



STATUS REPORT ON ACHIEVING COMMITMENTS 2017-2018

Self-Reliance through Mutual Accountability Framework (SMAF)

Ministry of Finance
Islamic Republic of Afghanistan
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INTRODUCTION

The Tokyo Mutual Accountability Framework (TMAF) set the foundation for Afghanistan's partnership for development with the international community. At the Senior Officials Meeting in September 2015, Afghanistan and its international partners updated the Tokyo Mutual Accountability Framework (TMAF) in line with the Realizing Self-Reliance Policy Paper, which was presented at the London Conference 2014.

The revised framework – Self-Reliance through Mutual Accountability Framework (SMAF) – included short-term deliverables that measured the progress of the reform and development partnership agenda. At the Brussels Conference on Afghanistan in October 2016, the National Unity Government (NUG) and the international community agreed up-on 24 new Self-Reliance through Mutual Accountability Framework (SMAF) indicators called SMART SMAF.

After the Brussels Conference, the progress report on the mentioned commitments were presented to the 20th Joint Coordination Monitoring Board (JCMB) in July 2017, on October 5, 2017 at the Senior Official's Meeting (SOM). This progress report on the implementation status of Brussels commitments is the second official report, covering progress on deliverables from 2017-2018, and is presented here to the 21st JCMB meeting on July 18, 2018. This report was prepared after conducting joint evaluation meetings with international partners and includes both mutual commitments and the NUG's commitments. The next report will be presented to the Geneva Conference on Afghanistan on November 27 and 28, 2018.

The review shows that some commitments are fully completed, some partially completed, and some are still in progress. The report also shows the challenges and future steps of each commitment. It also includes progress against each indicator as a percentage of completion, illustrated by the key below:

Indicator #1	Status	Responsible Agency
Ensure continued emphasis on democratic governance, leading to free, and fair, transparent and participative elections. Concrete steps taken by the Government towards 2017 electoral reform process and electoral preparations	75%	Independent Election Commission of Afghanistan (IEC)
Detailed Status:		
<p>The IEC announced 20 October 2018 as the revised official date for upcoming parliamentary and district council elections. After consultation with political parties and civil society representatives in a meeting on 26 April 2017, preparations for elections have been on-going. The physical assessments of the polling stations across the country have been successfully completed in partnership with local authorities. Public awareness programs on the voter registration process were launched throughout the country.</p> <p>The voter registration process has been completed throughout the country. As of July 2018, 8,918,107 persons registered to vote, out of which 3,067,918 (roughly 34%) are women. Another highlight of this reporting period was the completion of the parliamentary candidates list and publication online. New commissioners are working on a comprehensive reform package which includes re-forms of parliamentary, provincial council and district council elections as well as an assessment and reforms of poll stations.</p> <p>Recent activities include:</p> <ol style="list-style-type: none"> 1. Timeline for parliamentary and district council's election has been announced 2. List of polling centers has been finalized 3. Memorandum of Understanding signed between the Directorate of Population Registration and the Ministry of Telecommunications to coordinate the process of voter's registration 4. A Memorandum of Cooperation for the distribution of Tazkira signed with the Population Registration Office 5. Recruitment and training of 1,000 registration staff (for voters' registration) has been completed 6. Awareness campaign on registration of voters for people throughout the country completed 7. 1,500 voter registration centers have opened in the provincial capitals 8. Voters registration process completed successfully 9. The Guidelines, Procedure and Candidate Registration forms are finalized 10. 108 staff recruited and trained for candidate's registration process 11. The candidate registration process has been completed on 22/3/1397 and publication of list of candidates of 33 provinces is published on the website. 12. IEC's permanent staff recruitment process was started: out of 55 vacancies, three have been hired and four have given written tests. 40 vacant positions will be sent to the Independent Administrative Reform and Civil Services Commission (IARCSC); 13. Out of 10 vacant provincial directorate positions, 5 directors are hired and have been sent to President's Office for approval, three others (Balkh, Badghis and Helmand) are under discussion and the directorate positions of Farah and Ghazni have been re-announced 14. From 6 central directorate positions, written tests have been taken and the oral test is yet to be taken 15. Recruitment of 31,819 field staff members for voter registration completed. <p>According to the report of IEC, all the above activities were shared with the public through social media and the website (http://www.iec.org.af/).</p>		
Challenges	<ul style="list-style-type: none"> • Lack of security throughout the country, especially in provinces and districts that are severely threatened. • Direct threats on registration centers 	
Future Steps	<ul style="list-style-type: none"> • Providing voter's list to IEC from voting centers • Finish security assessments of polling stations • Create a media committee • Implement public awareness campaign about the election process • Finish establishing complaints procedures for voters 	

Indicator #2	Status	Responsible Agency
Anti-corruption strategy for the whole of government drafted and endorsed by the High Council on Rule of Law and Anti-corruption in the first half of 2017 and implementation initiated in the second half of 2017. Five revenue-generating ministries publicly report on implementation progress of their anti-corruption action plans in 2017.	100%	<ul style="list-style-type: none"> • Office of the Se-cond Vice Presi-dent • MoF, MoIC, MoMP, MoCIT and MoTCA
Detailed Status:		
<p>The High Council on Rule of Law and Anti-Corruption endorsed the Anti-Corruption Strategy on 28 September 2017. The finalized strategy was shared with donors on 5 Oc-tober 2017 and is also avail-able in the following link on the Ministry of Finance’s website: https://goo.gl/y1AqS7. The first report on Anti-Corruption Strategy implementation was shared with High Council of Rule of Law and Anti-Cor-ruption Strategy on February 2018.</p> <p>The Secretariat of the High Council reviewed the action plans of 50 government agen-cies to align them with Anti-Corruption strategy. These plans will be implemented after approved by the High Coun-cil on Rule of Law and Anti-Corruption. The implementation of the plans which were developed based on the previous strategy will proceed with some amendments made.</p> <p>The five revenue-generating ministries (Ministry of Mines and Petroleum, Ministry of Commerce and Industry, Ministry of Transport, Ministry of Finance and Ministry of Com-munication and Information Technology) have shared quarterly anti-corruption progress reports on their respective official web-sites and with donors. Following are the website links to the published anti-corruption reports of each ministry respectively:</p> <ol style="list-style-type: none"> 1. Ministry of Mines: https://goo.gl/GFDnsc. 2. Ministry of Commerce and Industry: https://goo.gl/NYP8wQ 3. Ministry of Transport: https://goo.gl/9osrwN 4. Ministry of Finance: http://mof.gov.af/en/page/3774 5. Ministry of Communication and Information Technology: http://mcit.gov.af/en/page/public-docu-ments/5622 		
Challenges	<ul style="list-style-type: none"> • Security challenges in some areas • Delay in recruiting professional employees in different organi-zations 	
Future Steps	<ul style="list-style-type: none"> • Implementing action plans in all government agencies • Developing a unified guideline for the implemen-tation of the action plans • Coordination with IARCSC to prioritize recruit-ment for the or-ganizations where anti-corruption efforts are a priority • Reports of High Council on Anti-Corruption and Rule of Law on combating corruption, good gov-ernance and human rights will be made public • More very high-level corruption cases will be prosecuted in the coming months 	

