

Government of the Islamic Republic of Afghanistan

**HR Review of Corporate Departments
Ministry of Finance**

August 2017

Final Report

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1 Introduction

This report records the findings of a mission to analyse the central departments of the Ministry of Finance (MoF) for the purpose of creating an HR action plan for their development.

The assignment was led by Mr Assheton Bogg, World Bank Short Term Consultant (STC) and supported by Dr Abdul Raouf Amirzoy (STC), under the general guidance of Mr Musa Kamawi, HR Director, and the day-to-day support of Dr Mohammad Sohrab, Employee Relations Consultant within the HR department. It took place between 23rd April and 15th May 2017, with on-going fieldwork to 2nd June 2017.

The central departments of the MoF comprise the HR, IT, Finance and Accounting, Procurement and Project Implementation Unit (PIU) functions. The scope of work also included taking account of HR in the Afghanistan Revenue Department (ARD), and Afghanistan Customs Department (ACD) and other contracted staff in different projects and programmes not reporting to the central departments.

Fieldwork comprised interviews with the Deputy Minister and Director General for Administration, and each of his department directors and most of their managers. We conducted an assessment of the skills, expertise, level of education and training needs of most TAs and *Tashkeel* staff in grades 2, 3 and 4, and completed a strengths, weaknesses, opportunities and threats (SWOT) analysis of the central departments.

This mission marked the first World Bank-sponsored review of the central departments which have been largely neglected by the many MoF reform programmes over the last fifteen years or so. It was conducted within a set of tight security protocols, which limited the time and frequency we could spend in the ministry, and this impacted on our ability to consider fully the HR options which may be available to the ARD and ACD. Nevertheless, we captured enough data, information and views to develop a number of recommendations and an HR action plan for consideration by the DM and his senior leadership team.

This report includes our main findings (section two), and in section three we summarise the results from our skills survey. Section four focuses on our assessment of the planned actions and strengths and weaknesses of each department, and section five outlines a two-year HR action plan which describes next steps and outlines in tabular format a timeline of key activities. The final section lists a number of activities we believe could be included in the FSP and are submitted for the Head of HR's consideration.

2 Key Findings

In this section we set out our key findings and make a number of recommendations which are included in a human resources action plan set out later in this report.

2.1 Strategic Plan

Recommendations

1. In order to strengthen the Fiscal Performance Improvement Plan (FPIP) each department should develop a five-year strategic plan - using the guidelines set out in appendix 1 of this report.
2. Managers should continue to seek the support of PMT staff and other experts to help them develop planned actions, and communicate them to all staff.

A strategic review necessarily involves undertaking a critical assessment of the functions and services a department provides to ensure they remain relevant to the current and future needs of a modernising ministry.

This will allow it to:

- Consider the extent to which core business processes need re-engineering to increase effectiveness and efficiency, and eradicate duplication, overlap and redundant activities.
- Determine the ideal organisation structure which best supports the delivery of services.
- Identify the knowledge, skills, expertise and competencies needed to support all its functions – taking account of how they are distributed between *Tashkeel* or TA staff.
- Clarify and institutionalise decision-making authority and accountability for each job holder.
- Assess the extent to which five-year action plans contribute to the execution of their departmental strategies.
- Establish the criteria for measuring individual and team performance.

A department's functions and services should therefore be framed within a carefully prepared strategic plan which mirrors the FPIP action plans.

2.2 Performance Management

Recommendation

3. Complete a more detailed assessment of MoF's performance management processes and train managers in how to maximise their use.

The ministry measures performance in two ways.

2.2.1 Team Performance

Team performance is assessed twice a year by the PMT (based on a ‘team not theme’ strategy) and is based on each department’s planned actions from their five year rolling plans. This is a relatively new process, with the first full year’s assessment completed in December 2016.

The 2016 Independent Validator’s Report of the FPIP recognised that creating a strong performance management culture will remain fragile, and take a number of annual performance cycles before it becomes routine. This was confirmed in our meetings with members of the PMT, and evidenced by the delay some departments had experienced re-setting their plans for 2017.

The same report acknowledged that better actions will emerge with experience. The PMT shared our view that this is more likely to happen if planned actions were anchored against a department’s strategic plan, which as we described above, need developing.

There is also a need to more fully engage staff below the level of departmental manager in each stage of the performance management process – from defining planned actions and gathering evidence of their progress to delivering results. Some managers were unaware of the performance management process so were unsighted about how they could contribute to the success of the department.

2.2.2 Individual Performance Management Process

The Civil Servants Law describes the annual performance management policy and the rules governing its administration. Our assessment is that the policy should work very well, and properly implemented should also result in positive performance outcomes.

However, the policy and procedure can only deliver satisfactory outcomes if reviewing managers comply with their provisions, and the HR department, through its monitoring and evaluating function ensures this happens by policing them. Our review suggests that managers are fairly compliant with the procedures, but there is little evidence this has led to improvements in overall performance, or that under-performance is dealt with effectively.

There may be a need to help managers develop their performance management skills, for example, with setting objectives, monitoring progress, reviewing results and resolving poor performance and misconduct.

A more thorough review would reveal the extent to which managers need support in this important area.

2.3 Non-Compliant Activities

Recommendation

- 4. Develop mechanisms for measuring non-compliant activities.**

Despite well defined laws, rules, regulations, policies and procedures, which together determine the governance framework of the civil service, their integrity is frequently undermined by pressures on senior civil servants from others to circumvent them.

