



Islamic Republic of Afghanistan
Ministry of Finance
Office of the Deputy Minister for Administration
Reform Implementation & Management Unit

First Quarter Performance Report 1393
On Strategic Plan



Submitted to: MoF Top Management

Submitted by: RIMU

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Table of Contents

Executive Summary:	3
1. Main Achievements	5
1.1 Public Finance Management	5
Core Budget:	5
Core Budget Financing:	5
Core Budget Expenditures:	6
Treasury:	8
Fiscal Policy:	9
Procurement Policy:	10
1.2 Domestic Revenues	11
Revenues:	11
Customs:	13
1.3 Operation	15
Operation Support:	15
Asset Management:	21
Internal Audit:	21
1.4. Government Policies Coordination	22
Policies Coordination & Strategy Implementation:	22

Executive Summary:

Ministry of Finance had remarkable performance towards realization of the annual targets in the first quarter of the year 1393 particularly on the core budget revenues side; on the other hand, in terms of core budget expenditures, the core development budget expenditures remained low due to certain factors. Most of the other supporting and development activities were achieved as per the set targets in line with MoF strategy.

Domestic revenues both tax and non tax reached to Afs 23.41 B for the 1st quarter of 1393 FY showing a shortfall of 20% against the target of Afs. 29.30 B for the quarter. Compared with annual target of 1393, Afs. 133.20 B, it has completed 17.5% of it. Relative to 1st quarter revenues of last year, Afs. 22.32B, it shows an increase of 5%.

As a part of domestic revenues, As a part of domestic revenues, customs revenues reached to Afs 10.5 B in the first quarter of the year, showing a shortfall of 27% against the first quarter target of Afs. 14.4 B. Compared to last year's first quarter customs revenues, Afs. 10.9 B, it shows a decrease of 4%. Relative to customs revenues annual target for 1393, Afs. 61.2B, it has completed 17% of it.

Core budget/national budget for 1393 is Afs 428.377B (operating budget Afs 280.472B and core development budget Afs 147.905B). Compared to last year's core budget of Afs 354.077B reported in the first quarter (operating budget Afs 196.327B and core development budget Afs 157.750B) as indicated in the first quarter of last year, it shows an increase of 21%. The operating budget has increased by 43%, and core development budget shows a decrease of 6%.

Regarding core budget expenditures, as of end of first quarter, the execution rate of core development budget is 4%, while last year, it was 3% for the same period. This low execution rate of the core development budget is primarily due to low capacity at ministries and government agencies in planning and executing projects. On the other hand, the execution rate of operating budget is 14%, while last year it was 16% for the same period.

Domestic revenues covered 60% of the total operating expenditures in the first quarter of the year, whereas last year it had covered 68% of it for the same period. It is expected that it shall cover around 47% of the total operating expenditures by the end of the year.

MTFF for a pre-budget document was prepared with MTBF. The MTBF including MTEF and Budget Ceilings will be send to Cabinet for approval. ANDS/NPPs priorities will be incorporated in the budget formulation; progress will be shown at the end of the year. For 1393, the 1394 BC1 submission was based on ANDS result frameworks. For 1394 Budget Preparation, a 12 month Time Table (starting from 21 Dec 2013 – 20 Dec 2014) is prepared and approved by budget committee and currently being implemented.

AFMIS helpdesk system is fully functionalized; procedures are being added for supporting other AFMIS modules as well. Payroll has also been considered. Financial statements and cash flow projections have been issued timely. Submission of audited Qatia is expected before end of

statutory period. Allotments and commitments procedures were updated and documented. Procedures for development budget payments and payroll distribution will be updated. Also all payments were made on time.

Procurement Policy Unit (PPU) during the 1st quarter of 1393, assessed 3 line ministries (MAIL, MoI, MoD) for Capacity Certification and standalone procurement. Out of these 3 LMs, MoD, and MAIL are fully certified for standalone procurement, (MAIL which was decertified last year and MOD were conditionally provided certificate are now fully certified). PPU's recommendations and findings have been communicated to the non-certified organization in relation to their procurement proceedings in order to improve those deficiencies and get prepared for certification in the near future.

MoF 1393 taskheel reached to 8665 positions of which 1845 posts are Ajeers, which is almost 1.17% higher than the number of the tashkeel positions, 8565, in 1392. Regarding Training and Capacity Building, during the first quarter FY 1393, a total number of 5 training programs were held under which 109 MoF employees received necessary trainings.

Regarding Monitoring and Evaluation of the Strategic Plan, MoF programs were updated with consultation of MoF line department for next five years. Work is under way on updating the MoF strategic plan for the next 5 years and its 1st draft is under review of DM for Admin.

About SOEs, during the 1st quarter of 1393, Afs 66.735m was paid to large Tax Office account from tax and disbursement of Governmental Industries. Also during this period, SOE Department has collected Afs 9.109m from SOEs as rent, profit and other obligations and paid to SoEs bank account.

With reference to registration of government's properties, properties of 112, in the center and provinces which comprise apartments, buildings, electricity stations, mosques, restaurants and gardens have been registered in first quarter of fiscal year 1393.