Indicator #3	Status	Responsible Agency
Structural benchmarks of the IMF Extended Credit Facility program for 2016 and 2017, focusing on macroeconomic stability, fiscal and financial reforms met	100%	<ul style="list-style-type: none"> Macro Fiscal Policy General Directorate (MFPD)— MoF
Detailed Status:		
<p>On May 24, 2018, International Monetary Fund (IMF) executive board completed the 3rd review under Extended Credit Facility (ECF) arrangement successfully. Read the IMF re-views below:</p> <p><u>First review under the IMF extended credit facility arrangement, May 2017</u></p> <p><u>Second review under the IMF extended credit facility arrangement, December 2017</u></p> <p><u>Third review under the IMF extended credit facility arrangement, March 2018</u></p> <p>Further fiscal targets achieved in 2017:</p> <ul style="list-style-type: none"> Net International Reserve was targeted to remain at \$6,548.7 million in 2017, which was achieved Inflation was targeted to remain as a single digit for 2017, and it remained below 5 per-cent Maintaining a minimum cash balance of 10 billion Afghanis in the Treasury Single Account was a goal, which was achieved and exceeded in 2018 by 24.5 billion Afghanis. This serves as a buffer against fiscal shortfalls. The current public debt is at only 6 percent of the GDP, which is significantly lower than the debt level of other similar countries. 		
Challenges	<ul style="list-style-type: none"> On-going conflict and uncertainty around elections, drought and its effect on agriculture could undermine growth and confidence. 	
Future Steps	<ul style="list-style-type: none"> The extension of this program will be renegotiated after the presidential elections. Conversations have started. The negotiation is expected to start in October/November 2019. The present program lasts until September 2019. The ECF will be completed in a total of 6 reviews and so far only three of the reviews are completed. 	

Indicator #4	Status	Responsible Agency
Demonstrate progress in implementing NAP 1325 as specified in its implementation plan through annual published reporting in 2017 and 2018, including by increasing the percentage of female civil servants from the current level (2015 baseline) by 2 percentage points in 2017 and an additional 2 percentage points in 2018.	25%	<ul style="list-style-type: none"> Ministry of Foreign Affairs (MoFA), In-dependent Administrative Reform and Civil Service Commission of Afghanistan(IARCSC)
Detailed Status:		
<p>H.E. President Ghani launched the National Action Plan (NAP) on UNSCR 1325 on 30 June 2015. Implementation, monitoring and evaluation plans were finalized on 2 June 2016. The implementation of those activities which are part of the policies and action plans of implementing agencies (which do not require any specific budget) has been started. Ministry of Foreign Affairs, as a coordinating body of NAP 1325, has finalized the 2nd annual report of NAP 1325 and presented it to the President and Parliament for approval. It will then be published.</p> <p>The Ministry of Finance has completed costing in cooperation with relevant ministries and was shared at the Heads of Agency meeting on January 30, 2018.</p> <p>The Independent Administrative Reform and Civil Service Commission has completed the following activities toward the goal of increasing women in the civil service by 2%:</p> <ol style="list-style-type: none"> 1. The policy paper for 2% increase of female in civil service organizations was prepared and finalized on February 9, 2018 in a ceremony attended by First Lady Rula Ghani. The paper is published in IARCSC website and the indicators are officially shared with line Ministries and Independent Government Organizations; 2. Five additional marks, and flexibility regarding the three months' work experience criteria, were implemented for female applicants; 3. The Women Professional Development Center in the Civil Service Institute has increased its activities to provide consultations in job searching, filling application forms, online applications for government jobs and questions of collective exams; 4. Awareness campaign regarding job opportunities for new female graduates in Kabul and the provinces was launched to provide them guidance on collective exam procedures, resources and questions as well as civil service laws and management issues. 		
Challenges	<ul style="list-style-type: none"> Hiring of qualified female candidates for NAP 1325 in the planned 167 positions 	
Future Steps	<ul style="list-style-type: none"> Monitoring the implementation of the policy for 2% increase of female in civil service organizations. It's not yet clear exactly how many women have been recruited in 2018. The collective exam has been conducted in 33 provinces out of which the results for 25 provinces are announced. The examinations in Kabul province are currently in progress, and after the completion of the process the percentage of recruited women in 2018 will be clarified. Operationalizing of the coordination unit of NAP Starting work on the 3rd Progress Report of the NAP 1325 	

Indicator #5	Status	Responsible Agency
Special courts (Mahakem Khas) on violence against women established in 15 provinces by December 2017 and the remaining provinces by December 2018. In addition, dedicated violence against women prosecution units established and functional, including adequate staffing, in all 34 provinces by December 2017. The Government commits to increase incrementally the percentage of women serving as judges and prosecutors in these special courts and prosecution units.	75%	Supreme Court (SC), Attorney General's Office (AGO)
Detailed Status:		
<p>Following is the Supreme Court's implementation progress:</p> <p>Based on the approval of the H.E. President Ghani (See Annex VII), the Supreme Court has established Special Courts for the elimination of violence against women in 16 provinces (Kabul, Herat, Balkh, Kapisa, Jowzjan, Sarepul, Baghlan, Kunduz, Takhar, Ghazni, Bamyan, Ghor, Daikondi, Nangarhar, Faryab, and Kandahar). These courts are currently functioning. (SEE ANNEX I)</p> <p>A gender unit is established in the Supreme Court. 23% of the Supreme Court staff is female. From a total of 553 female staff, 265 are judges, 230 are administrative staff, 38 are central service staff and 20 are Provincial Service staff.</p> <p>Following is the Attorney General's office implementation progress:</p> <p>Elimination of Violence against Women prosecution units established and operationalized in 34 provinces out of which 31 units are led by women. 93 female prosecutors hired and Deputy Attorney General for the Elimination of Violence against Women is recruited (decree 1550).</p> <p>Currently, 19.3% of staff at the Attorney General's Office are female, including females leading departments in 9 directorates.</p> <p>The gender directorate and the manager to eliminate violence against women has been recruited through the CBR process. A 5 years strategic plan has been prepared in AGO, with special sections regarding gender equality.</p>		
Challenges	<ul style="list-style-type: none"> • Lack of security and proper housing for female judges to work in provinces 	
Future Steps	<ul style="list-style-type: none"> • New gender managerial positions will be established in all provinces (AGO). • 80 female Elimination of Violence against Women (EVAW) prosecutors will be hired throughout 80 districts. • The Special Tribunal courts will deploy to 6 additional provinces in 2018 and 6 other provinces in 2019. 	

