources Department		Grade	Score	Rank
9.2 HRD: Recruitment Development	Raw Performance Score	B	0.66	7
	Standardised Raw Score	A+	1.40	
	Standardised Risk, Impact, TA adjusted Score	A+	1.03	6

Progress Highlights

1. Taking steps to introduce and strengthen merit based recruitment systems.
2. Exceeding annual target to recruit female staff.
3. Good progress in getting CBR and NTA positions approved - 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.
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	0.68	4
	Standardised Raw Score	A+	1.57	
	Standardised Risk, Impact, TA adjusted Score	A+	1.13	3

Progress Highlights

1. MoF restructure completed and to be approved by President soon.
2. New policy position from Minister to a 7% downsize of MoF.
3. Tashkeel planning done, CSC endorsed and waiting on Presidents Office to approve.

Major Challenges Being Faced

1. Many returns not provided by DGs. Many requests for more staff.
2. Challenge of reducing size of each department, directorate, unit. How to manage this effectively.

9.0 Human Resources Department		Grade	Score	Rank (out of 66)
9.4 HRD: Performance Appraisal & Record Keeping	Raw Performance Score	C+	0.57	30
	Standardised Raw Score	B+	0.37	
	Standardised Risk, Impact, TA adjusted Score	B	0.19	26

Progress Highlights

1. New Mandatory Retirement Age in place (65). 8.5% deduction for contributions to retirement benefit scheme.
2. A number of 2400 performance appraisal forms have been sent to their respective departments for individual assessments.
3. Monthly Salary payments for 3500 positions were transferred and processed accurately and in a timely fashion even prior to deadlines on special occasions such as EID etc.

Major Challenges Being Faced

1. Performance assessments - DGs and Directors appear not to be taking the process seriously. However, there is no process from HRD requiring more credible reporting and no consequences for managers who perform poorly. A lot of training has been done with senior managers.
2. Performance appraisal system is not credible - more analysis to be done by HRD team and support from senior leadership within the Ministry.

9.0 Human Resources Department		Grade	Score	Rank (out of 66)
9.5 HRD: Employee Relations	Raw Performance Score	C	0.54	29
	Standardised Raw Score	B	0.11	
	Standardised Risk, Impact, TA adjusted Score	C+	-0.34	44

Progress Highlights

1. On track to process target for complaints.
2. Improving working environment for MoF staff most recently through a new Gym.

Major Challenges Being Faced

1. Funding for basic health care policy.
2. Implementation of complaints and female harassment policy and systems.

Table 27. Summaries: Insurance Dept.

10.0 Insurance Department		Grade	Score	Rank (out of 19)
	Raw Performance Score	C	0.53	12
	Standardised Raw Score	B	-0.04	
	Standardised Risk, Impact, TA adjusted Score	B	0.01	10
10.0 Insurance Department		Grade	Score	Rank (out of 66)
10.1 ID: Insurance Affairs	Raw Performance Score	C	0.53	34
	Standardised Raw Score	B	-0.03	
	Standardised Risk, Impact, TA adjusted Score	B	0.01	31

Progress Highlights

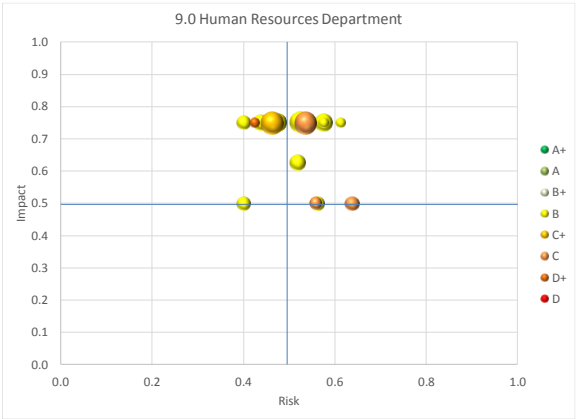
1. Despite resource constraints the Insurance Department supervision of parts of the insurance industry, such as the aviation industry, is satisfactory.
2. Almost 80 % of the task of inspecting documents of a new insurance company (Safi) is complete. On track to be completed this year.
3. Prepared insurance 5-year strategic plan.

Major Challenges Being Faced

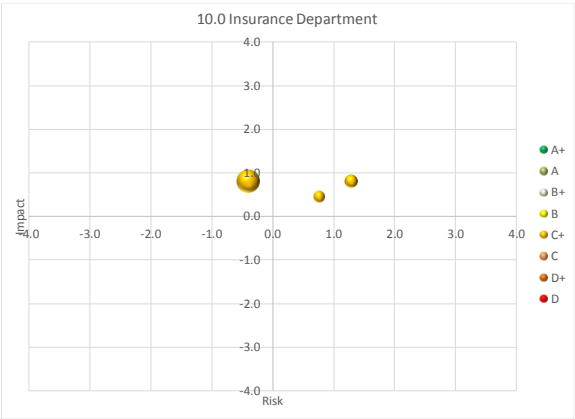
1. The Insurance Department is generally under-resourced both for funds and skills.
2. Lack of funds for awareness campaigns and workshops to help drive demand for insurance services.
3. Lack of expertise and budget for laws such as the Third Party Liability, Islamic and Micro Insurance Laws.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