For example, the MoF's recruitment procedure is prescribed by the Civil Servants Law which the HR department and Independent Administrative Reform and Civil Service Commission (IARCSC) are responsible for upholding. However, pressures on senior staff in both entities (typically from members of parliament), for example to appoint favoured candidates, serve to undermine the process. This means that personnel are often appointed to posts who do not have the knowledge, skills and expertise to competently perform their duties, and this compromises service delivery and impacts negatively on staff morale and motivation.

Given the fragile status of many senior managers' security of employment, we recognise there are limited opportunities to curtail these corrupting influences. However, the MoF should monitor its record of compliance so that it can assess the scale of the problem and consider strategies for overcoming them.

2.4 Selection Criteria

Recommendation

5. Improve role definitions, and apply more rigour when defining levels of knowledge, skills and experience in job descriptions.

There is an over-reliance on academic qualifications in determining a candidate's suitability for a job, with a particular emphasis (or prejudice) in favour of master degrees for TA appointments and to jobs in grade 3 and above.

Article 8 of the Civil Servants Law states:

Criteria for Employment for Grades

(2) Only a person may be accepted in Grade 2 of civil service (Department) that fulfils the following criteria as well as the conditions mentioned in Article 7 (1) of this Law:

- 1. Shall have obtained at least a bachelor's degree;*
- 2. Shall have at least 3 years of work experience relevant to the job;*
- 3. Shall be able to provide consultations concerning development of policies for the relevant Organization;*
- 4. Shall be able to lead and control the Organization;*
- 5. Shall have competence and aptitude;*
- 6. Shall have a decent character and prestige.*

Although a bachelor's degree is required for Grade 2 (and 1) appointments, anything higher than that is not. We do not underrate the value of a master's degree, but there is a risk that setting them

as an informal standard creates a bar over which some, typically *Tashkeel* staff, may find difficult to cross, and therefore reduces their chances of career development.

When considering the suitability of a candidate it is important to give appropriate weight to his or her knowledge, skills and experience and how these match the needs of the job. This requires decision makers to understand the critical differences between them:

- **Knowledge** typically refers to the level of education evidenced by formal certification by an approved authority, or a specialist subject gained through vocational training.
- **Skills** are those which are specific to the job, vocation or profession and may be categorised as being either technical, administrative, operational and managerial.
- **Experience** is typically expressed by the amount of *time* served in a job, vocation or profession and should not be relied upon to determine an applicant's level of competence.
- **Expertise** describes a person's *depth* of knowledge and competence in a particular skill area, specialist field or profession.

These definitions are highlighted because there is a risk they may be used loosely by decision makers, and when that happens poor recruitment decisions typically follow. When presented with a master's degree, due consideration and weight should also be given to the candidate's skills, experience and expertise to determine suitability for the role.

The challenge for the HR department is to ensure managers do not over-state the importance of one criteria in favour of another.

2.4.1 English Language

Recommendation

6. **The HR training and development department should develop a policy which enables the MoF to attract staff to middle and senior management posts who can read and speak English.**

One argument for attaining a master's degree is the suggestion that those with them may also have a stronger command of the English language.

This does not always follow. However, we acknowledge the increasing importance that more senior staff should have the ability to write and speak English given the frequency of interaction they have with the English-speaking donor community.

2.5 MoF Talent Pool

The large number of TAs (some 499) indicates that the MoF finds it easier to acquire expertise by procuring it in the form of short term technical advisors, than it does in the longer term by developing its own people.

Although TAs provide a critically important pool of readily available expertise, more should be done to develop home-grown talent and create sustainable *Tashkeel* capability.

There are a number of initiatives the HR department can take to achieve this:

- Succession planning
- Rotations / secondments
- Graduate recruitment

These are explained next.

2.5.1 Succession Planning

Recommendation

7. Develop and implement a succession planning policy.

Succession planning places an obligation on directors and managers to identify staff they believe have the potential to advance in their careers, and on the HR department to facilitate that progress by implementing a structured programme of support.

An effective succession planning policy will yield the following benefits:

- By thinking in the long term about the **skills** they need from their staff, managers can break from the more expensive and unsustainable short term expedient of hiring TAs.
- Skills and expertise become **embedded** in the department because *Tashkeel* staff are more likely to remain in post for longer. TAs are typically appointed on short term contracts, have a poor record developing staff and take their skills with them when they leave.
- Leaders will enjoy the loyalty and commitment of staff whose **careers and life choices** they have nurtured.
- The HR department is more able to target the **training and development** of key people because they have been identified as potential managers for the future.
- The MoF will reduce the risks associated with **short term staff crises** if talent has already been developed to fill critical vacancies or undertake important projects.
- HR **can claim credit** for providing a quality service to the ministry by citing the number of successful promotions or percentage of key vacancies filled by internal candidates it has developed.

2.5.2 Rotation Policy

Recommendation

8. Develop and implement a rotation policy.

Job rotation describes the planned movement of employees from one job to another to develop depth in their knowledge, skills and expertise.

It recognises that civil servants can develop and enhance their skills while working on the job, and places an obligation on others (peers and managers) to support their colleagues' continuing professional development (CPD).