Indicator #6	Status	Responsible Agency
Launch of the Women's Economic Empowerment Plan by first half of 2017. First implementation report of the Women's Economic Empowerment Plan produced by 2018.	100%	Ministry of Labor, Social Affairs, Martyrs and Disabled (MOLSAMD)
Detailed Status:		
<p>The Women's Economic Empowerment Plan was launched on 8 March 2017. A WEE-NPP Coordination Unit (program coordination office PCO) was created at MoLSAMD to coordinate economic empowerment activities across the country with all relevant government agencies, the private sector, and civil society. The Unit is supported by a \$5 million grant from the World Bank, which will include support for technical assistance to improve specific inter-ministerial technical activities.</p> <p>The NPP consists of 6 components, which cross over the work of 12 different ministries. Using results-based budgeting, the NPP aims to improve the impact and efficiency of existing programs and measure tangible outcomes from various activities. The budget for the overall program is finalized and shows a \$250 million gap for the next five-years.</p> <p>The WEE-NPP steering committee had been meeting on a regular basis. The PCO has prepared institutional documents of the program and most of them have been cleared through the steering committee. Relevant ministries and government agencies have included their respective components in their 2018 budget requests.</p> <p>Key highlights of on-going activities since January 2017 include:</p> <ul style="list-style-type: none"> • The Program Coordination Unit is working closely with the Ministries/implementing partners, and a compiling a report on the progress of the National Program; • 67,000 women have been supported through agriculture activities, including kitchen gardens, nurseries and greenhouses; • Construction of 8,500 vegetable kitchen gardens with installation of drip irrigation system for 8,500 farmer women's along with the distribution of various vegetables seeds and agricultural commodities; • Construction of 51 greenhouses with installation of drip irrigation system, distribution of various vegetables seeds and agricultural commodities; • Distribution of 18 types of food processing equipment's and 364 vegetables and fruits sun dryer machines for 1,820 women; • 105 extension workers contract have been extended and 82 new women are hired as extension workers in 17 provinces with a monthly salary of 12000 for a period of one year; • Provided trainings for 12,100 women's on constructing vegetable kitchen gardening's, cultivating vegetables, proper irrigation time & use of animal's fertilizers, prevention of diseases, construction of green houses, food processing, packaging, marketing and nutrition trainings in 17 provinces; • 2500 female contracted teachers are recruited in 2017; • Launch of 51 community midwifery training classes and 44 community health nursing education class with 24 students in each class in 2017. The community midwifery (CME) and community health nursing education (CHNE) are a two year continuous programs and students after graduation will work for various health facilities in the province, both in district and provincial hospitals; • A total of 2280 students have been enrolled in the programs in 2017; • Launched the "Made by Afghan Women's" trademark on May 13, 2018; • Nearly 900 community midwives and nurses are under training and will return to their communities in 2018 to help improve maternal and child health in some of the country's most under-served areas. • The budget for 5 years has been prepared in consultation with the 12 implementing ministries. The budget sheet also indicates the level of funding the line ministries have and the budget gap that needs to be filled. 		
Challenges	<ul style="list-style-type: none"> • \$46 million was requested by ministries for the implementation of women empowerment components. The budget requested for 2018 is not readily available for the implementation of WEEP. 	
Future Steps	<ul style="list-style-type: none"> • Efforts are underway to finalize the first implementation report of the program in 2018 • Recruitment of another 3000 teachers in 2018 based on the availability of the budget 	

Indicator #7	Status	Responsible Agency
To reduce poverty, launch of Citizens' Charter in at least 2,000 poor villages by December 2017 and an additional 2,000 by December 2018.	100%	<ul style="list-style-type: none"> Ministry of Rural Rehabilitation and Development (MRRD) Independent Directorate of Local Governance (IDLG)

Detailed Status:

Citizens' Charter NPP was officially launched in September 2016. The Program (as of July 14, 2018) had reached 8,251 urban and rural communities in all 34 provinces.

Work at the community-level is underway in 123 districts and four cities in 34 provinces. This includes:

- 7,699 Community Development Councils are established
- 6,203 Community Development Plans made
- 2,216 sub-projects have been financed

Disbursement to communities is currently at \$51.8 million.

Based on utilization of PRA (Participatory Rural Appraisal) assessment tools, especially poverty analysis, the poor and very poor people in each community are identified. Community Grain Banks have also been set up in all 1377 communities reached by the Charter currently for the most vulnerable and poorest families. A village Food Bank is a community-led strategy that enables communities to reduce the impact of prolonged food shortages – more than 3-4 months – that women, men and children of very poor households face.

Challenges	<ul style="list-style-type: none"> • Insecurity
Future Steps	<ul style="list-style-type: none"> • The construction of 2,646 schools up to 2020. Out of 2,646 schools, 1,946 will be new schools and 700 schools will be re-constructed and renovated. 870 schools (out of 2,646) will be constructed in 2018.

Indicator #8	Status	Responsible Agency
Out of the positions planned under CBR, 1,200 recruitments completed by December 2017 and the remaining positions by 2018.	75%	<ul style="list-style-type: none"> Independent Administrative Reform and Civil Service Commission of Afghanistan (IARCSC)

Detailed Status:

A total of 1,273 positions have progressed to the selection stage till now, including:

807 positions now have active contracts;

61 positions are under the process of quality assurance;

80 positions are in the waiting list for appointment;

For 157 positions the process of quality assurance has not been approved;

And 104 positions have resigned;

In ongoing recruitment process, 70 more positions are in the waiting list for interview or written test.

A Program Implementation Unit in the Independent Administrative Reform and Civil Service Commission is working closely with line ministries and independent government organizations in order to achieve the indicator and to ensure better coordination to support meeting the targets.

The following reforms have been undertaken for the CBR program:

- Developing specific criteria on including positions in CBR
- Amending CBR procedure
- Accelerating the recruitment process
- Making human resources officers, observers and other recruitment stakeholders accountable
- Developing flexible provisions to increase the recruitment of women staff
- Increasing the effectiveness of HR Firm
- Developing performance indicators for recruited staff
- Creating online reform schemes

Challenges	<ul style="list-style-type: none"> • Lack of interest of government employees to compete in CBR because of low capacity and tough competition.
Future Steps	<ul style="list-style-type: none"> • Recruitment of remaining CBR positions will be done under new program, which is called Taghir ('change' in Dari)

Indicator #9	Status	Responsible Agency
Performance management reform introduced to five institutions (Ministry of Agriculture Irrigation and Livestock, Ministry of Interior, Independent Directorate of Local Governance, Central Statistics Organization, Supreme Audit Office) including at the sub-national level, where funding is available, in 2017	50%	<ul style="list-style-type: none"> • Ministry of Finance
Detailed Status:		
<p>Team-Based Performance Management (TBPM) under the Fiscal Performance Improvement Plan (FPIP) has been introduced within the five target institutions. The FPIP has been rolled out to the Supreme Audit Office (SAO), which is a prominent member of the PFM system, and communications have already taken place with the Ministry of Public Works (MoPW), Ministry of Interior (MoI), Central Statistics Office (CSO), Ministry of Agriculture (MAIL), and one Mustofiate at the subnational level. The MoPW and Mustofiate is ready for the roll-out. The Performance Management Team (PMT) has included 36 more teams into the FPIP, with the total number of teams raised to 96 – the baseline was 60 teams and the set target was the addition of 20 more teams to make it a total of 80 teams.</p>		
Challenges	<ul style="list-style-type: none"> • Low capacity in implementing organizations 	
Future Steps	<ul style="list-style-type: none"> • Continuing implementation of FPIP in targeted ministries 	