Staffing and TA Profile

Table 28. Summaries: Internal Audit

11.0 Internal Audit Department		Grade	Score	Rank (out of 19)
	Raw Performance Score	C	0.53	11
	Standardised Raw Score	B	-0.06	
	Standardised Risk, Impact, TA adjusted Score	C+	-0.24	13

Progress Highlights

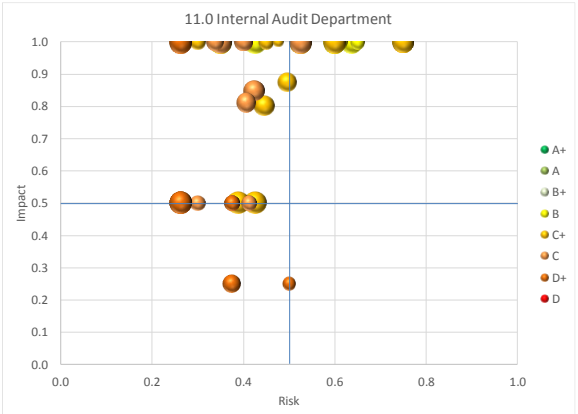
1. Improved planning for investigations and business process audits leading to more referrals to authorities.
2. The teams have completed some fraud investigations that led to savings – e.g. fuel smuggling. There are 47 cases in progress, 30 complete and 170 in the courts or AGs.
3. There has been more use of surprise audits.

Major Challenges Being Faced

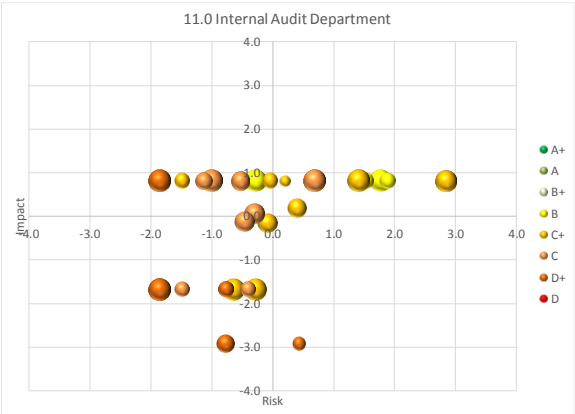
1. The lack of expertise in IT auditing in the team means there are important areas that are not being investigated.
2. The team needs to make more progress in complying with international internal audit standards.
3. The lack of certification for auditors means the team has no access to CBR. This is making it hard to attract and retain qualified staff.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



Staffing and TA Profile

11.0 Internal Audit Department		Grade	Score	Rank (out of 66)
11.1 IAD: Office of the DG	Raw Performance Score	C+	0.56	21
	Standardised Raw Score	B+	0.29	
	Standardised Risk, Impact, TA adjusted Score	B	0.20	24

Progress Highlights

1. There is a new fraud investigation system in place.
2. Good progress on number of fraud investigations, there are 77 fraud investigation in progress,30 completed and 117 in the courts or AGs.
3. Done some random audits on STO and MTO based on complaints, this resulted in termination of employees who used to mistreat the people

Major Challenges Being Faced

1. Challenge in appointing a DG (currently vacant) and ensuring Chief Auditor and internal auditors are fully qualified, and empowering the DG to drive culture change.
2. Getting CBR in the Tashkeel: announced some positions almost two years but there is no response (slow CBR) process.
3. Auditee does not provide 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	0.54	45
	Standardised Raw Score	B	0.07	
	Standardised Risk, Impact, TA adjusted Score	B	-0.17	34

Progress Highlights

1. Some training conducted in Fraud Section the theory was given by ARTF consultants. It was On the job training.
2. Satisfactory progress on identifying risks and developing risk based annual audit plan.
3. Doing HR audit on regular basis. Investigation in two provinces completed.

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.

11.0 Internal Audit Department		Grade	Score	Rank (out of 66)
11.3 IAD: Budget and Treasury Audit	Raw Performance Score	C	0.53	24
	Standardised Raw Score	B	-0.07	
	Standardised Risk, Impact, TA adjusted Score	C+	-0.23	40

Progress Highlights

1. Annual Audit Plan was approved by 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 IIA standards due to Audit Committee failing to meet to approve the plan.
2. 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.
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	0.53	32
	Standardised Raw Score	B	-0.07	
	Standardised Risk, Impact, TA adjusted Score	C+	-0.23	40

Progress Highlights

1. See Office of the 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	D+	0.49	49
	Standardised Raw Score	C+	-0.49	
	Standardised Risk, Impact, TA adjusted Score	C	-0.70	53

Progress Highlights

1. See Office of the 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.

Table 29. Programs Implementation and Coordination GD

12.0 Programs Implementation and Coordination General Directorate	Grade	Score	Rank(out of19)
Raw Performance Score	D+	0.40	18
Standardised Raw Score	D+	-1.39	
Standardised Risk, Impact, TA adjusted Score	D+	-1.22	18