Under the Office of Chief of Staff, management meetings have been held regularly, 9 Presidential Decrees, 203 Presidential Orders and 13 decisions of Cabinet were followed up for execution.

Under the Office of DM for Policy, according to NPP financing committee's action plan, the five selected NPPs (1- ARD cluster – Agriculture NPP 2- PSD cluster- E-Afghanistan 3- Governance cluster- Sub-national local governance 4- HRD cluster – Higher Education 5- ID cluster- Industry Extractive) have been analyzed for funding and disbursement gaps and are ready to be presented to donors.

1. Main Achievements

1.1 Public Finance Management

Core Budget:

Core budget/national budget for 1393 is Afs 428.377B (operating budget Afs 280.472B and core development budget Afs 147.905B). Compared to last year's core budget of Afs 354.077B reported in the first quarter (operating budget Afs 196.327B and core development budget Afs 157.750B) as indicated in the first quarter of last year, it shows an increase of 21%. The operating budget has increased by 43%, and core development budget shows a decrease of 6%.

Figures in Afs Billion:

Fiscal Year	Operating Budget	Core Development Budget	Total
1393	280.472	147.905	428.377
1392	196.327	157.750	354.077

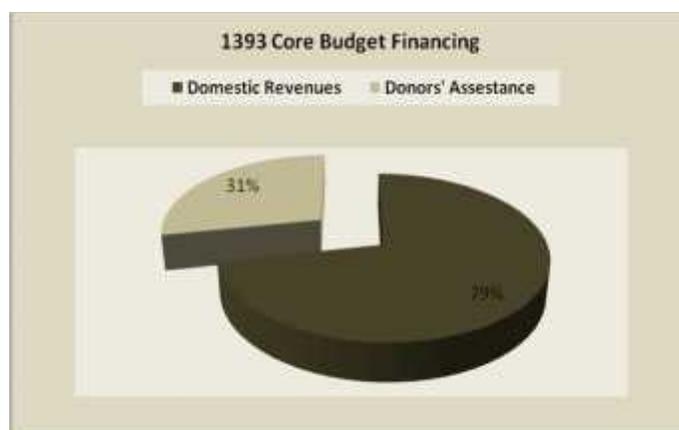
Source: Budget Department

The share of operating budget in the core budget has increased as compared to that of last year. Operating budget as % of the core budget is 65%, while last year it was 55% as reported in the first quarter. However, the share of the core development budget in the core budget has decreased as compared to that of last year. Core development budget as % of core budget is 34%, while last year, it was 44% as reported in the first quarter.



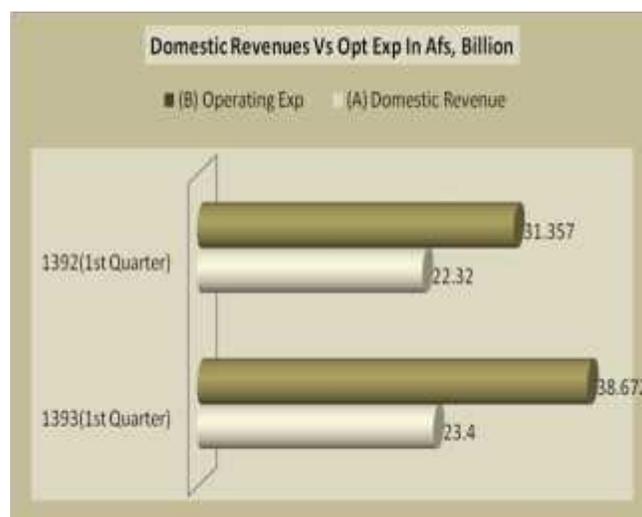
Core Budget Financing:

Related to the core budget financing, domestic revenues shall cover 31% of the core budget in 1393 while the short fall of 69% shall be covered by donors' assistance to core budget. Compared to operating budget, domestic revenue is projected to cover 47% of it for the FY 1393.



% of Operating Expenditures Covered by Domestic Revenues

Domestic revenues covered 60.5% of the total operating expenditures in the first quarter of the year, whereas last year it had covered 71% of it for the same period. It is expected that it shall cover around 47% of the total operating expenditures by the end of the year.



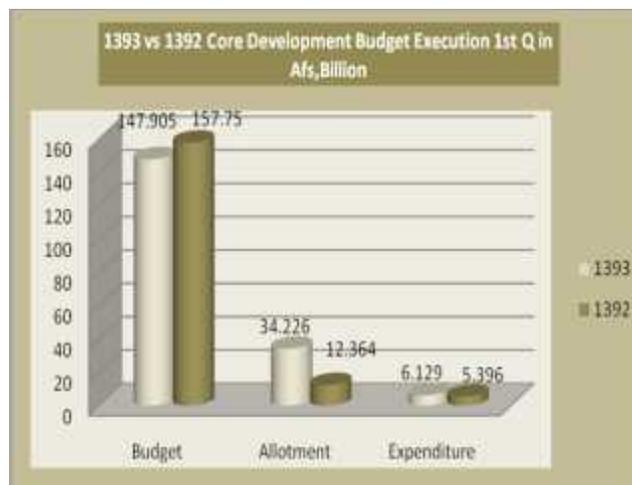
Figures in Afs. Billion:

Fiscal Year	Domestic Revenues (A)	Operating Exp (B)	A/B
1393(1 st Quarter)	23.4	38.672	60%
1392(1 st Quarter)	22.32	31.357	71%

Source: AFMIS/Revenue & Budget Departments

Core Budget Expenditures:

The execution rate of core development budget is 4% for the first quarter, while last year, it was 3% for the same period. This low execution rate of the core development budget is primarily due to low capacity at ministries and government agencies in planning and executing projects. On the other hand, the execution rate of operating budget is 14%, while last year it was 16% for the same period.