Indicator #10	Status	Responsible Agency
Implementation mechanism for the Public-Private Partnership law put in place and at least three project concepts approved by High Economic Council in 2017 and out for tender by 2018.	100%	• Ministry of Fi-nance
Detailed Status:		
<p>The Public-Private partnership law has been approved by the Cabinet in accordance with the Presidential Decree, published in the official gazette and has been ratified.</p> <p>The PPP Institutional Framework was developed based on the PPP Law, and the PPP Poli-cy was developed and approved by the Cabinet and implementation of PPP projects has been started. The General Directorate of Public- Private Partnership in the MOF, as the central unit, has been leading all participating activities in the country since mid-2017 and it is fully operational.</p> <p>The standard PPP documents, including the format for the registration of the projects, the standard contracts, and the pre-assessment document, the document for the submission of proposals and the priority ranking form and the eligibility for the participation have been finalized and are in use of relevant organizations.</p> <p>Public-Private Participation Regulation, which is a participatory implementation mecha-nism and detailed Public Participation and Private Participation Law, has been drafted in coordination with the relevant agencies and is in the finalization stage. Currently, the MoF is working on public-private partnership procedures and guidelines. Similarly, Public pri-vate partnership units are also established in some line ministries and organizations, and the DG for public private-partnership has organized several workshops and seminars for public and private sectors both inside and outside the country. Participatory standard documents, including the format of the project registration, the standard contracts, the Pre-qualification and Request for Proposal document template, and the PPP Suitability and Prioritization toolkit, have been finalized.</p> <p>Ministry of Finance have implemented 30 national and 5 international programs for awareness and capacity building of government officials, university professors, academic persons, members of civil society media and other stakeholders. Around 30 civil servants learned the partnership verification program (a well-known international program) and got their certificates in the first module. The five year PPP plan has been developed in coordination with relevant organizations and has been consolidated with all relevant organizations.</p> <p>The High Economic Council has approved the concepts for 17 projects (Water Supply construction plan to 11-22 districts of Kabul, Jinah and Jamhori- at hospitals, issuance of e-driving licenses, solid waste management in Kabul city, gem stones, Sheberghan gas elec- tricity, Kajaki Electric Dam 2nd phase, and Kandahar solar electric power plant, construc- tion plan of 5 slaughterhouses in Herat, Faraah and Kabul, Baghdara power plant plan, Sa-robi 2nd phase, Naghlo and HisaShahi Solar power plant, plan of installation of diagnostic machines at Jinah and Jamhori- at Hospitals, ShaikhZaid and Wazir Akbar Khan Hospital plans).</p> <p>The High Economic Council (HEC) has approved feasibility studies for implementation of 13 Public Private Partnership (PPP) projects including 100 Mega Watt (MW) Kajaki Hydro Power Plant, 90 MW electricity production from Sheberghan Gas (via Ghazanfar group and Bayat Power), and 30 MW Kandahar Solar Power Plant (via 77 Construction and Zoleristan).</p> <p>The contracts of the 5 Energy Projects (Kajaki Phase II, Kandahar Solar, Shebarghan gas to power) have been approved by the National Procurement Commission, and the contracts were signed between the government and the private partners.</p>		

Challenges	<p>Lack of financial and human resources is one of the challenges faced by the implementation of public-private partnership plans.</p> <ul style="list-style-type: none"> • Low level awareness about of PPP at high levels and its negative impact on the project process. • Lack of necessary information for the design of projects as well as the capacity for design, arrangement, procurement and im-plementation of PPP projects. • Delays in financial and technical commitments by donors to public and private partnerships. • Excessive and hasty expectations in the implemen-tation of the public-private partnership program and the lack of adequate fi-nancial and technical resources to anticipate public and private participa-tion. • Consecutive of amendments in the legal and admin-istrative framework of PPP that delayed the early completion of the legal and administrative frame-work. • The country's notorious political and economic situation and the bureaucracy in the government system that has increased the level of political risks in partnership projects. • Lack of support for support departments, human resources, ser-vices, procurement, etc., in the pro-cess of providing facilities and resources for ex-panding matters.
Future Steps	<ul style="list-style-type: none"> • According to lessons learned and the IMF indicators, the legal framework for public-private partnerships is being reviewed. The procedures of the law are in accordance with the legal framework of the country. • There are several programs for capacity building, awareness raising and national discussions on public-private partnerships both at home and abroad for government stakeholders and oth-er stakeholders. • In coordination with the Administrative Reform and Civil Service Commission, the establishment of its project units will take place within the framework of the departments of work. • In order to better manage, and accelerate the process during the project stages and implementation of the system (PPPMIS) will be designed and operationalized by the end of 2019, and in 2020 in DG PPP • In consultation with the relevant and sectoral departments, the country's public and private partnerships will be develop the National Infrastructure Plan and other programs in accordance with the Afghanistan Peace and Development Framework. • The next steps of the 12 projects that are approved by the High Economic Council • 46 projects have been prioritized by planning, procurement and implementation. • The project development funds and guidelines will be in ac-cordance with internationally accepted principles. • The project's support fund and its guidelines will be in accord-ance with internationally accepted principles until 2019. • Symposium on Participation Policy will be held in 2018. And the second phase of the CP3P will be held abroad for those who have already completed the first phase.

Indicator #11	Status	Responsible Agency
Land Management Law and Land Acquisition Law approved by the Cabinet in the first half 2017, and Bankruptcy Law and Municipality Law in the second half 2017.	75%	<ul style="list-style-type: none"> • Afghanistan Independent Land Authority (ARAZI) • Ministry of Justice (MoJ) • Ministry of Industry and Commerce (MoCI) • Independent Directorate of Local Governance (IDLG) • Kabul Municipality
Detailed Status:		
<p>The Land Management Law has been approved based on the presidential decree (250) dated 12/14/1395 (March 4 2017) and has been published in Official Gazette No.1254 in 1396 (2017). (SEE ANNEX II)</p> <p>The Bankruptcy Law was issued by the President of the Islamic Republic of Afghanistan in accordance with the Decree No. 264 of 13/12/1396 and published in Official Gazette No. 1293.</p> <p>The Land Acquisition Law was issued based on the presidential decree No. 249 of 14/12/1395(March 4t 2017) and published in Official Gazette No. 1258 of 1396 (2017). (SEE ANNEX III)</p> <p>The draft Municipality Law has been reviewed at the Institute of Legal Affairs and Legal Research of the Ministry of Justice. After approval by the Law Committee, it was present-ed to the Cabinet, but has not been approved, and has been assigned to the committee led by the senior adviser to the president in finance and banking for review.</p>		
Challenges	<ul style="list-style-type: none"> • Delay in the process of municipality law and its approval by the Cabinet 	
Future Steps	<ul style="list-style-type: none"> • Approval of Municipality Law by the Cabinet 	