Progress Highlights

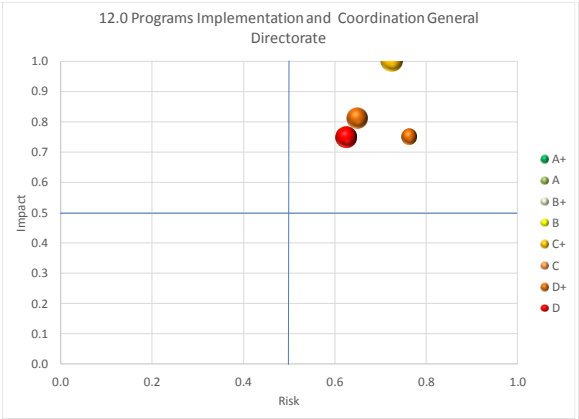
1. Successful completion of Citizen's Charter NPP, good progress on Women's Economic Empowerment NPP and Infrastructure NPP ahead of schedule for Brussels.
2. Coordination of the ANPDF.
3. Coordination of SMAF refresh.

Major Challenges Being Faced

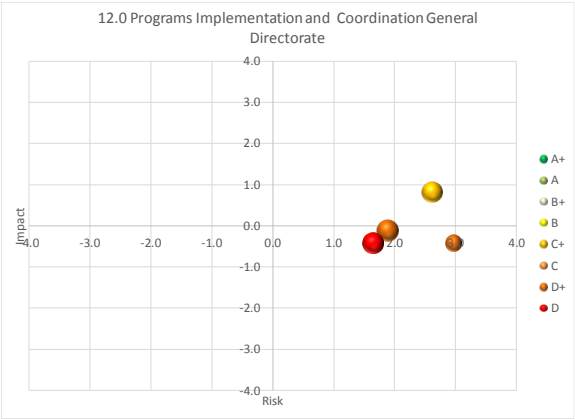
1. Lack of permanent leadership in the DM Policy role. The DG has been acting as the DM Policy but there has been no-one acting in the DG role, meaning there is not enough effective leadership and vision.
2. This team is heavily reliant on external assistance with most of the work done by international and local TA. Plans to move to civil service positions under CBR need to be prioritised.
3. Despite significant external resources there is still low capacity for analysis. The ANDF 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



Staffing and TA Profile

12.0 Programs Implementation and Coordination General Directorate		Grade	Score	Rank (out of 66)
	Raw Performance Score	D+	0.40	61
12.1 PICGD: Directorate for Coordination of National Priority Programs	Standardised Raw Score	D+	-1.37	
	Standardised Risk, Impact, TA adjusted Score	D+	-1.21	60

Progress Highlights

1.Outstanding progress on developing Citizens Charter NPP. Great coordination and decision making, good practice costings, and strong negotiation.
2.Good progress on developing Women's' Empowerment NPP
3.Urban Development NPP is almost completed. Final Consultation is needed and then it will be sent to cabinet for approval.

Major Challenges Being Faced

1.Low coordination of LMs, low capacity in the LMs and MOF is doing multiple NPPs at once. Clarity about the policy direction of these NPPs needs to improve with some of the development councils not functioning effectively. Reliance on TA is high.
2.Cross-ministry coordination, engaging responsible council, cross-ministry costing, negotiating with the World Bank.
3.Lack of clarity on leadership and roles within Councils in Developing Councils Work plans.

12.0 Programs Implementation and Coordination General Directorate		Grade	Score	Rank (out of 66)
	Raw Performance Score	D+	0.49	64
12.2 PICGD: Directorate for Policy Research	Standardised Raw Score	C+	-0.44	
	Standardised Risk, Impact, TA adjusted Score	C+	-0.46	61

Progress Highlights

1. ANPDF has been finalised in time for the Brussels Conference on Afghanistan in October 2016.
2. SMAF indicators have been negotiated with donors.
3. SMAF reporting has shown good progress on most indicators in 2015/16.

Major Challenges Being Faced

1. Capacity is low and reliance on TA is very high. Problems in the development of the ANPDF showed institutional weakness.
2. Appointment of a permanent DM and better coordination of the 3 DGs is needed.
3. Donor and aid fragmentation means that Policy is not always driving both aid and budget decisions. Policy coherence is improving but is still a challenge.

Table 30. Summaries: Monitoring Analysis and Reporting GD

13.0 Monitoring, Analysis and Reporting General Directorate	Grade	Numerical	Rank(out of19)
Raw Performance Score	C+	0.56	7
Standardised Raw Score	B+	0.31	
Standardised Risk, Impact, TA adjusted Score	B+	0.28	7

Progress Highlights

1. Despite being new to MOF the DG is engaged and shows a good team approach in helping out her colleagues.
2. Monitoring and reporting on the SMAF indicators has been comprehensively managed with good regular engagement with the donors in the lead up to Brussels.

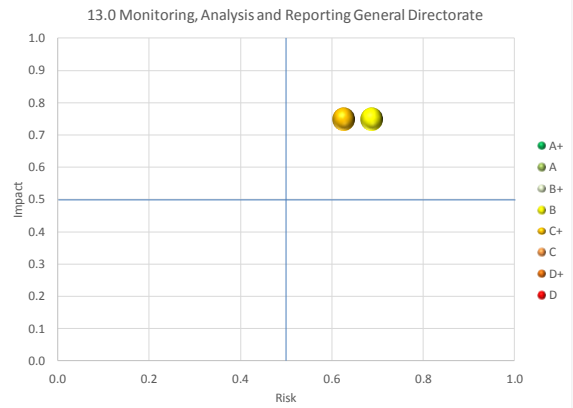
Major Challenges Being Faced

1. This team is relatively new having been transferred from the President's Office. They are waiting for some other deliverables to be completed i.e. updated SMAF and ANPDF.