Staff on rotation typically move between jobs every six months, and attend vocational training to complement and reinforce the technical skills they are developing at work.

There is an expectation at the end of the rotation period that staff will be promoted to more senior posts subject to satisfactory performance and the normal recruitment process.

2.5.3 Graduate Development Programme

Recommendation

9. Develop and implement a graduate development programme.

A graduate development programme would allow the MoF to recruit a number of university graduates each year who would be placed within various departments to provide a combination of structured learning and workplace experience. Graduate trainees would be given a fixed term contract (typically between two and three years) which would be made permanent subject to satisfactory completion of the programme and appointment to a suitable post.

This policy would allow the MoF to create a supply chain of technical, administrative and operational talent, further reducing the need to rely on expensive TAs.

2.6 Evaluation of 'Managed Transfer' of TAs to *Tashkeel*

Recommendation

10. The HR directorate should aim to achieve full compliance with its recruitment procedures, and record instances where it fails.

Our terms of reference required us to undertake a review of the 'managed transfer' of jobs under the revised Capacity Building for Results (CBR) recruitment process (entitled 'Exclusive Recruitment Procedures - CBR Programme') and Articles 10 and 34 of the Civil Servants Law. We were also asked to explore the implications this would have for scaling-up the process in the corporate areas, for example, by integrating RIMU and PIU staff into these departments.

Our assessment is based on a quality assurance review by the HR firm (Particip GmbH) responsible for supporting the recruitment process of 16 files submitted by the MoF, which was completed in April 2017.

There were several shortcomings to the process and the HR department should learn from the following lessons:

- In order to avoid **claims of collusions** all interview shortlists must have at least two candidates.

- All posts should be **properly advertised** in compliance with Article 3 of the Civil Servants Law, which sets out strict standards relating to information about the vacancy.
- Special care should be taken to carefully draft **interview questions** in compliance with Article 9 – in particular, they must be job-specific. There is a serious risk of collusion between candidates for different jobs if they are asked the same (and inappropriate non job-specific) questions.
- The interview questions should allow the committee to probe and test the **technical and specialist competence** of an applicant, rather than only their generic managerial skills or academic qualifications.
- The **duration** of the interviews should allow the committee to properly assess the knowledge, skills and experience of the candidates. Similarly, candidates must be given the time to prove or disprove their suitability for the role. The duration of an interview has a direct impact on the validity and integrity of the recruitment process – for everybody, including those who judge it from the outside.
- A clear distinction must be made between **specialist and non-specialist** roles so that the appropriate staff are encouraged to apply for them.
- Candidates must provide **documentary evidence** of their education and skills including copies of degrees attested by MoHE, employment contracts and other government approved documents.

2.6.1 Mapping TAs to the Tashkeel

Recommendation

11. Adopt the criteria for the appointment of TAs to the *Tashkeel* as set out in the various laws and regulations of the civil service.

The HRD has expressed a keen interest to transfer TAs with the appropriate skills and competencies to the *Tashkeel* citing it as an opportunity to secure their long term commitment to the directorate, and protect the significant investment the government has made in their education and development. This, and the contribution TAs make to the management, technical and administrative capability of the departments are strong reasons to retain them.

However, this will place *Tashkeels* under pressure to grow at a time when there is a commitment by the government at the Brussels conference to reduce the size of its civil service.

Mapping the number and category of TAs to the *Tashkeel* will involve the following steps:

- Re-defining organisation structures, which as we outlined above, should be completed following a strategic review of each department. However, we recognise that the time to do this may exceed the deadline for making the transfers. For example, RIMU staff must be transferred by December 2017. Where this occurs an interim structure should be agreed and used to guide appointments.

- Identifying which roles in the new structure are technical and specialist, and can be considered for competitive selection.
- Identifying and validating the knowledge, skills and expertise of TAs to determine which will qualify for direct slotting.
- Establishing clear selection criteria for all posts based on carefully drafted job descriptions which set out the knowledge, skills and experience required, and advertising them properly.
- Setting up interview panels with qualified staff, and preparing a set of questions appropriate to the job, ensuring candidates do not have sight of them ahead of interviews.
- Confirming the outcome to all applicants, and releasing those TAs who have been unsuccessful.
- Preparing and distributing a communications brief confirming these arrangements to reassure staff the process will comply with the provisions of the IARCSC and Civil Servants Law.

2.6.2 CBR

Recommendation

12. Secure an increase in the quota of CBR posts for the central departments.

CBR pushes departments towards reform, which necessitates the realignment, restructuring and reengineering of structures, working practices and business processes. It is clear, that in the absence of a reform programme, the central departments have been unable to make these changes. Developing departmental strategies with clear terms of reference and detailed operational plans takes time and expertise, neither of which has been readily available to them.

This suggests there has been a preference to appoint TAs directly rather than engage in the CBR process, which some have criticised as being over bureaucratic and taking too long to complete. In consequence the value of CBR has diminished as the importance and number of TA hires has increased.

The CBR process requires that:

- Departments should have a comprehensive strategy, clear terms of reference and detailed operational plans which, as we have described above, most do not.
- It must be supported by a comprehensive CBR proposal, with a corresponding results framework and recruitment plan.
- All job descriptions are results orientated.

Given the limited number of CBR posts for each ministry, the process of absorbing TAs to the *Tashkeel* would be facilitated if the central departments could secure an increase in its quota of CBR posts.