Indicator #12	Status	Responsible Agency
To operationalize the government's commitment to the Extractive Industries Transparency Initiative (EITI), amendments to the Mining Law submitted to the parliament include measures such as publication of mining contracts, identification of the mining contracts beneficial ownership, assignment of mineral rights for funding of mining projects, suspension for Force Majeure, rights of private land owners' enforcement of mining contracts being linked to their publication, by first half 2018. The mineral fiscal regime developed by 2018.	75%	<ul style="list-style-type: none"> Ministry of Mines and Petroleum (MoMP)
Detailed Status:		
<p>To operationalize the government's commitment to the Extractive Industries Transparency Initiative (EITI), amendments to the Mining Law were prepared and submitted to H. E. President Ghani for confirmation. The MoMP also developed a Mining Sector Roadmap (Islamic Republic of Afghanistan: Mining Sector Roadmap), and adjusted the amendments in line with the contents of the Roadmap. The Roadmap and was recently approved by HEC and is being enforced.</p> <p>The MoMP is still working on accelerating the processing of the amendments, and has formed a working committee tasked with finalizing the first draft of the amendments. The amendments were confirmed by the MoMP leadership and shared with stakeholders for consultation including civil society, private sector and academia. The amendments are submitted to the President for approval. This law will be approved by the end of 2018.</p> <p>The initial draft of the Minerals Fiscal Regime was drafted in the year 2016; after which the MoMP decided to merge it into the National Minerals Policy. The work on the Minerals Fiscal Regime was pending finalization of the Roadmap. Since The road map is approved by High Economic council on January 15th 2018, MoMP has established a working committee to again review and finalize the initial draft of the Minerals Fiscal Regime and share with relevant Ministries for review.</p> <p>The Ministry is working carefully to ensure the mining law is compliant with the Extractive Industries Transparency Initiative (EITI). The mining law is currently being revised. An EITI validation mission visited Kabul in early 2018 to follow up on the progress. One step in achieving EITI compliancy, as mentioned above, was the approval of the definition of beneficial ownership and the publication of a company profiling database online.</p> <p>While the Ministry is completing its beneficial ownership register, which is part of its commitment under the EITI agreement, it has published an interim company profiling database in which names of the owners and the registered qualified companies for contracts and projects in the mining sector are presented to the public. The publication includes 946 MoMP contracts, and 12 eligible companies have submitted their information.</p> <p>In 2017, the Ministry developed its Mining Cadastre Administration System (MCAS) to manage block tenders, contract terms, and invoicing, as well as the Non-Tax Revenue System (NTRS) to process payments, and issue receipts and reports to the Ministry of Finance.</p> <p>The MCAS and NTRS feed information to the Ministry's online transparency portal which is accessible to the public and investors to view license registry. It fulfills the Extractive Industries Transparency Initiative standards of transparency.</p>		
Challenges	A lengthy process for approving legislation has held up the finalization of the Mining law	
Future Steps	<ul style="list-style-type: none"> Finalization of Hydrocarbon Fiscal Regime by 2020 Approval of Mining Law by Cabinet 	

Indicator #13	Status	Responsible Agency
Simplification of 15-25 common public services and integration into AsanKhedmat (one-stop-shop) by 2017. Expansion of the AsanKhedmat services to three additional locations in Kabul by 2018.	25%	<ul style="list-style-type: none"> Ministry of Communication and Information Technology (MCIT)- AsanKhedmat
Detailed Status:		
<p>48 public services processes from 7 government agencies (Ministry of Interior, Ministry of Foreign Affairs, Ministry of Labor, Ministry of Commerce, Ministry of Finance, Ministry of Justice, Supreme Court) were studied, graphically represented in BPMN, and catalogued in Pashto, Dari and English languages</p> <ul style="list-style-type: none"> The following Public services were simplified and put into action: <ul style="list-style-type: none"> a. Work permit for Afghans, from October 2017 b. Work permit for foreigners, from October 2017 c. Issuance of normal passport from July 2017 d. Issuance of student passport, from August 2017 e. Issuance of business passport from August 2017 f. Visa extension for foreigners, from September 2017 g. Marriage registration h. Changing or correcting name on ID i. Placing or replacing picture on ID j. Birth certificate for citizens older than 6 k. Birth certificate for citizens younger than 7 l. Death certificate Going online with the following processes is in the test phase and will be officially inaugurated soon: <ul style="list-style-type: none"> m. Online application for a passport – to be launched end of May 2018 n. Online application for visa extension – prospective launch date 30th May 2018 o. Online application for Work Permit for Foreigners A Labor Market Information System (Asan LMIS) for the Ministry of Labor has been developed. It integrates the job portal AsanWazifa, which directly feeds LMIS with data. The application is ready and will be launched soon. Meanwhile, the archives of the Human Resources of the mentioned Ministry have been digitalized and have been put into operation. Work on the streamlining, simplification and integration of the public services of the Revenue General Directorate of the Ministry of Finance, Small Taxpayers Office (STO), Middle Taxpayers Office (MTO), Large Taxpayers Office and Tax Identification Number (TIN) has commenced. The above services will be offered under a modern 'one-roof' service window. The designs and procurement for renovation of three halls for the delivery of these services in the vicinity of the CBR of the Ministry of Commerce has concluded. AMoU has been signed between the Ministry of Finance and the Supreme Court, based on which an ERP pilot (Asan ERP) is being implemented there for the Supreme Court. The HR module of Asan ERP for the Supreme Court is completed and implemented and the staff of the Supreme Court is being trained at present to use the system. The kickoff for the development of the Finance module was in November. Since May 2017 AsanKhedmat has been assigned with the responsibility for the Mobile Salary Payment (MSP) program of the government. Almost 4000 employees of the Ministry of Labor receive their salaries via Mobile Money (MM). The program is to be initially extended to the Ministry of Education and subsequently to other ministries. Currently AsanKhedmat is in negotiations with the Mobile Network Operators to renew the contract for the Ministry of Labor and extend it to seven provinces. The procurement process for the extending the program to the Ministry of Education has concluded. 		
Challenges	Simplified 15 processes with system development and change management and the integration depended mainly on success in procuring the land which was assigned to AsanKhedmat in order to construct its administrative center. This is delayed.	
Future Steps	<ul style="list-style-type: none"> Construction of a building for AsanKhedmat 	