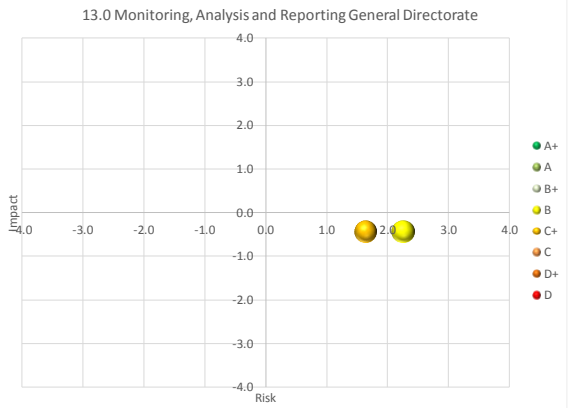
2. They are quite well resourced for the work load, they are mostly helping the Program Implementation and Coordination Team with preparations for Brussels at the moment.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



Staffing and TA Profile

13.0 Monitoring, Analysis and Reporting General Directorate		Grade	Score	Rank (out of 66)
	Raw Performance Score	B	0.60	14
13.1 MARGD: Directorate of Program Monitoring	Standardised Raw Score	A	0.76	
	Standardised Risk, Impact, TA adjusted Score	A	0.74	12

Progress Highlights

1. SMAF commitments are being regularly monitored and status updated.
2. There are 39 commitments that must be reported on up to Brussels. Monthly and quarterly reports are provided, plus specific deadlines based on indicators.
3. Assisted PICDG with refreshed SMAF and ANPDF.

Major Challenges Being Faced

1. Challenges with data collection due to inconsistent approaches, aid and budget fragmentation and large numbers of projects.
2. Poorly constructed frameworks like SMAF that do not have a coherent policy framework.
3. Low capacity and reliance on TA.

13.0 Monitoring, Analysis and Reporting General Directorate		Grade	Score	Rank (out of 66)
	Raw Performance Score	C	0.52	38
13.2 MARGD: Directorate for Analysis and Reporting	Standardised Raw Score	B	-0.15	
	Standardised Risk, Impact, TA adjusted Score	B	-0.19	35

Progress Highlights

1. Narrative and reporting to Cabinet and other ad-hoc strategic briefings. E.g. report JCMB, and preparing highlights of NUG for Brussels and elaborated report for SMAF.
2. SMAF reporting: 39 commitments that must be reported on up to Brussels.
3. Team does updates each month / qtr. which are sent to donors, JCMB, Cabinet. Based on reporting the President has decided to meet relevant Ministers in batches / groups of 10 at a time.

Major Challenges Being Faced

1. Coordination with AMD on donor updates.
2. Responsiveness of donors and consistency of data.
3. Team is waiting on a number of other processes - ANPDF and updated SMAF to report on.

Table 31. Summaries: RIMU

14.0 Reform Implementation Management Unit (RIMU)		Grade	Numerical	Rank(out of19)
	Raw Performance Score	D+	0.46	15
	Standardised Raw Score	C	-0.73	
	Standardised Risk, Impact, TA adjusted Score	C	-0.91	16
14.0 Reform Implementation Management Unit (RIMU)		Grade	Score	Rank (out of 66)
	Raw Performance Score	D+	0.46	51
14.1 RIMU	Standardised Raw Score	C	-0.73	
	Standardised Risk, Impact, TA adjusted Score	C	-0.91	55

Progress Highlights

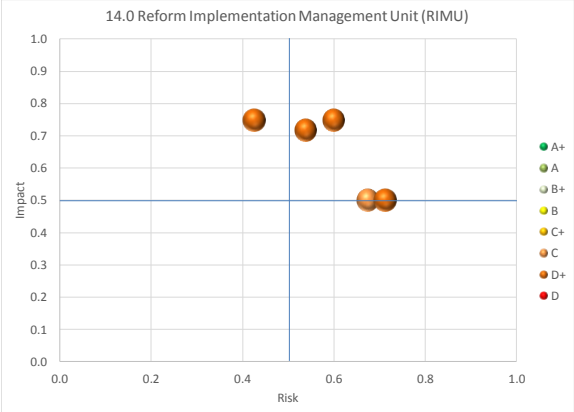
1. Provision of support in PFMRII Project implementation, overall coordination and Management.
2. Preparing of MoF period 100 days and quarterly, semi-annual and annual performance review reports.