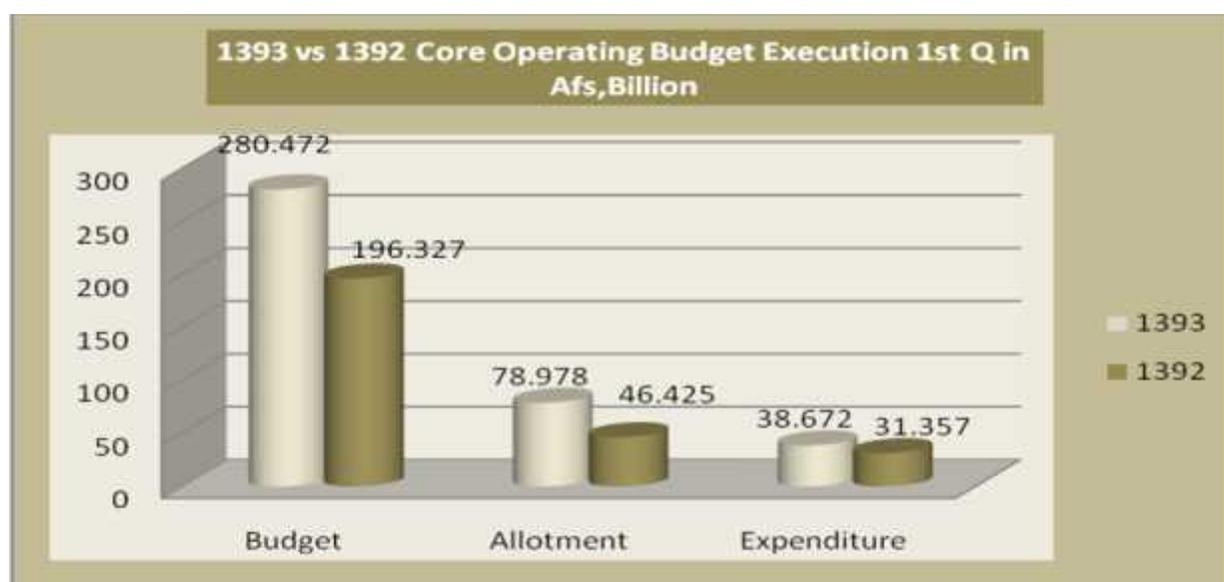
Core Development Budget Expenditures 1st Quarter:

Fiscal Year	Budget	Allotment	Expenditure	% Exp of the Budget	% Exp of the Allotment
1393	147.905	34.226	6.129	4%	18%
1392	157.750	12.364	5.396	3%	44%

Source: AFMIS/Budget Department/ in Afs Billion

Operating Budget Expenditures 1st Quarter:

Fiscal Year	Budget	Allotment	Expenditure	% Exp of the Budget	% Exp of the Allotment
1393	280.472	78.978	38.672	14%	49%
1392	196.327	46.425	31.357	16%	67.5%



Source: AFMIS/Budget Department/ in Afs Billion

MTFF for a pre-budget document was prepared with MTBF. The MTBF including MTEF and Budget Ceilings will be sent to Cabinet for approval. ANDS/NPPs priorities will be incorporated in the budget formulation; progress will be shown at the end of the year. For 1393, the 1394 BC1 submission was based on ANDS result frameworks. For 1394 Budget Preparation, a 12 month Time Table (starting from 21 Dec 2013 – 20 Dec 2014) is prepared and approved by budget committee and is currently being implemented.

As per the approved budget time table, the national budget will be submitted to the cabinet on 17th September and to the Parliament on 3rd November. The Budget Statement which is a detail budget document will be submitted to the parliament 2 weeks after the approval of national budget.

The approved 1393 budget is uploaded on the website on time (immediately after approval by Parliament) and circulated to the line ministries/departments and provincial Mustofiats. The 1393 budget statement, the citizen budget, the budget calendar and budget planner are also posted on the budget department website.

For 1393, all budgetary units have submitted their budget with program budgeting mechanism. For 1394, all budgetary units submitted their budget with program budgeting mechanism as well.

For 1394-95-96, a new budgeting mechanism will be implemented. Four ministries will incorporate their provincial line department's priorities into their BC1 for 1394.

For 1394, all budgetary units will submit their budget with provincial breakdown. For 1393 6 ministries have submitted their budgets gender sensitive. For 1394, 6 ministries will submit their budgets covering for GRB.