3 Skills Assessment

In this section we summarise the results from the staff skills survey and provide some general comment about how they can support each department's planned actions¹. Staff were also asked to identify their training needs and we recommend each department creates a training plan to meet the needs of FPIP.

3.1 Survey Results

35 staff in grades three and four, and 51 TAs were interviewed between 2nd and 21st May 2017, and their data captured on a questionnaire (appendix 2).

The following table provides a summary of the level of education and competence in English (written and spoken) and MS Office for each of the five departments.

	Total Grade		Total TA					Education				English Written			English Spoken			MS Office		
	G3	G4	PIU	RIMU	PFMR2	CBR	MoF Budget	H.School & Grade 14	Bachelor	Masters	PhD	1	2	3	1	2	3	1	2	3
	HR	3	10		6		4		3	6	10		4	5	10	4	5	10		7
Finance & Accounting	2	3					6	4	5	2		4	1	5	4	1	5	1	4	5
ICT	1	2					19		17	4		2	1	18	2	1	18		2	19
Procurement		1	1	1	1		6		6	4				9			9			9
PIU	3	10	7					1	15	3		6	12	1	5	13	1	1	9	10
Total	9	26	8	7	1	4	31	8	49	23	0	16	19	43	15	20	43	2	22	55

The data shows that all departments have a large pool of intellectually strong staff (23 have a master's degree), and English is written and spoken very well, although it is weakest in the PIU. Microsoft Office skills are strong in all departments.

3.1.1 Skills and Expertise

Respondents were asked to assess self-selected specialist skills and expertise by rating their level of competence in each as either basic, intermediate or advanced. These are recorded at appendix 3. Notwithstanding respondents' potential to overstate levels of competence, these self assessments provide a strong indication of the managerial and technical strength in all five departments – and which if properly deployed, ought to have a significant impact on each department's productivity and performance.

The following table shows the proportion of TAs to staff in grades two to four for each department. For example, the IT and Finance and Administration departments have ratios of 127% and 75%

¹ However, as we explain in section four of this report the planned actions under FPIP have not been up-dated for 2017, and so mapping skills against the 2016 actions (many of which need significant re-drafting) has had to be postponed.

respectively, which indicates that both have difficulties recruiting staff to the *Tashkeel*. This was confirmed in our interviews with managers and during the SWOT analysis.

	Pro.	PIU	IT	F&A	HR	Total
G2	1	1	1	1	1	5
G3	2	3	3	2	5	15
G4	13	15	11	5	16	60
Total	16	19	15	8	22	80
TAs	9	7	19	6	10	51
% to G3&4	56%	37%	127%	75%	45%	64%

The challenge for the HR department is to put in place mechanisms which encourage TAs to transfer their knowledge, skills and expertise to *Tashkeel* staff so that together they can deliver against their department’s mandate, as expressed in the rolling five-year action plans.

Recommendation

13. As part of the HR implementation plan ensure that mechanisms are developed to enable the transfer of knowledge, skills and expertise between staff.

3.1.2 Training Needs

The table at appendix 4 records each respondent’s self-assessed training needs. These show important insights into respondents’ self-awareness of what skills are needed in order to advance careers and progress the development of their departments for the future.

Recommendation

14. As part of the HR implementation plan ensure that skills are properly matched to the needs of each action under the department’s five-year plan.

4 Planned Actions

At the time of this review each department's planned actions under the five year rolling FPIP plans were being up-dated in readiness for a late-running mid-year assessment by the PMT and its independent assessors. This meant that the planned actions were some six months out of date, and the revised versions were unavailable.

We, the PMT and most teams recognised that some of the planned activities for 2016 required significant re-drafting and must be more closely aligned with the departments' five year plans (some of which may also need revisions). As a consequence, we were unable to complete an assessment of staff and skills against the FPIP work plans.

However, this important work will be completed in consultation with the PMT and as part of the strategic review of each department, and forms a critical component of the HR action plan.

Despite this shortcoming we were able to explore a number of work plan-type initiatives during our meetings with section heads, and these are recorded below.

Human Resources Department	
1.	Refine the 1390-1394 HRMD Strategic Plan for 2017 – 2020
2.	All departments to finalise <i>Tashkeels</i> in compliance with the budgetary cycle so that the recruitment unit can implement annual recruitment plans.
3.	Migrate Excel-based data into HRMIS, and use HRMIS as primary system for all recruitment (when it becomes available). This is currently supported by an RIMU-appointed specialist.
4.	Secure the commitment of DGs, directors and IARCSC to uphold rules and regulations on recruitment and <i>Tashkeel</i> process – including properly matching applicant CVs against job specifications.
5.	Develop and implement a recruitment policy which strengthens the role of HR managers and allows them to properly manage the recruitment process in compliance with laws and regulations.
6.	Reverse the growth in <i>Tashkeels</i> , and design organization structures against each department's strategic objectives and core business processes.
7.	Provide training and instruction to newly appointed DGs, directors and managers in the various civil service and labour laws and HR policies and procedures.
8.	Plan for the devolution of HR services to the provinces.
9.	Develop a training and development strategy.
10.	Develop and implement a policy which allows the training and development function to capture all training and development programmes and activities funded and arranged by other departments and