Indicator #14	Status	Responsible Agency
The government develops a time-bound investment climate reform plan in partnership with the private sector. The scope of the plan will be discussed and approved in an open session of the High Economic Council by the middle of 2017	100%	<ul style="list-style-type: none"> Ministry of Industry and Commerce (MoIC)
Detailed Status:		
<p>Ministry of Commerce and Industries developed the reform plan for improving Doing Business Indicators (DBI) that also covers the investment climate reform plan. This plan has been pre-sented and approved by the High Economic Council and Ministers Council. This plan has been developed in close coordination with the private sector and in consultation with Reformatics, an internationally recognized company with similar experience in Georgia. This plan fulfills the 2017 commitment of the Government of Afghanistan to develop a time bound investment climate reform plan in partnership with private sector. However, donors are not satisfied with the progress of this indicator, and argue that the Investment Climate Reform Plan is a bigger deal than Doing Business Indicators.</p> <p>As per decision 38 paragraph 2 of the High Economic Council dated 25/12/2016 chaired by Office of Chief Executive, the Executive committee on Private Sector Development (PriSEC) was established that manages four working groups; 1. Banking and Finance 2. Agriculture, Trade and SMEs 3. Infrastructure, Land and Energy and 4. Legal in which 11 private sector priorities have been proposed in London Conference and the indicator related to Doing Business Indicators (DBI) was included. Under PriSEC, the working groups will work for the smooth implementation of the 11 private sector reform priorities and the DBIs plan.</p> <p>To action an effective strategy for implementation of the reform plan (linked to the DBI indicators) regular weekly meetings chaired by MOCI, Office of Chief Executive and the World Bank are being held in the PriSEC secretariat located in Office of the Chief Executive.</p> <p>The action plan of the four working groups were discussed in the High Economic Council on the 25th Sep. 2017 and principally approved. The progress of the implementation of the four working groups of the PriSEC action plans is to be presented to the High Economic Council.</p>		
Challenges	<ul style="list-style-type: none"> Completed, no challenges 	
Future Steps	<ul style="list-style-type: none"> Sequenced integration of the plan to the private sector NPP 	

Indicator #15	Status	Responsible Agency
National Procurement Commission compliance with contract publication (high- value/above threshold con-tracts) should exceed 75 per cent by end of 2017.	100%	<ul style="list-style-type: none"> National Procurement Authority (NPA)
Detailed Status:		
<p>In order to disclose the information about the procurement contracts that are out of Award Au-thorities' mandate and which have been approved by National Procurement Commission, a con-tracts' progress monitoring online system has been developed with international standards and norms by experts of the National Procurement Authority to monitor the progress of contracts according to contract conditions, procurement law and procedures. All the procurement entities can store all the relevant information about a contract in this system. Public, civil society and other stakeholders can access all contract related documents. The system is able to record all above threshold contracts information and paved the path for procuring entities to plan the physical and financial progress of their contracts.</p> <p>This system, which is developed according to the open contracting data standard, has been in-troduced to 65 procurement entities, and a total of 1423 contracts from 48 procurement entities have been registered in it to date, out of which 830 contracts were registered by the end of 2017.</p> <ul style="list-style-type: none"> Total number of registered contracts till the end of 2017 was (830), Total number of contracts which have been signed by the parties (683), Total number of published contracts till the end of 2017 was (554) The percentage of Published contracts until the end of 2017 was (554/683= 81%) <p>On the other hand, at a joint evaluation of government agencies and donors, donors have been uncertain about the 100% progress in this indicator and drop the progress percentage to 75%.</p> <p>From beginning to now:</p> <ul style="list-style-type: none"> Total number of contracts which information is shared through NPA's website till date (936); Percentage of information on published contracts (65.77%); The number of contracts whose documents have been uploaded in the CPMS system (1096); and the percentage of contracts uploaded (77.02%) 		
Challenges	<ul style="list-style-type: none"> Lack of capacity and required commitment in procurement entities to use contracts progress monitoring system, Contracts documents were not available or at least not accessible in a usable form in procur-ing entities, Lower availability of contracts implementation plans even for ongo-ing high-value contracts, Resistance to the change as a result of poor internal coordination, lack of required commit-ment and lower technical capacity in pro-cur-ing entities; Dealing with 65 different entities with diverse nature of structure, behavior and functions. 	
Future Steps	<ul style="list-style-type: none"> Development and implementation of first phase of EGP (Electronic Government Procurement) in 2019 - 2020 	

Indicator #16	Status	Responsible Agency
Results of the Afghanistan Reconstruction Trust Fund (ARTF) external review are submitted to Steering Committee by October 2017 for approval. Approved recommendations implemented by ARTF in 2018 and implementation progress report in ARTF annual review.	75%	<ul style="list-style-type: none"> Ministry of Finance (MoF) and Donors
Detailed Status:		
The final version of the ARTF External Review Report was submitted to World Bank in November 2017. The findings and recommendations of report (along with six other re-forms discussed in details by Government, ARTF partners and World Bank) were incorporated into the ARTF Partnership Framework and Financing Program (PFFP) for 2018-2020, which was published on the day of the ARTF Steering Committee meeting on June 25, 2018. The PFFP was discussed at the ARTF Steering Committee on June 25, 2018 and endorsed by all ARTF donor.		
Challenges	<ul style="list-style-type: none"> Implementation of recommendations were delayed 	
Future Steps	<ul style="list-style-type: none"> Recommendations in PFFP implemented by ARTF in 2018 and implementation progress report generated 	

Indicator #17	Status	Responsible Agency
To improve aid effectiveness and build Afghan capacities, development partners will review options to channel a higher share of their development assistance through on-budget modalities in 2017 and 2018. Decisions will be based, amongst others, on implementation of the agreed reforms, in particular progress on the Public Financial Management (PFM) roadmap.	25%	<ul style="list-style-type: none"> Ministry of Finance (MoF) and Donors
Detailed Status:		
Donors have decreased the proportion of on-budget assistance in 2017 compared to 2016 levels. In 2017, the total development aid channeled through on-budget was 56% while in 2016 the estimations showed 58.5% was on-budget. However, donors will continue to assess possibilities for increasing the proportion of on-budget assistance, pending government progress in financial reforms, especially Public Finance Management.		
Donors are using reform based incentive modalities to channel funding through the national budget. This approach represents a departure from traditional project-based financing to provision of flexible on-budget support which is conditioned to government's progress on agreed reforms. The current incentive modalities include the ARTF Incentive Program and the EU supported State Building Contract (SBC) and the SMAF Incentive Program.		
The 50% target of on-budget support was set in Tokyo Conference in 2012. In TMAF, donors agreed that they will channel 50% of their assistance through government budget gradually and step by step.		
Challenges	<ul style="list-style-type: none"> Government bureaucracy, and perception of existence of corruption in government ministries and other budgetary units 	
Future Steps	<ul style="list-style-type: none"> There is a need to work with those who lag behind the target of 50%, to increase their on-budget aid and achieve the target. 	