Aid Coordination:

New Deal (ND) implementation taskforce meeting including the representative of civil society was organized on Feb 3 and discussed the survey work plan and survey questionnaire where the comments of the members received on the survey work plan and at the same time they agree to provide data on the questionnaire.

First High-Level Ministerial Meeting of the Global Partnership for Effective Development Cooperation is being held in Mexico April, 15-16, 2014. The high level meeting will see to strengthen the intentional environment for achieving the MDGs and for providing a significant contribution to the establishment of a holistic, inclusive and action-oriented post-2015 development agenda. It will do so by advancing the effective cooperation agenda and the commitments agreed at the IV High-Level Forum on Aid Effectiveness in Busan (2011) as well as by prompting inclusive and innovative development partnerships for the future through a dynamic, collaborative discussion in Mexico City.

Negotiations held with WB Kabul Municipality (KM) on KM Development Programme and Kabul Urban Transport Efficiency Improvement Projects which the total value of the project is US\$200 Million.

Negotiations were held with the Embassy of Japan to utilize resources from the counterpart fund for the support to Folladi Valley Road in Bamyán Province for USD 2.2 M; support to the Research and Urban Development centre for Ministry of Urban Development for USD 3 M and support to the Executive Master Program in collaboration with UNITAR for USD 0.94 M and support to different road constructions by NRAP through MoPW worth of USD10 M.

Treasury:

Financial statements and cash flow projections have been issued timely. Qatia for FY 1392 was provided for audit, submission of audited Qatia is expected before end of statutory period. Bank transactions on operating budget is reconciled daily but finalized on a monthly basis. Reconciliations on Development Budget is completed within 30 days of month end.

Related to debt relief to reduce future debt service, final agreement with Russia and Bulgaria is awaiting to signatures. Agreement is finalized with Kuwait Fund.

Allotments and commitments procedures were updated and documented. Procedures for development budget payments and payroll distribution will be updated. Also all payments are made on time.

AFMIS helpdesk system is fully functionalized; procedures are being added for supporting other AFMIS modules as well. Payroll also is being considered.

Fiscal Policy:

Under the Fiscal Policy Dept (FPD), Macroeconomic framework is developed for 1394 Pre-Budget Report (MTBF) and 1394 budget / budget statement MTFE is updated for 1394 budget which also includes projections for the medium term. Revenue projection has been revised based on new macro assumption for the FY1393 budget and medium term.

Technical Working Group has been created between MoF and MoM to do further analysis and update Fiscal Analysis Resource Industries (FARI) Model.

Macroeconomic Forecasting Model: The handover of the macroeconomic forecasting model to the national staff is completed. The model was revised and updated and new areas were identified that needs improvement.

Value Added Tax Model: The model was finalized and a presentation was prepared and presented to the Value Added Department, Revenue Directorate. The results of the VAT were: increase in total revenue collection by 23 percent and increase in gross domestic product by 1.3 percent due to nominal increase in overall prices level.

During this period, FPD team completed fourth Quarter Fiscal Bulletin of 1392 which will be available soon in the budget website, at the same time monthly economic reports for the 11th and 12th months produced and published in English, Dari and Pashto languages which is already uploaded in the budget department website, at the same time, the template for the 1392 Annual Fiscal Report has been updated for final report.

Revenue Model: Revenue Model was updated for the FY1393 budget based on new macroeconomic assumptions and new tax measures, also to achieve the revised revenue target for the year 1393 and medium term projections.

TAPI Project: The trip to Dubai (Feb 25 – March 02, 2014) was on formation of TAPI Ltd. Several developments were shared with client parties by ADB transaction advisory team. This included specific recommendation to establish TAPI Ltd as a corporation in Jersey jurisdiction. Also, details were provided to client parties which included Afghanistan on the possible structure of the TAPI Ltd where Afghanistan would be an equal partner.

Afghanistan provided its comments and consent to initial the operations agreement of TAPI project which would be signed in the next meeting.

MoF and MoMP team discussed with Indian party the transit fee negotiation issue in the sideline of the Dubai meeting. Negotiations with India were not conclusive therefore agreement needs to be reached when there is next meeting of TAPI parties.

Procurement Policy:

Procurement Policy Unit (PPU) during the 1st quarter of 1393, assessed 3 line ministries (MAIL, MoI, MoD) for Capacity Certification and standalone procurement. Out of these 3 LMs, MoD, and MAIL are fully certified for standalone procurement, (MAIL which was decertified last year and MOD which was conditionally provided certificate are now fully certified). PPU's recommendations and findings have been communicated to the non-certified organization in relation to their procurement proceedings in order to improve those deficiencies and get prepared for certification in the near future. None of provinces are assessed for the certification as ARDS is not functional in the provinces.

In the training area, during 1st quarter of 1393 a total number of 370 employees have been trained as: (Central Basic: 110, Central Intermediate: 22, Central Special for MoD: 203, Provincial Basic Uruzgan Province: 35).

Till date around 17 Civil Servants have been recruited in different positions under the approved tashkeel. Transfer of knowledge and on the job training is under process.

In the first quarter of 1393, 78 public bidding opportunities and 193 awarded contracts information are published in PMIS website. Also during this quarter, a number of 3577 procurement plans and a number of 218 procurement monitoring have been uploaded on PMIS website.