	projects.
IT Department	
11.	Continue the migration of IT resources and activities from MoF directorates to the IT department.
12.	Up-skill existing, and appoint new <i>Tashkeel</i> staff, and relocate / dismiss those without IT skills or who show no interest in developing them.
13.	Explore how the procurement process can be accelerated for business-critical equipment.
PIU Department	
14.	Implement quality control across all PIU supported projects.
15.	Identify and procure a suitable alternative project management tool to MS Excel – for example MS Project, Trello, Basecamp under FSP
16.	Explore how to ensure all MoF projects fall under the remit of the PIU.
17.	Ensure department managers contribute to the planned actions and assessment of the five year rolling FPIP.
18.	Review staff training needs and deliver the following: <ul style="list-style-type: none"> • report writing • risk analysis • problem solving • project planning
Procurement Department	
19.	Seek ways to professionalise procurement roles.
20.	Continue the migration of procurement resources and activities from MoF directorates to the procurement department.

4.1 Strengths and Weaknesses

The table below summarises the SWOT analysis completed with departmental managers, and lists a number of activities which will be incorporated under the HR action plan in order to overcome the threats and weaknesses, and build on the strengths and opportunities.

Strengths	Weakness	Opportunity	Threat	HR Action Plan
Finance and Administration				
<p>The F&A Directorate has the capacity to develop an effective management system and is committed to reform in this area.</p> <p>The establishment of financial software for F&A Directorate, BPET (Budget Preparation and Expenditure Tracking).</p> <p>Practicing of Public Financial Management (PFM) through existing AFMIS system (Free Balance) and Donor Assistance Database (DAD).</p> <p>The employees are well aware of Public Finance and Expenditure Management Law and other relevant</p>	<p>Low capacity of Tashkeel employees in terms of technology use.</p> <p>Low interpersonal skill among employees.</p> <p>Lack of coordination and communication between small units of the same directorate.</p> <p>There is less willingness among Tashkeel employees to support reform.</p>	<p>There is still the possibility to reduce the time to process payments, allotments and other paperwork.</p> <p>F&A directorate has the opportunity to enhance the knowledge and capacity of Tashkeel employees by holding National and International training programs.</p> <p>The F&A directorate newly hired team work to share their knowledge and experiences with the Tashkeel employees.</p> <p>Support from the top management to bring</p>	<p>There is still low capacity that results in the lengthy process of daily work.</p> <p>Limited facilitation for collection and monitoring of data from the various sources.</p> <p>Staff readiness for reforms and changes.</p> <p>Low level of coordination among employees results in delaying daily work.</p>	<p>Establish a programme of reform and modernisation with management team.</p> <p>Undertake review of all core business processes – BPR.</p> <p>Ensure <i>Tashkeel</i> staff are fully engaged in reform activities.</p> <p>Identify <i>Tashkeel</i> staff training and development needs.</p> <p>Run customer service workshops to improve communication between sections and departments.</p> <p>Identify performance measures for routine processing activities.</p>

Strengths	Weakness	Opportunity	Threat	HR Action Plan
<p>financial rules and regulations.</p> <p>Making a committed and qualified team.</p> <p>A very motivated team which is eager to implement the planned reforms.</p> <p>Reduction in the process of payment, allotment and other paperwork, due to the recently launched Document Tracking System (DTS).</p>		<p>reforms and achieve goals.</p>		
Procurement Directorate				
<p>Qualified TA staff: Procurement Directorate employed about 14 TA qualified staff.</p> <p>Equipped offices: Procurement Directorate offices are equipped with internet, Database, furniture, etc.</p>	<p>Weak <i>Tashkeel</i> staff: Procurement Directorate has about 10 civil servants, who are weak in procurement proceedings and are unfamiliar with public procurement system.</p> <p>Absence of technical staff for database within procurement directorate.</p>	<p>Transfer of knowledge: Current TAs can build the capacity of the civil servants.</p> <p>Conduct trainings for TA and <i>Tashkeel</i> staff to improve the capacity to adopt with World Bank and other donors' procurement rules and procedures.</p> <p>Cooperative relationships</p>	<p>Lack of cooperation in developing procurement plan: MoF's departments do not submit their needs on time, to be included in annual procurement plan.</p> <p>Lack of capacity in preparation of technical specification of goods, services and works.</p>	<p>Undertake review of all core business processes – BPR.</p> <p>Develop a programme for the transfer of skills between TAs and <i>Tashkeel</i> staff.</p> <p>Identify performance measures for payment of invoices.</p> <p>Review contracting timelines,</p>