Major Challenges Being Faced

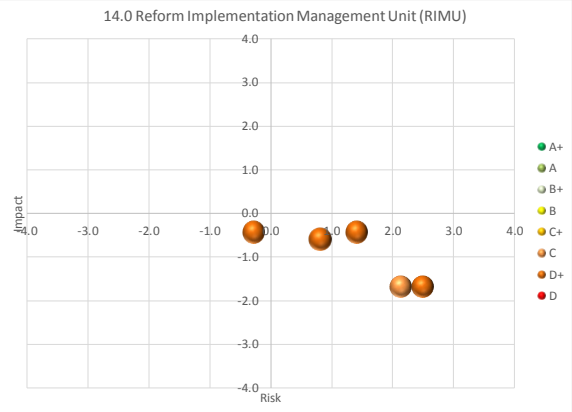
1.Some departments had not reported based on their plans and had to contact them again and again to make correction.
2. Need to formulate a plan to phase out PIU as PFMRII ends.
3. Need to coordinate with PMT to ensure that performance reporting meets WB needs.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



Staffing and TA Profile

Table 32. Summaries: Revenue Planning

15.0 Revenue Planning Department		Grade	Score	Rank (out of 19)
	Raw Performance Score	C	0.52	10
	Standardised Raw Score	B	-0.10	
	Standardised Risk, Impact, TA adjusted Score	B	-0.12	12

Progress Highlights

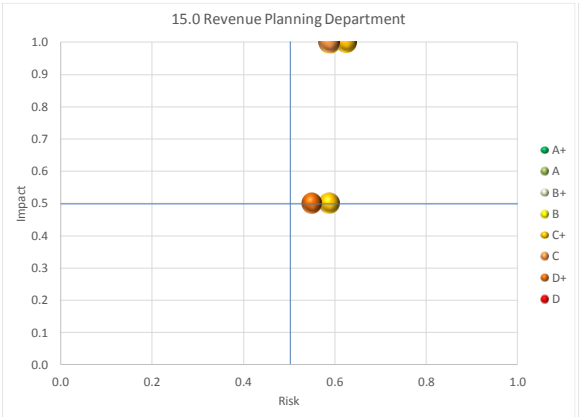
1. Some work is being done on systems but most things are on hold pending the decision on whether this DG will be abolished and their functions merged with ARD and MFPD.
2. The Revenue Planning team believes the decision to abolish the DG should be revisited and have drafted a transformation plan for the future.

Major Challenges Being Faced

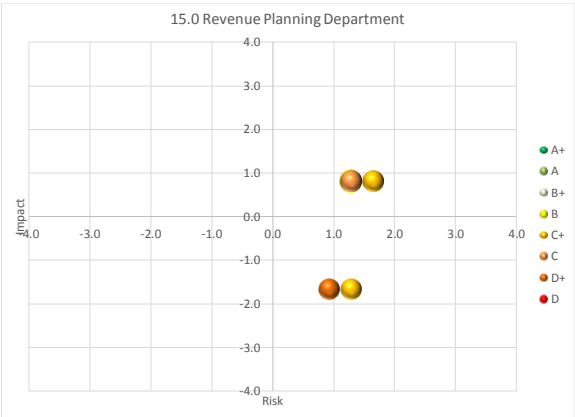
1. The team is in limbo pending the decision on abolishing the DG. This needs to be resolved as soon as possible.
2. The functions of revenue planning are important and not the same as revenue forecasting. Whatever the decision the functions need to be properly mapped to whatever department has responsibility for them.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



Staffing and TA Profile

15.0 Revenue Planning Department		Grade	Score	Rank (out of 66)
15.1 RPD: Revenue Analysis and Forecasting	Raw Performance Score	C	0.51	35
	Standardised Raw Score	C+	-0.22	
	Standardised Risk, Impact, TA adjusted Score	B	0.06	29

Progress Highlights

This Department is assigned for possible functional reassignment to ARD and MFPD

1. Overall plan for development of systems (recording & reporting system of RRD and RTAS) completed and submitted to the Minister.
2. Work with IT department to improve the functionality of RRD system.

Major Challenges Being Faced

1. Lack of Budget and human resource for RP.
2. Lack of clarity around future of the department, this needs to be resolved as soon as possible.

15.0 Revenue Planning Department		Grade	Score	Rank (out of 66)
15.2 RPD: Monitoring and Evaluation of Revenue Targets	Raw Performance Score	D+	0.49	27
	Standardised Raw Score	C+	-0.47	
	Standardised Risk, Impact, TA adjusted Score	C+	-0.22	38

Progress Highlights

1. Good progress on routine reporting, doing both desk monitoring and field monitoring. The focus is on desk monitoring to improve reporting.
2. Regular reports on progress against revenue targets provided to the DM and other stakeholders.
3. Transformational plan for RP Department developed and shared with the Minister.

Major Challenges Being Faced

1. Lack of budget for operations.
2. There are large quality problems at point of data entry on the m29 forms at the local level.
3. Lack of clarity about the future of the department. This needs to be resolved as soon as possible.

Table 33. Summaries: Macro-Fiscal Performance Dept.