During 1st quarter of FY 1393, Appeal and Review Committee received and reviewed 5 complaints/cases of violation of Public Procurement Law and Rules of Procedure in procurement proceedings by bidders. Out these, all 5 cases have been decided by the committee and the result of which has been published on the PMIS website and is accessible to the public.

1.2 Domestic Revenues

Revenues:

Domestic revenues both tax and non tax reached to Afs 23.41 B for the 1st quarter of 1393 FY showing a shortfall of 20% against the target of Afs. 29.30 B for the quarter. Compared with annual target of 1393, Afs. 133.20 B, it has completed 17.5% of it. Relative to 1st quarter revenues of last year, Afs. 22.32B, it shows an increase of 5%.

Figures in Afs Billion:

Domestic Revenues as of End of First Quarter				
Fiscal Year	Plan	Actual	% of the Quarter	% of the Year
1393	29.30	23.41	80%	17.5%
1392	28.11	22.32	79%	17%

Source: AFMIS/Revenue Department

Domestic Revenues as % of Operating Expenditures:

Domestic revenues covered 60.5% of the total operating expenditures in the first quarter of the year, whereas last year it had covered 71% of it for the same period. It is expected that it shall cover around 47% of the total operating expenditures by the end of the year.

Figures in Afs Billion:

Domestic Revenues vs Operating Expenditures as of End of First Quarter			
Fiscal Year	Domestic Revenues (A)	Operating Exp (B)	A/B
1393	23.4	38.672	60.5%
1392	22.32	31.357	71%

Source: AFMIS/Revenue & Budget Departments

Related to satisfaction of taxpayers, based on a survey which was conducted by ARD all taxpayers are 90% to 95% satisfied from ARD services and work, establishment of SIGTAS made the work easier and decreased the paperwork.

During the first quarter of FY 1393, 900 forms have been produced. Also 24 tax payers appealed and 22 appeals were decided in favor of taxpayers.

Related to TIN, about 9800 TIN numbers were produced. The collected amount of NTR is reached to Afs 3.612 million in the first quarter of the year.

Additionally, 25 LTO and 157 MTO cases were audited according to the plan.

General Revenue Planning Directorate (GRPD) is a newly established directorate under the Office of DM for Revenue, their first draft of the strategic plan is prepared, but there is need for

more improvements. Once the plan is finalized then will be submitted for approval. The delay in the finalization of strategic plan is due to the completion of contract of advisor. Likewise, work on the revenue forecasting, analysis and reporting procedures /guidelines are continuing and soon will be finalized.

Work on developing the revenue reconciliation procedure/guidelines will be started soon and will be finalized during the 2nd quarter.

For 1393, GRPD planned to re-develop RRD database according to the need and combined with RTAS. According to the plan, the RRD will be implemented to all collecting agencies in 1394. Likewise, during 2nd quarter of FY1393, in case of availability of the donor's support, the GRPD has planned to implement the RTAS to the collecting agencies to connect the RRD with RTAS for reconciliation of their revenue collections with that of official book of record.

Domestic revenues as % of GDP:

It is projected that domestic revenues to GDP ratio shall reach to 10.7% by the end of the year.

Fiscal Year	Plan	Actual	% of the Year
1393	10.7%		

Source: FPU

Implementation of SIGTAS in Ministry of Commerce, Central Board of Revenue, other section of LTO and taxpayer identification office and in Herat and Balkh provinces is in progress.

Customs:

As a part of domestic revenues, customs revenues reached to Afs 10.5 B in the first quarter of the year, showing a shortfall of 27% against the first quarter target of Afs. 14.4 B. Compared to last year's first quarter customs revenues, Afs. 10.9 B, it shows a decrease of 4%. Relative to customs revenues annual target for 1393, Afs. 61.2B, it has completed 17% of it.

Figures in Afs. Billion:

1393 Customs Revenues including 2% Tax on Imports as of End of First Quarter				
Fiscal Year	Plan	Actual	% of the quarter	% of the year
1393	14.4	10.5	73%	17%
1392	15.29	10.9	71%	18%

Source: Customs Department

It is worth mentioning that the total revenue collected by Mobile Verification Teams so far is 6.3 Million AFS in 1st quarter 1393. The total reports from the provinces are not finalized so far. Post Clearance Audit (PCA) Provincial reports have not been so far finalized and submitted to the PCA department for 1st quarter 1393.

Related to Manifest Procedure, the manifest procedure finalized after approval and has been sent to various custom houses for implementation. The duplicate mechanism procedure is finally finalized after approval and being sent to customs houses for implementation.

Regarding to construction work, the Jalalabad warehouse has been completed and the rest of the construction works are under the process and in most areas have been completed 100%.

Also, 28 customs officers have acquired trainings and attended workshops under various topics abroad in the 1st quarter 1393. Workshops were organised for brokers and customs officers from Kabul ICD so they can be prepared for initial phase of valuation control module implementation.