Indicator #18	Status	Responsible Agency
Development Partners and Government finalize and implement financing agreements for all off-budget government projects by first half of 2017 and for all new government projects thereafter.	50%	<ul style="list-style-type: none"> Ministry of Finance (MoF) and Donors
Detailed Status:		
<p>Financing agreements and other similar arrangements are in place for all projects financed through on-budget modalities. However, for off-budget projects, the progress is mixed. Out of 23 donors that provide part of their development assistance through off-budget modality, financing agreements are available only for 44% of their contributions.</p> <p>Donors caution that it may overburden the MOF to create financing agreements for every donor-funded activity, including NGO projects and regional projects. Donors are seeking clarity of the purpose of MoF requests to determine if it is for oversight and information gathering or is it to include control over specific decisions through these financing agreements. Donors are keen to seek the most efficient mechanism for this exchange and/or approval to take place. If a financing agreement is indeed required for all projects, in order to be able to provide government with useful oversight, donors request more clarity on a) what constitutes a financing agreement, b) at what point government wants to see these agreements, and c) the expected timeframe for government agreement to financing agreements, noting that creation of a large number of agreements may overburden the ministry and delay implementation of projects, which would be of concern.</p>		
Challenges	<ul style="list-style-type: none"> There is a lack of interest from donors to sign financing agreements Donors are concerned that a large number of off-budget financing agreements may overburden the Ministry and delay implementation of projects 	
Future Steps	<ul style="list-style-type: none"> Coordinate with donors more regularly Mandatory requirement for having financing agreements for all off-budget projects Compile a list of all off-budget financing agreements that are available 	

Indicator #19	Status	Responsible Agency
Development Partners and Government finalize and implement financing agreements for all off-budget government projects by first half of 2017 and for all new government projects thereafter.	75%	<ul style="list-style-type: none"> Ministry of Finance (MoF) and Donors
Detailed Status:		
<p>Donors consider more than 80 percent of their assistance to be aligned with the Af-ghanistan National Peace and Development Framework, currently though not necessarily with all details of the National Priority Programs because not all of the NPPs are finalized. To date, 8 out of 10 of the National Priority Programs are completed and approved by the Cabinet or High Councils, including Citizen's Charter, Women's Economic Empowerment Program, Comprehensive Agricultural, National Infrastructure, Urban Development, Justice Sector Reform, Private Sector Development and National Minerals and Resources Development Program. Remaining to be finalized are the Effective Governance and Subnational Government NPP and the Human Capital NPP. The expectation is that the government and development partners work together to finalize the remaining NPPs and take serious steps towards aligning their off-budget projects to these priority programs. MoF will hold sector wide dialogues with donors once DCD's are over.</p> <p>Report by Government: In the absence of fully developed National Priority Programs NPPs, the current level of development aid alignment to national priorities cannot be determined and an agreed definition of alignment and its processes.</p>		
Challenges	<ul style="list-style-type: none"> Lack of clarity on a definition of alignment and processes to achieve greater and comprehensive alignment. 	
Future Steps	<ul style="list-style-type: none"> Finalize remaining 2 National Priority Programs and conduct consultations Establish a process to achieve more alignment Hold sector-wide dialogues with donors 	

Indicator #20	Status	Responsible Agency
Development partners and Government review and approve Joint Working Group Report on Tax-ation by December 31, 2016 and start implement-ing the approved recommendations in 2017.	50%	<ul style="list-style-type: none"> Ministry of Finance (MoF) and Donors
Detailed Status:		
<p>Out of 13 donors who responded on this issue, seven reported complying with Afghan taxation laws; four consider it the responsibility of individual employees; and three have not yet resolved the issue with the Revenue Department of the Ministry of Finance. Based on the Taxation Working Group's recommendations, the government has held bilateral discussions with some but not with all donors. In order for donors to provide a response, the government is requesting to hold discussions with all remaining donors.</p> <p>Government Report:</p> <p>The working group was formally established at a first meeting on 11 November 2015 and jointly identified three broad principles and 13 recommendations.</p> <p>1st recommendation: MOFA and line ministries should consult MOF ARD/ACD on lan-guage related to taxation and tax exemptions in future agreements with international partners to ensure language is clear and can be implemented. International partners can support this recommendation by encouraging such consultations when updating agreements or entering into new agreements.</p> <p>The donors agreed to share future agreements with the Afghanistan Revenue Depart-ment (ARD) to ensure that the tax language is clear and can be implemented.</p> <p>2nd recommendation: MOF should explore revamping MOF website to provide easily accessible and user-friendly information, supporting material, including tax forms to fa-cilitate information sharing with taxpayers in general, including internationally-funded service providers.</p> <p>Website of ARD has provided and all the information, including all tax forms.</p> <p>3rd recommendation: Consider developing information material on the scope of their bilateral agreements for distribution to contractors and sub/contractors.</p> <p>ARD provided information package to all donors.</p> <p>4th recommendation: Consider organizing, individually or in groups, conferences for award/contract recipients that include briefings on taxation issues. MOF/ARD ex-pressed interest in sending experts from their staff to help brief stakeholders.</p> <p>Whenever a meeting is set donors request ARD to send their tax expert with justifica-tion for the stakeholders.</p> <p>5th recommendation: Donors should consider options for supporting MOF-led public information/awareness campaigns to tax participation and compliance among the gen-eral public, including internationally-funded partners subject to taxation.</p> <p>Donor agencies promised to consider this recommendation and will inform ARD of their support.</p> <p>6th recommendation: MOF should consider establishing an e-exemption certification, to fast-track customs exemptions and limit delays associated with importing tax-exempt goods intended to respond to humanitarian and development needs.</p> <p>The ACD already established an e-exemption certification, to fast-track customs exemp-tions. This indicator is completed.</p> <p>7th recommendation: MOF and international partners should regularly discuss taxation issues in multilateral meetings. Quarterly or semi-annual meetings taxation discussions led by MOF/ARD in the Heads of Donor Agency meeting, for example, would give MOF an opportunity to highlight helpful international partner practices. discuss regular prob-blems that donors could help to prevent, and raise policy matters that may have broad implications for the development agenda. MOF and international partners should also include discussion of donor-specific issues in regularly scheduled bilateral meetings. For example, the annual Development Cooperation Dialogues could be an opportunity.</p>		

Challenges	<p>ARD and the representative of Ministry of Finance have held several meetings with various donors and have focused on tax issues and recommendations by the SMAF Working Group to raise donor support for tax issues.</p> <p>8th recommendation: MOF and international partners should establish, and regularly update, contact lists of taxation focal points to ensure that routine communications can be made without delay. Up-dated contact lists could be exchanged during regular multilateral discussions, for example in the Heads of Donor Agencies. ARD has shared the contact list with donors.</p> <p>9th recommendation: MOF and international partners should explore establishing a follow up mechanism to address specific delays and complaints in individual cases. Work on tracking mechanism is in progress.</p> <p>10th recommendation: With donor support, MOF should explore options for automating individual payments in a user-friendly way that could encourage individual Afghan taxpayers to comply with their income tax obligations. A quick revenue declaration statement (submission of an electronic declaration) has been launched at large taxpayer's office. In this way, large taxpayers can calculate their taxes online and submit their statements. Upon submission of an online application, submission of the hard copy of revenue declaration statement to the relevant office is required.</p> <p>11th recommendation: International partners should include standard language in all contracts with partners outlining the responsibilities of the contract holder to abide by Afghanistan's tax laws. Many donors rejected this recommendation by saying that they had a standard language for all countries in the world that were irrevocable, while few agreed to consider this recommendation in the future.</p> <p>12th recommendation: International partners should consider including presentation of a tax number (i.e. evidence of participation in the tax system) as criteria for contract award/renewal. This recommendation is to be implemented by donors.</p> <p>13th recommendation: Current MOF capacity to conduct audits is insufficient to meet needs, particularly with respect to international companies; the lack of capacity is partly responsible for delays in clearing tax payments. International partners should explore additional measures to build capacity in the MOF Audit Department in line with the PFM roadmap. International partners are also requested to consider expediting support to ARD through the PFM roadmap in general, particularly with respect to taxation policy and options for studying the informal economy and promoting formalization. Well-qualified employees with international accounting degrees are recruited in the LTO audit, and the capacity building programs of Ministry of Finance has been arranged.</p> <p>4 additional recommendations by ARD were rejected by donors.</p> <ul style="list-style-type: none"> • The lack of implementation action of donors in relation to the suggestions made by the SMAF Working Group. • Donors' disagreement with the acceptance of the four additional recommendations put forward by the Ministry of Finance which had particular importance for ARD and in increase of taxes.
Future Steps	<ul style="list-style-type: none"> • Report of the meetings with the donors to be prepared by the ARD and will be shared with the Minister of Finance.