16.0 Macro-Fiscal Performance Department		Grade	Numerical	Rank(out of19)
	Raw Performance Score	C+	0.59	4
	Standardised Raw Score	A	0.63	
	Standardised Risk, Impact, TA adjusted Score	A	0.55	4

Progress Highlights

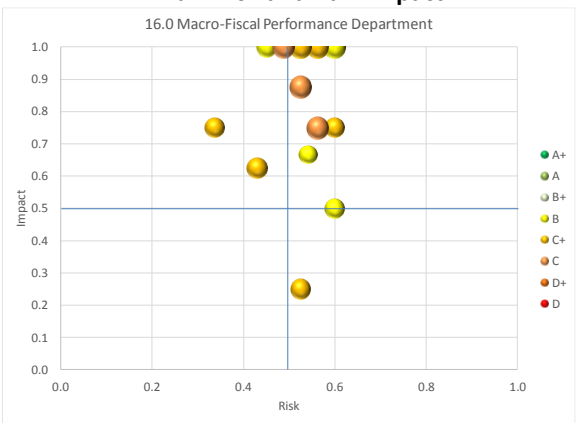
1. An excellent start on developing the forward estimates system, with good cross-team collaboration making good progress towards linking policy to budget allocations.
2. Establishing a secretariat to the HEC and putting in place essential business processes including an advisory board, agendas, rules and procedures for submissions, minutes of meetings and tracking decisions.
3. Coordination of SMP and ECF negotiations with the IMF.
4. Finalisation and launch of the inaugural rolling 5-year Fiscal Improvement plans and completion of the first mid-year assessment of progress.

Major Challenges Being Faced

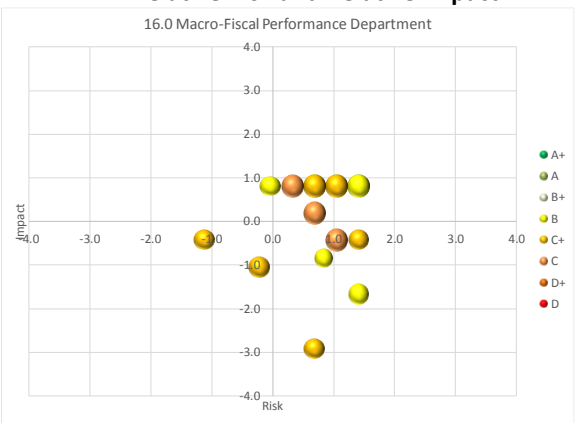
1. First steps on establishing a credible system of forward estimates and costing of existing and new policy have been taken but there is a long way to go. This will need on-going high level support.
2. Effectively managing the HEC and ensuring the integrity of the process will require clear rules and procedures and strong political support.
3. Capacity for macroeconomic analysis is low.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



Staffing and TA Profile

16.0 Macro-Fiscal Performance Department		Grade	Score	Rank(outof66)
16.1 MFPD: Fiscal Directorate	Raw Performance Score	B	0.61	11
	Standardised Raw Score	A+	0.82	
	Standardised Risk, Impact, TA adjusted Score	A+	0.95	7

Progress Highlights

1. An excellent start on developing the forward estimates system, with good cross-team collaboration making good progress toward high global standards for policy linked budgeting.
2. Successful completion of SMP and successful negotiation of ECF founded on new principles of engagement.
3. Development of Pensions Policy paper based on development of a pensions model in MFPD, negotiating with relevant stakeholders and providing high quality advice to the Minister for Finance on policy parameters.

Major Challenges Being Faced

1. Lack of a solid 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.
2. Improving information on the non-discretionary budget to feed into the fiscal framework and calculation of fiscal space.
3. Continuing to strengthen cross-team collaboration with Budget, AMD, Treasury, Corporate, Minster's Office and Line agencies.

16.0 Macro-Fiscal Performance Department		Grade	Score	Rank(outof66)
16.2 MFPD: Macroeconomic Unit	Raw Performance Score	D+	0.49	41
	Standardised Raw Score	C+	-0.47	
	Standardised Risk, Impact, TA adjusted Score	C+	-0.45	46

Progress Highlights

1. Improved modelling and contribution to Fiscal Strategy Paper and advice provided to High Economic Council
2. Macro parameters used to in the construction of the forward estimates of the costs of existing policies.
3. 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. Rectifying the staffing problem: While function of the unit is being provided part time by fiscal unit staff, no staff have yet been allocated to the macro unit.
2. Data is currently sourced from the Central Statistics Office, however need to look at other data sources for key drivers of growth for more accurate modelling.
3. Delivering valued services to the Minster, HEC and Cabinet and the public. Currently there is little demand from economic policy advice and limited technical skills to provide appropriate economic policy advice. 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 Department		Grade	Score	Rank(outof66)
16.3 MFPD: Admin and Reporting Unit	Raw Performance Score	C+	0.59	13
	Standardised Raw Score	A	0.61	
	Standardised Risk, Impact, TA adjusted Score	B	0.16	28

Progress Highlights

1. Establishing a secretariat to the HEC and putting in place essential business processes including an advisory board, agendas, rules and procedures for submissions, minutes of meetings and tracking decisions.
2. Managing the on-going establishment of MFPD including putting place a new structure, finalising MFPDs Tashkeel submission, getting MOF approval for the new Tashkeel and submitting the proposal to the CSC. Then finding solutions to fill temporary gaps in Tashkeel with NTA staff.
3. Outstanding progress in establishing a new unit, which is becoming increasingly valued by key stakeholders within Government and externally.