The RMC in coordination with ASYCUDA project successfully implemented the Risk Management and ASYCUDA selectivity module on 22.Oct.2013 in Heart, Kandahar, Customs based on the ARTF/WB benchmark. ASYCUDA managed to configure all risk approved profiles and criteria and the system is fully functional and operating now.

ASYCUDA DPS is fully functionalized at Torkham, Andkhoy Custom Station. ASYCUDA Selectivity Risk Management Module was run at Jalalabad ICD/ Kabul International Airport, Kabul ICD, Balk ICD. AYSCUDA user manual is ready in Dari.

ASYCUDA World detail Web Reports are developed and being used by Customs branches. These reports are related to Revenue, DPS, Selectivity, Manifest, Transit and Valuation. Additional reports and amendment on the existing reports are under progress.

1.3 Operation

Operation Support:

Admin, Finance and Projects Coordination

MOF Budget Execution:

The 1393 operating budget of the Ministry of Finance is Afs 2,281.21m, of which Afs. 1,089.59m, allotments have been issued and Afs. 819.37 m has been spent as of end of Hoot 1392 (1st quarter of FY 1393). Operating budget execution is 36%.

Figures in Afs Million:

MoF Operating Budget Execution as at the End of First Quarter					
Fiscal Year	Budget	Allotment	Expenditure	% Expenditure of the Budget	% Expenditure of the Allotment
1393	2,281.21	1,089.59	819.37	36%	75%

Source: Budget Department

Figures in USD Million:

MoF Core Development Budget Execution as at the End of First Quarter					
Fiscal Year	Budget	Allotment	Expenditure	% Expenditure of the Budget	% Expenditure of the Allotment
1393	81.7	14.28	4.55	5.5%	32%

Source: Budget Department

MOF core development budget execution rate is 5.5%, while last year it was 8% for the same period.

General Admin Services:

Related to general admin service, during the first quarter of FY 1393, 18% timely procurement process has been implemented. Regarding allotments, in total 184 allotments have been executed timely.

Payments have been made based on the obtained allotments; it shows 100% processing of payment. Related to the working condition at MoF offices, MoF's offices were equipped with suitable equipments.

Projects Implementation Unit (PIU)

The execution of the project reach to 25 % as reported in the first quarter of the year. The projects are not executed completely according to plan due to some reasons. From 18 projects that are planned for implementation in the year of 1393, 20% of them were completed.

Project M&E system was developed and the projects will be monitored according to their goals, output, outcome and impact which are in line with MoF strategic plan.

Related to the actual performance of all units in line with MoF budget execution, construction project 14%, software and other services 7%, capacity building projects 4% was executed as reported in the 1st quarter of the year.

Human Resources Management:

Taskheel:

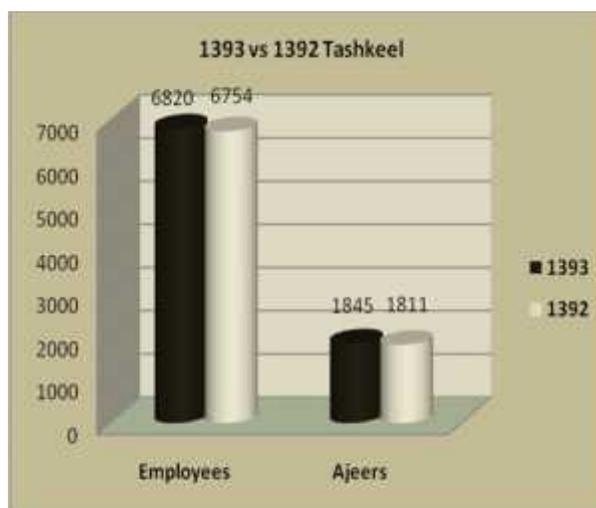
MoF 1393 taskheel reached to 8665 positions of which 1845 posts are Ajeers, which is almost 1.17% higher than the number of the tashkeel positions, 8565, in 1392.

Year	Employees	Ajeers	Total
1393	6820	1845	8665
1392	6754	1811	8565

Source: MoF HRMD

Ministry of Finance 1393 Tashkeel within 8665 positions were approved. In order to have a thorough review of the MoF organization structure and job descriptions in line with civil service policies, a team comprised of representatives of IARCSC and HRMD are working rigorously on the revision of the overall MoF organization structure and job descriptions with around 80% to date.

The process shall reduce the overlaps and create a more effective organization structure with standardized job descriptions.



Recruitment:

In the field of recruitment, implementation of Pay & Grading (P&G) system is going smoothly with a rapid pace and there has been significant progress to date. Since the beginning of the Program in 1388, more than 92% of the tashkeel positions have been filled under the Pay and Grading System. It is worth mentioning that all the recruitment is done as per the civil servants law meeting civil service standards.