Strengths	Weakness	Opportunity	Threat	HR Action Plan
	<p>Lack of capacity in contract management.</p> <p>Weak procurement staff in the provinces - Mastufiats and customs.</p>	<p>with international procurement establishments.</p>	<p>Disappointment of bidders and contractors: Contractors are not paid their invoices on time. It causes disappointment of bidders and contractors to participate in forthcoming biddings.</p>	<p>and complete BPR.</p> <p>Complete TNA for all staff and prioritise training for those in contract management.</p>
PIU / Project planning, Coordination, Maintenance and Reporting				
<p>The senior leadership of MoF is supportive and cooperative in all cycles of project management for their effective performance and targeted goals.</p> <p>Staff of MoF (especially the directorate staff) are committed to perform their jobs with integrity and reaching the development objectives of the country.</p> <p>High level of coordination, support and assistance between the staff of the</p>	<p>The directorate lacks enough capacity for the systemisation of international project management and monitoring as well as GIS and special engineer capacities.</p> <p>However, there are committed staff in the directorate, but due to high level of work load there is a critical need to appoint other qualified staff with commitment.</p> <p>Lack of qualified staff due to</p>	<p>The current WB assessment.</p> <p>The presence of international donors for funding development projects.</p> <p>Suggesting and proposing required capacity building trainings for management team, engineers, financial staff, and focal points of the development projects.</p>	<p>Security of the country which is the primary critical threat and challenge for any kind of activities and initiatives.</p> <p>Poor definitions and lack of clarity for the critical stages in project management - planning, coordination, monitoring and evaluation.</p> <p>Legacy systems and procedures which need updating.</p> <p>Transportation funding for monitoring of projects which</p>	<p>Clarify the roles and responsibilities of all staff.</p> <p>Undertake a review of the project management nomenclature and clarify where appropriate.</p> <p>Complete TNA and target training where it is needed most urgently.</p> <p>Complete BPR.</p>

Strengths	Weakness	Opportunity	Threat	HR Action Plan
<p>directorate.</p>	<p>public sector pay rates.</p> <p>Directorates' staff are demotivated by the shortage of transport, logistics, IT servers etc.</p> <p>Lack of specific standard methods/system (and the bureaucratic system with long process and steps) for delivering and producing timely information.</p>		<p>donors hesitate to provide.</p>	
HR				
<p>Qualified and committed TAs.</p> <p>Availability of budget for most of the training programs.</p> <p>Some qualified and experienced <i>Tashkeel</i> staff.</p> <p>Digitised database for employees records and well established archive system.</p> <p>Established HR manuals,</p>	<p>Low capacity of <i>Tashkeel</i> staff.</p> <p>Development and implementation of additional policies.</p> <p>Involvement of other donors in major activities of the 5 year rolling plans increases the risk of failure because third-party processes can cause delays.</p>	<p>RIMU, World Bank and CBR projects.</p> <p>MoF leadership.</p> <p>Collaboration with national and international institutes.</p> <p>Assessment being conducted by World Bank to further support DM Admin.</p>	<p>Political interference in HR procedures.</p> <p>Training program conducted by other directorates that are supported by World Bank projects without keeping HR in the loop.</p> <p><i>Ad hoc</i> and untimely modifications to organization structures make structures unstable and threaten the</p>	<p>Develop a programme for the transfer of skills between TAs and <i>Tashkeel</i> staff.</p> <p>Provide guidance on the purchase of proprietary HRMIS software.</p> <p>Resurrect the interdepartmental working group for capturing information on all training activities throughout the</p>

Strengths	Weakness	Opportunity	Threat	HR Action Plan
<p>policies and procedures.</p> <p>Training programs are conducted both at HQ and at provincial level.</p> <p>Professional leadership.</p> <p>Coordination and cooperation between employees.</p>	<p>Lack of fully functioning HRMIS.</p>		<p>implementation of 5 years rolling plans.</p> <p>Lack of effective coordination.</p>	<p>MoF.</p>
ICT				
<p>Qualified TA staff to implement the 5 years rolling plan.</p> <p>Availability of budget for the implementation of our current large projects.</p>	<p>Shortage of technical staff.</p> <p>Lengthy business processes.</p> <p>Lack of capacity in <i>Tashkeel</i> staff.</p>	<p>Top management support.</p> <p>Well established professional network with international IT firms.</p> <p>Gradual transfer of skills to <i>Tashkeel</i> staff.</p>	<p>Lack of proper coordination among the directorates.</p> <p>Lack of security in remote areas.</p> <p>Low capacity of provincial units.</p> <p>Corruption.</p>	<p>Develop a programme for the transfer of skills between TAs and <i>Tashkeel</i> staff.</p>

5 Human Resource Action Plan

In this section we set out the components, timeline and resources of an HR action plan to implement the recommendations outlined in this report.

As we have acknowledged there are a great deal of well qualified and experienced staff in the central departments, most of whom are fully occupied in their various substantive roles. Taking on additional reform activities will present special challenges for *Tashkeel* staff and TAs already busy in their departments, so special attention must be given to how initiatives are scoped, resourced and planned so that reform can take place, and service levels maintained.

Prior to the action plan being implemented the first task is to produce a final report which incorporates the DM and his departmental managers' feedback from this draft report, including their approval or amendment to our recommendations.

In addition to this, and in consideration of how best to support the ARD and ACD, an early priority will be to further review their needs, and agree a programme of change if that is required. This may entail the central departments of the MoF accommodating a level of autonomy for both departments (at least in the short term) in acknowledgement of the reforms and other initiatives already taking shape there. Consideration should also be given to the central departments' capacity (in particular that of HR) to support these two directorates – which is likely to be limited - as they focus on their own reform programmes.

5.1 Project Management

Following the approval of a final report a World Bank-funded project manager (PM) should be appointed to work with a designated MoF lead (probably the Head of HR or one of his nominees) to complete a detailed assessment of the time, resources and priorities needed to implement a programme of change, an outline of which is provided in draft form below. This will entail establishing project structures, plans and timelines for each initiative and recommendation.