Major Challenges Being Faced

1. Attending to delays in approval of Tashkeel and mobilisation of new staff under CBR.

2. Making the business processes to support the HEC routine and managing the large workflow effectively, including through establishment of a HEC Handbook and effective cross-team collaboration with Programs Implementation and Coordination General Directorate on Council Procedures Handbooks.
3. Developing and implementing a sustainable and effective professional development plan for MFPD Tashkeel staff.

16.0 Macro-Fiscal Performance Department		Grade	Score	Rank(outof66)
16.4 MFPD: Performance Management Team	Raw Performance Score	B	0.62	9
	Standardised Raw Score	A+	0.89	
	Standardised Risk, Impact, TA adjusted Score	A	0.62	14

Progress Highlights

1. Finalisation and launch of the inaugural Rolling 5-year Fiscal Performance Improvement plans.
2. Establishing the performance management system and the completion of the first mid-year assessment of progress against 5 year plans.
3. Establishing a proof of concept Performance Information Management System - including the consolidation and use of performance data - using transitional systems such as excel.

Major Challenges Being Faced

1. Delays in appointing permanent national staff to the Performance Management Team.
2. Developing a sustainable, accessible and user-friendly Performance Management Information System.
3. Long term and sufficient resourcing to support the on-going facilitation of the 5 year plans and the performance management system.

Table 34. Summaries: Aid Management

17.0 Aid Management Directorate		Grade	Score	Rank (out of 19)
	Raw Performance Score	C+	0.55	8
	Standardised Raw Score	B+	0.22	
	Standardised Risk, Impact, TA adjusted Score	B+	0.34	6
17.0 Aid Management Directorate		Grade	Score	Rank (out of 66)
17.1 AMD: Aid Management	Raw Performance Score	C+	0.55	23
	Standardised Raw Score	B+	0.22	
	Standardised Risk, Impact, TA adjusted Score	B+	0.34	20

Progress Highlights

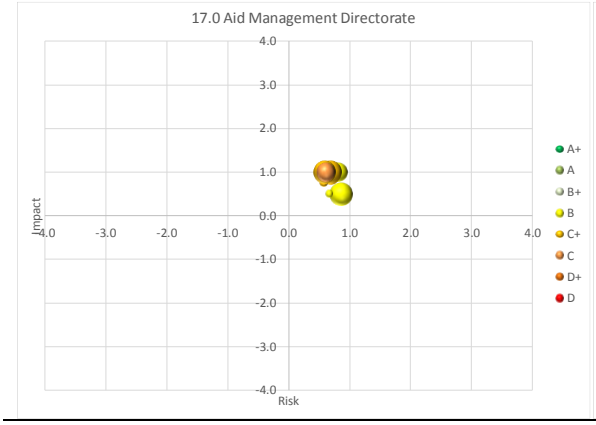
1. The new Aid Management policy is based on Self-Reliance agenda. This includes a policy of no PIUs.
2. Framework agreements with major donors that are compliant with Afghan law and ensure individual contracts are not seeking additional tax exemptions over and above what is agreed at the Country MOU level.
3. The team have conducted portfolio reviews to reveal poor performing projects earlier. Including for ARTF.

Major Challenges Being Faced

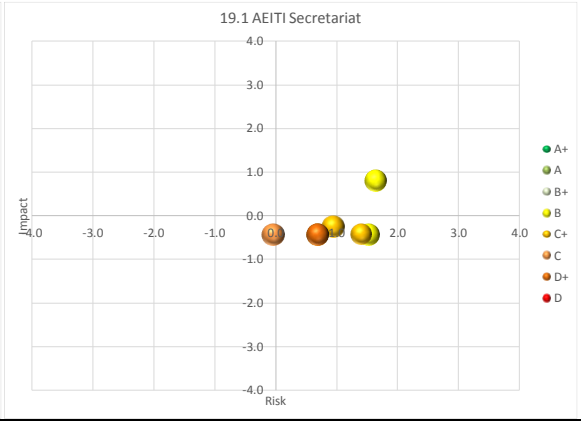
1. Systems are not being used in an integrated fashion with the budget or accounting systems. DAD data is at the moment helping to guide policy formulation.
2. The teams could be providing more analysis and advice to MOF on development partner cycles or systems to maximise the flexibility for the Government in accessing development assistance.
3. The Culture in the team of treating the donor as the client is strong and is going to be hard to change.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



Staffing and TA Profile

Table 35. Summaries: National Procurement Authority

18.0 Office of the President		Grade	Score	Rank (out of 19)
18.1 National Procurement Authority (NPA)	Raw Performance Score	B+	0.79	1
	Standardised Raw Score	A+	2.76	
	Standardised Risk, Impact, TA adjusted Score	A+	2.92	1
18.0 Office of the President		Grade	Score	Rank (out of 66)
18.1 National Procurement Authority (NPA)	Raw Performance Score	B+	0.79	1
	Standardised Raw Score	A+	2.76	
	Standardised Risk, Impact, TA adjusted Score	A+	2.92	1