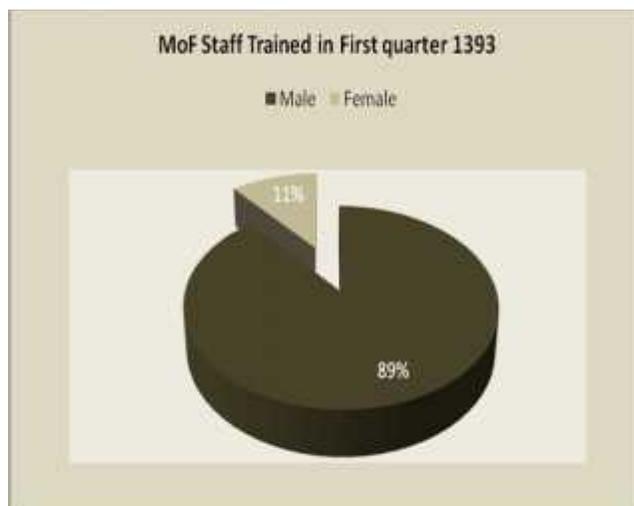
Performance Appraisal:

During the first quarter FY 1393, a number 517 performance appraisal forms have been sent for annual performance appraisal, out of which a total number of 489 employees have gone through performance appraisal process and recorded in HRMIS. The remaining 28 forms are under process.

Training & Development:

Short term training Programs:

Regarding Training and Capacity Building ,during the first quarter FY 1393, a total number of 5 training programs were held under which 109 MoF employees (12 women and 97 men) received the necessary trainings related to laws (customs law, civil service law, labor law and procurement law) Office management, time management ,planning, coordination, performance appraisal, project management Academy training programs, monitoring and evaluation, management fundamentals, communications, risk management, conducting orientations program, computer programs such as Ms Excel, Ms word .



In the first quarter of this fiscal year a number of 60 students from School of Economics completed their practical work in two periods (Each batch in 45 days) and achieved good work experience in MoF.

Major Achievements:

Master's Degree Program in Development of Policies and Practices in the graduate institute of Geneva, that was a remarkable initiative of the MoF HR Directorate has been completed in March 2014. This program was launched on 29th April 2013 with participation of 20 high ranking MoF staff members from the development budget of Human Resource Directorate.

A number of 35 MoF employees were introduced to UNITAR, United Nation Institute for Training and Research fellowship program, which was completed successfully.

The MoF Questions Bank Book consisted of 2500 questions from different MoF departments has been prepared and printed in Dari version and it's Pashto version will also be soon finalized.

And also the HR Policies and its Pashto version will also be finalized and printed soon.

Considering today's technological world and rapid enhancement in communications, an initiative was recently taken by RIMU and HRMD whereby video conferencing facility has been installed throughout 5 zones of the country.

Reform Implementation & Management Unit (RIMU)

A: Strengthening Human Resources Management Department (HRMD)

MoF Questions Bank Book Dari version was finalized and printed. Its Pashto version is under work. Pashto version of the HR Policies Handbook was finalized is under final review and soon will be printed. HRMD annual newsletter was developed in three languages (Dari, Pashto and English) and submitted to HR Director.

Annual training plan and proposal were developed based on the TNA which went approved. Additionally, a specific TNA of the HRMD was conducted, a training proposal was developed which went approved by WB and its implementation will start in the coming quarters. Training materials are under development for the HRMD trainings.

Meanwhile, a separate training proposal was developed and submitted to JICA which is under review with JICA. Once approved, its implementation will be start.

In line with the training plan, a training program was conducted on Proposal Writing, Project Management, Communication and Office Management to 48 staff of Administration & Finance, Treasury, Budget, National Programs Implementation, Policy, Inspection, Procurement, Chief of Staff, HR, Insurance Departments from 17th to 19th Hoot, 1392 at HR Training Center with close coordination of Training & Development section. Also, an orientation seminar was successfully implemented for a total number of 40 Custom officers of Afghan National Custom's Academy on Human Recourses policies, code of conduct, performance management system, effective communication and time Management. This training session was held on 2nd of Dalwa and continued till 5th of Dalwa 1392.

In addition, a two-day orientation seminar was successfully held on 2nd and 3rd of Jadi 1392 for total number of 30 graduate internees' of Kabul University introduced to Ministry of Finance for their internship period. Likewise, another two-day orientation seminar was successfully held on 19th and 20th of Dalwa 1392 for a total number of 24 graduate internees' of Kabul University.

Under the HRMD shared services model, effective coordination has been maintained with the Headquarter. A comprehensive training plan was developed for ARD and ACD with consultation of their department heads and ARD training section.

A one-day training program in client services and code of conduct was conducted for STO 30 new recruited employee on 28 Jadi 1392. Additionally, a three-day training program in training methodology (TOT) for SIGTAS and ARD/TD 7 trainers were conducted from 21 to 23 Dalwa

1392. Similarly, a one-day training program in data collection methods was conducted for STO 40 new required employee 19 Dalwa 1392

B: Monitoring and Evaluation:

MoF programs were updated with consultation of MoF line department for next five years. Work is under way on updating the MoF strategic plan for the next 5 years and its 1st draft is under review of DM for Admin. After receiving his comments, it will be shared with MoF line department for their review and comments.

1392 FY annual performance review report was prepared both in Dari and English in line with the strategic plan and uploaded in MoF website. Reporting templates and monitoring frameworks for 1393 with their indicators, baselines and benchmarks were reviewed and updated in line with strategic plan, which were put into use for data collection. 1393 FY 1st quarter performance report is under process and will be finalized soon. The results framework for Office of DM for Admin was updated as well.