Indicator #21	Status	Responsible Agency
To ensure institutional sustainability, all programme management units (PMUs), programme implementation units (PIUs) and other relevant parallel mechanisms begin to be integrated within the structure of the relevant ministries in 2017.	25%	<ul style="list-style-type: none"> Ministry of Finance (MoF) and Donors
Detailed Status:		
<p>All donors are at different stages of integrating PMUs/PIUs with respective ministries, or in some cases, in closing the PMUs/PIUs. Donors are seeking clarity and uniformity in the interpretation/understanding of PMUs/PIUs together with Government/line ministries.</p> <p>The Asian Development Bank (ADB) has been planning to integrate its three PMUs into one PMO in the Ministry of Agriculture, Irrigation and Livestock. Where integration with relevant line ministries is concerned, donors are still hesitant to rely on government structures and systems considering low capacities and issues related to the retention of qualified PMO staff with low remuneration. MoF circulated an official letter to the all line ministries and governmental agencies to submit their progress report on developing specific transition plans for their PMUs.</p>		
Challenges	<ul style="list-style-type: none"> Donors are still hesitant to rely on government structures and systems considering low capacities and issues related to the retention of qualified PMO staff with low remuneration 	
Future Steps	<ul style="list-style-type: none"> Donors continue to integrate PMUs and PIUs 	

Indicator #22	Status	Responsible Agency
Beginning in 2017 donors will confirm that their contractors are required to implement the National Technical Assistance (NTA) scale in their programs, and verify compliance semi-annually on its full implementation to the Ministry of Finance.	50%	<ul style="list-style-type: none"> Ministry of Finance (MoF) and Donors
Detailed Status:		
<p>The Ministry of Finance's Directorate General of Budget held several workshops and meetings with donors (World Bank, Asian Development Bank, DFID and US Development Central Department). The donors agreed that their contractors who have personnel imbedded within national-level government ministries in technical assistance positions will implement the NTA guidelines and share the message with their contractual partners.</p> <p>The NTA Remuneration Policy has been implemented in all on-budget projects, both discretionary and non-discretionary, since 2016.</p> <p>This policy has been implemented in off-budget projects which fund imbedded staff within national level government ministries in technical assistance positions, including USAID-funded projects, since the beginning of 2017.</p> <p>At the beginning of 2017, the Ministry of Finance's Directorate General of Budget also had several meetings with NGOs. Additionally, an official letter has been sent to all NGOs to inform them that if any agency with imbedded staff in the government does not implement NTA scale by next month, the government of Afghanistan will stop their activities.</p> <p>Out of 13 donors who have reported against this deliverable, six have reported to be in full compliance with this commitment. Two donors have taken specific action to encourage compliance among implementing partners and are close to full compliance. The remaining five donors do not fund national technical assistance positions.</p>		

Challenges	<ul style="list-style-type: none"> • Slow implementation and coordination • Donors have informed the Ministry of Finance that the NTA policy and guidelines as currently written are not clear about the types of positions and/or personnel to which the NTA policies and guidelines apply.
Future Steps	<ul style="list-style-type: none"> • Remaining 7 donors who fund national technical assistance positions need to become compliant

Indicator #23	Status	Responsible Agency
All new technical assistance to government to be approved by Ministry of Finance. Modalities and business process standards to be completed between Government and Development Partners by December 31, 2016.	50%	<ul style="list-style-type: none"> • Ministry of Finance (MoF) and Donors
Detailed Status:		
<p>Considering the back and forth discussion with relevant international partners, four leading donor agencies are fully aligned with the indicator. One donor has a bilateral agreement in which the Ministry of Foreign Affairs is the relevant government partner institution. In the recent communication which took place between donor community and government, Ministry of Finance assured that the initial steps will be implemented by the Ministry of Finance.</p> <p>On the other hand, in order to effectively implement the Afghanistan National Peace and Development Framework, the mandates of the technical advisers of the government agencies responsible for implementing the strategy are reviewed by the Ministry of Finance and are approved after complying with the national priorities and frameworks mentioned above.</p>		
Challenges	<ul style="list-style-type: none"> • Among the relevant partners only four leading donor agencies are fully aligned with the indicator. 	
Future Steps	<ul style="list-style-type: none"> • MOF will take the initial steps to ensure international partners align their technical assistance with government priorities, this also needs donor support to establish agreed procedure. 	

Indicator #24	Status	Responsible Agency
Joint working group between Government and NGOs established by December 2016 to resolve NGO tax and reporting issues and final report by June 2017. Implementation of updated regime to start on January 2018, with compliance reporting submitted annually.	50%	<ul style="list-style-type: none"> Ministry of Economy (MoEc)
Detailed Status:		
<p>The Directorate of NGO Coordination in the Ministry of Economy has taken the following actions to implement this indicator:</p> <ol style="list-style-type: none"> 1. A joint working group of government and NGOs has been established. 2. All issues regarding taxation and reporting of national and international NGOs have been identified and reviewed during 12 meetings. 3. The joint committee discussed six basic issues and resolved four of them in cooperation with each other during the meeting. They decided to present the outstanding two issues (tax liabilities and crimes and NGO reports) to the joint meeting of Ministry of Economy and Coordination agencies for discussion and decisions. 4. The joint committee meeting headed by Deputy Minister on Technical Affairs of Ministry of Economy, attended by steering committee members and middle tax payer's office on 19/12/2017 proposed the below solutions for the two outstanding issues: <p>Tax liabilities and crimes: It is expected that H.E. President Ghani would exempt the liabilities for the years 1388 to 1395 according to the law, since coordination agencies argue that they have no way to pay the liabilities.</p> <p>NGO reporting to MoEC: It has been proposed that NGO reporting guidelines have to be prepared. They have been drafted and presented to the steering committee for finalization and approval.</p>		
Challenges	<ul style="list-style-type: none"> None provided 	
Future Steps	<ul style="list-style-type: none"> Resolve the remaining two issues 	





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