The third task is to secure the commitment of key staff to this programme of change. There is already significant enthusiasm for it, so this component will focus on:

- Ensuring there is a shared understanding and ownership of the programme's various terms of reference and objectives.
- Helping managers engage with their staff to create a groundswell of support.
- Setting realistic timelines for each project deliverable, and agreeing how to manage and mitigate risk.
- Selecting individuals with the necessary skills and competencies to participate in the work.
- Agreeing a baseline (for example a staff survey) against which progress can be monitored and evaluated.

- Ensuring that the programme of change delivers tangible capacity building results by transferring skills and expertise between TAs and *Tashkeel* staff.

5.2 Department Strategies

As we have already indicated, our starting point for modernising each department is to undertake a strategic review with each of its managers to develop a revised five year FPIP plan. This will enable them to:

- Re-engineer core business processes so that services can be delivered with greater efficiency and effectiveness.
- Redesign organisation structures and ensure jobs are properly defined to meet the needs of the department's objectives.
- Undertake a more detailed assessment of the skills and training needs of all staff so they can be better matched against the needs of the department and planned actions under FPIP.
- Facilitate the transfer of TAs to the *Tashkeel*, or out of the MoF altogether.
- Identify redundant posts and ghost and underperforming workers and implement a programme of re-training, re-deployment and retrenchment.
- Redefine the planned actions in the five-year rolling plans against which team and departmental performance can be measured under FPIP – in collaboration with the PMT.

5.3 Timeline

The table below provides an outline timetable for the implementation of the action plan.

	Lead	Month																									
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24		
Finalise Report																											
Review and finalise draft report	WB/MoF																										
Project Management																											
Appoint Project Manager	WB/MoF																										
Agree TORs and priorities	PM																										
Produce detailed project plans	PM																										
Set baseline assessments	PM/HR																										
Report progress	PM/HR																										
Department Strategies																											
Develop departmental strategic plans	PM																										
Re-engineer business processes	PM																										
Re-design organisation structures	PM																										
Complete skills assessment and TNA	PM																										
Implement staff changes	MoF																										
Re-train staff	PM/MoF																										
Implement Recommendations																											
Complete review of ARD and ACD	PM/MoD																										
3 Review performance management	PM/HR																										
4 Measure non-compliant activities	PM/HR																										
5 Improve role definitions	PM/HR																										

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	Lead	Month																							
		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24
6 Develop policy for improving English	PM/HR																								
7 Succession planning policy	PM/HR																								
8 Rotation policy	PM/HR																								
9 Graduate development programme	PM/HR																								
12 Increase the quota of CBR posts	PM/HR																								
13 Transfer skills between TAs and staff	PM/HR																								
SWAT Initiatives																									
Customer service workshops	PM/HR																								
Resurrect inter-departmental training working group	PM/HR																								

6 FSP Initiatives

In this section we set out a number of initiatives we believe can be supported by the FPIP programme which should be further reviewed and amended by the Head of HR.

No	Department	FSP Initiative
1.	All Departments	Review departmental strategic plans and use these to inform the next round of five-year work plan reviews.
2.	HR	Refine the 1390-1394 HRMD Strategic Plan for 2017 – 2020
		Migrate Excel-based data into HRMIS, and use HRMIS as primary system for all recruitment (when it becomes available). This is currently supported by an RIMU-appointed specialist.
		Develop and implement a recruitment policy which strengthens the role of HR managers and allows them to properly manage the recruitment process in compliance with laws and regulations.
		Develop a training and development strategy which creates a credible professional development programme for appropriate staff in all departments – with a particular emphasis on gender equality.
		Reform the performance management appraisal system to ensure it can support FPIP team performance initiative – ‘teams not themes’.
		Review remuneration structures for specialist staff within the MoF.
3.	IT	Develop MoF data centre
		Connect 17 mostofiats and all MoF directorates in Kabul fibre-optically.
		Establish MoF call centre.
		Develop access control and E-attendance.
4.	PIU	Identify and procure a suitable alternative project management tool to MS Excel – for example MS Project, Trello, Basecamp
		Review staff training needs and deliver the following: <ul style="list-style-type: none"> • report writing • risk analysis • problem solving

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		project planning
		Identify and eradicate duplication and overlap between PIU and RIMU and merge functions.
5.	Finance and Accounting	<p>Review staff training needs and deliver the following:</p> <ul style="list-style-type: none"> • report writing • risk analysis • problem solving • project planning
		F&A directorate has the opportunity to enhance the knowledge and capacity of Tashkeel employees by holding National and International training programs.
		Develop payroll system and switch from MS Access to proprietary software.
		Prepare portfolio budget statements and annual budget reports.
		Implement a document tracking system.
6.	Procurement	Conduct training for TA and <i>Tashkeel</i> staff to improve their ability to comply with Public Procurement Law and donors procurement rules and procedures.
		Develop capability to report annual procurement activities.
		Develop procurement database
		Develop contract management software

7 Appendices

7.1 Appendix 1: Strategic Plan

A brief summary of the six steps to produce a strategic plan.

7.1.1 Step 1: Define the department's purpose.

This answers the questions:

- Why does the department exist?
- What does it need to achieve?
- What is its mandate?

Example HR directorate statement:

To develop, implement and support programmes and processes that lead to improved employee welfare, growth and retention, while upholding the MoF's values, ethics, rules and regulations.