Additionally, MoF 1392 annual report was prepared and submitted to Office of Administration Affairs OAA. Furthermore, based on instructions of DM for Admin, a summary report of the last twelve years achievements were prepared and submitted to him.

C: PFMR II Project Coordination:

Fourth quarter Financial Monitoring Report (FMR) was prepared and submitted to WB on time. Work is underway on preparation of the FY 1393, 1st quarter FMR.

PFMR II project revised costing was done for the extension to end of Dec 2016. Similarly, PFMR II project high level WP and results framework were updated for extension. Work is underway on updating the procurement plan. Day to Day advice has been given to project implementing units on operation issues and coordination has been strengthened with WB.

Office of the Chief Staff Affairs:

During the first quarter of the year, management meetings have been held regularly, 9 Presidential Decrees, 203 Presidential Orders and 13 decisions of Cabinet were followed up for execution. Additionally, letters were prepared.

Arrangement of press conferences, invitation of media, publishing of press release and news releases are the main performances that are executed by Media Office. The Media documents of Internal events of the Ministry like workshops, seminars, signing ceremonies and press conferences are stored in safe archives of Ministry and the external media documents of other publications that are related to Ministry of Finance are also recorded and stored in archive.

MoF website has been maintained and regularly updated with up-to-date information inclusive of reports, plans, laws and etc.

Insurance Affairs:

Regarding to public awareness of insurance culture, brochures were distributed among the people, insurance guidelines have been prepared and different conferences were held in five major cities (Kabul, Herat, Balkh, Jouzjan and Nangarhar) and also a precise insurance survey was accomplished in respective mentioned provinces.

Additionally, different insurance regulations such as health, vehicles, fire, investment of private companies and etc were developed.

Asset Management:

Privatization:

During the 1st quarter of 1393, Afs 66.735m was paid to large Tax Office account from tax and disbursement of Governmental Industries. Also during this period, SOE Department has collected Afs 9.109m from SOEs as rent, profit and other obligations and paid to SoEs bank account.

Property Management:

With reference to registration of government's properties, properties of 112, in the center and provinces which comprise apartments, buildings, electricity stations, mosques, restaurants and gardens have been registered in first quarter of fiscal year 1393.

During the 3rd quarter of 1393, 90 government contracts, 40 in the center and 50 in the provinces, related to government properties for the rental purpose were signed and executed

The total revenue generated from properties leased and rented in capital (Kabul) as well as in provinces reached to Afs 81.055M which was deposited in government's revenue account.

Internal Audit:

In the 1st quarter of the year 1393, a total of 31 units were audited. Audit findings with written management response were sent total auditees' for their corrective and preventive actions against the audit observations and recommendations.

Related to fraud investigation, 9 cases were investigated, 8 cases have been sent to related departments for the follow up purpose. Also 1 case was given to the planned panel members for the investigation. 1 case was saved.

Internal audit reports on line ministries (Government Printing Press (Sukook), Ministry of Agriculture, Ministry of Rural Rehabilitation, Ministry of Public Health (HOFEST), Kabul Municipality, Independent Directorate of Local Governance (IDLG), Ministry of Energy & Water) were prepared.

Related to capacity building, 53 Internal Auditors are carrying out capacity development training in IADs in five LMs (ATP-II) on regular basis in the techniques for accomplishing an assessment, procedures for auditing revenue processes & conducting Risk Assessment in line ministries.

1.4. Government Policies Coordination

Policies Coordination & Strategy Implementation:

According to NPP financing committee's action plan, the five selected NPPs (1- ARD cluster – Agriculture NPP 2- PSD cluster- E-Afghanistan 3- Governance cluster- Sub-national local governance 4- HRD cluster – Higher Education 5- ID cluster- Industry Extractive) have been analyzed for funding and are ready to be presented to donors.

Building up on the achievements of Hard Deliverables, SOM and Priorities Going Forward a special meeting of the Joint Coordination and Monitoring Board (S-JCMB), co-chaired by Dr. Hazrat Omar Zakhilwal, Minister of Finance and Ambassador JánKubiš, Special Representative of the United Nation Secretary-General for Afghanistan was held on 29 January 2014 in Kabul, Afghanistan.

The Meeting acknowledged the progress made since SOM in July 2013 by both partners on their mutual commitments under TMAF and further discussed the opportunities, challenges and way forward therein. The meeting also remained focused on following up the Annex I (Government Commitments) and Annex II (International Community Commitments) of TMAF, mainly:

Part 1: Integrity of Public Finance and Commercial Banking; Government Revenues, Budget Execution and Sub-National Governance; Inclusive and Sustained Growth and Development

Part 2: Aid Effectiveness

Part 3: Representational Democracy and Equitable Elections; Governance, Rule of Law and Human Rights

As a result of activities performed by all 3 committees, a joint report was presented to Special JCMB planned on 29th January.

The Department accompanied the Asset Transfer Commission members during field visit to Helmand (second trip), Bagram, Ghazni, Kandahar, Badghis and Balkh as a result of which separate reports were presented to High Security Council, Base Closure Commission and President's office for taking necessary actions.