Progress Highlights

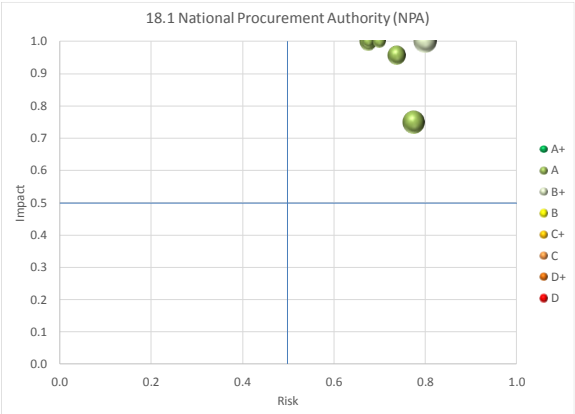
1. Outstanding progress in a difficult operating environment for the development of NPA's five-year strategic plan. This was the best team in the assessment, they are a high performing team with strong leadership. They have established a strong institution with a high performance culture. They are introducing systems that devolve procurement autonomy based on how good agencies perform. This is leading the world.
2. An outstanding achievement to establish the National Procurement Commission-NPC, Afs15b 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 a world 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 PPP policy provided to the Government, including on institutional arrangements.

Major Challenges Being Faced

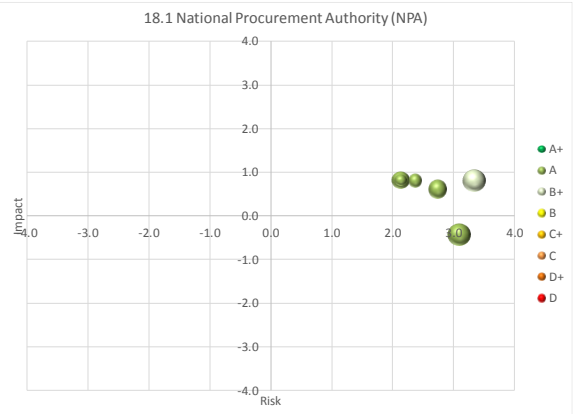
1. Lack of sufficient procurement information. The need to adopt a develop and deliver approach i.e. Clearing procurement backlog, rendering daily procurement services and simultaneously developing the procurement reform concept and five years' strategy.
2. Insufficient numbers of reliable and committed 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 NPI's consultancy.

Performance in Risk-Impact-TA

Raw Risk and Raw Impact



Relative Risk and Relative Impact



Staffing and TA Profile

Table 36. Summaries: AEITI

19.0 Other Partner Agencies		Grade	Score	Rank (out of 19)
19.1 AEITI Secretariat	Raw Performance Score	C	0.55	5
	Standardised Raw Score	B	0.16	
	Standardised Risk, Impact, TA adjusted Score	B	0.05	9
19.0 Other Partner Agencies		Grade	Score	Rank (out of 66)
19.1 AEITI Secretariat	Raw Performance Score	C	0.55	10
	Standardised Raw Score	B	0.16	
	Standardised Risk, Impact, TA adjusted Score	B	0.05	30

Progress Highlights

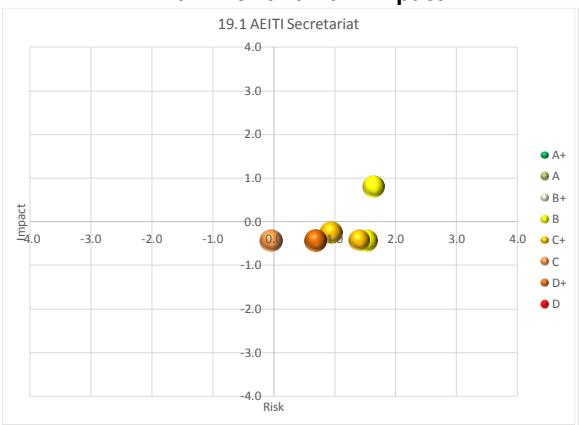
1. The EITI mechanism is working well to detect and triangulate data to find potential leakages. The team has identified a high probability of around $2 billion p.a. of lost revenue from extractive industries.
2. The backlog of reports has been cleared. The quality of reports has also improved and this has been recognised by the international EITI Secretariat.
3. Website is highly professional and provides up to date information on activities of AEITI including strategies, annual reports, outreach visits and minutes of meetings.

Major Challenges Being Faced

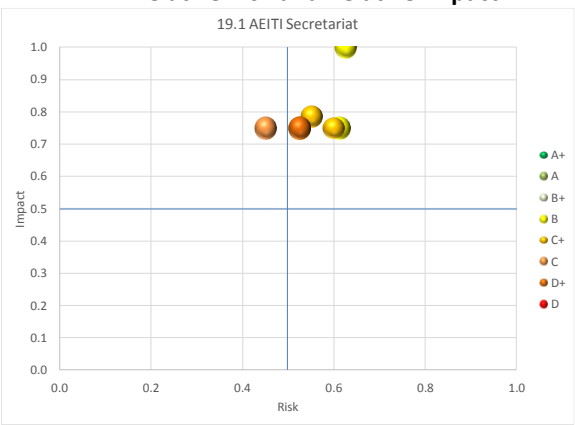
1. Need high level political will for EITI. Need to make the most of the new administration to secure high level political will to the EITI agenda. The expectation is that this would result in significant increases in revenue, increased transparency and legitimacy.
2. Effective leadership of the Multi Stakeholder Group.
3. Insufficient investment in systems to improve data collection. Need investment in better systems in MoF and MoM. 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



Staffing and TA Profile