7.1.2 Step 2: Set the department's strategic objectives.

Strategic objectives are high level statements of the key deliverables the department must achieve in order to fulfil its purpose. They should be:

- SMART (specific, measurable, achievable, realistic and time-bound);
- output or service focused; and
- few in number (3- 8).

Example strategic objectives for the finance department might include:

To promote compliance with financial regulations and the law.

To ensure accountability for MoF funds.

To provide efficient and effective systems and processes for the early identification of non compliant financial transactions.

7.1.3 Step 3: Identify the department's outputs.

An output is the service produced by the department. Outputs are synonymous with results and fall in to two categories:

- **Final Output:** is the **final product** delivered towards achieving the objective. For example, "Staff completing their ACCA exams" would be a final output for the strategic objective "Develop the professional capability of the finance department".
- **Key Output:** **contributes to the delivery** of the final output. As a strategic review concentrates on results (the outputs delivered), key outputs help to monitor the process of delivering the final output – which enables performance to be monitored. A key output for the HR department might be "A professional development programme approved and implemented".

7.1.4 Step 4: Identify the department's outcome.

An outcome is the impact that must happen in the ministry as a result of the delivery of the department's outputs. However, not all of the outcome may be *directly attributable* to the department's activities.

For example, an HR output of "HR policies, plans, guidelines, standards and regulations developed, agreed and implemented." will contribute to the outcome that "Staff feel fully committed to working for the MoF." But other factors will support that. For example, all departmental heads upholding the provisions of labour law and implementing the ministry's annual performance management policy.

7.1.5 Step 5: Establish performance measures

These will enable the Deputy Minister and Director General to hold his managers accountable for the performance of their departments.

There are four types of measures:

- **Cost:** Used primarily to identify inputs – staff, capital and revenue costs.
- **Time:** Hours, days, months.
- **Quality:** Typically expressed in percentage terms.
- **Volume:** Appropriate for the output - number, value, frequency.

Performance *measures* are used to develop performance *indicators*.

7.1.6 Step 6: Develop performance indicators.

A set of performance indicators allow managers to monitor how the department is doing.

There are two types of performance indicator:

- **Efficiency indicators** relate outputs to the inputs used to deliver them. An efficiency indicator therefore provides an output-input relationship.

For example, *'Employees successfully completing a master's degree each year'* indicates the level of efficiency of the training and development function.

- **Effectiveness indicators** relate to the achievement of outputs to the target or plan and describes the relationship between them in percentage terms.

For example, effectiveness of processing payments per month may be expressed as 60% which indicates that only 60% of the planned payments was processed.

7.2 Appendix 2: Questionnaire

Name: _____	Job Title: _____
Directorate: _____	Department/Project: _____

Education	High School			Grade			TA	PIU			
	Bachelor			Length of Service				RIMU			
	Masters			English – Written*	1			2	3	PFMR11	
	PhD			English – Spoken*	1			2	3	ADB	
	Other			MS Office*	1			2	3	CBR	

**1= Basic, 2 = Intermediate, 3 = Advanced*

Special Skills and Expertise	Proficiency*		
	1	2	3
Training Needs	2017	2018	2019

7.3 Appendix 3: Skills Assessment

The following table records each respondent’s skills and areas of expertise rated as being advanced:

<p>HR Respondents</p> <ul style="list-style-type: none"> • Strategic planning, report, proposal and official letter writing • Coordination, report and official letter writing • Coordination, listening, facilitating meeting, report writing, planning • Analysing, planning, designing <i>Tashkeel</i>, job analysis, classification and description, civil service law and regulations • Compute, analyse and compare data, reading and understanding policies and procedures • Management of attendance system, controlling • Leadership, communication, civil servants’ laws and regulations • Critical thinking, creativeness • Memo, report and official letter writing • Prepare TORs, coordination, prepare exam questions, IT and MS • Decision making, civil service law and regulations, recruitment • Communication and conflict resolution • Leadership, HR management, team building and conflict management • Communication, interpretation, leadership, innovative and critical thinking • Recruitment and selection, employee relations, payroll • Five languages, leadership, communication, project management, translation • Database development, project management, software and applications • Problem solving, communication, presentation, leadership • Leadership, communication, proposal and report writing, management
<p>PIU Respondents</p> <ul style="list-style-type: none"> • Project analysis, construction management, goal setting and prioritizing tasks • Management, team building, leadership • Leadership, all engineering projects, analysis and use logic project • Report writing, evaluation, assessments and problems solving, project analysis • Coordination, leadership, critical thinking, communication • Report writing, data analysis, delegate task, project supervision
<p>IT Respondents</p> <ul style="list-style-type: none"> • Leadership, facilitating meeting • Managing tasks • Installing and repairing, set up and test machinery and equipment • Writing report, editing, public speaking, official letter writing, • Reporting, innovation, setting goals • Teaching, management, delegating tasks, numeracy, analysing, problem solving • Speaking in public and prioritizing tasks • Initiative, set goals and prioritise, analyse situation and problems solving • Using process maps, presentation, team management and conflict management

- AutoCAD, presentation, using maps, conflict management
- Civil 3d, 3d max
- Project monitoring, planning, and prioritizing task
- Assessment of software development, designing of software, computer language java, etc.
- Development of database system, software project
- Software project management
- Program and database
- Installation and maintenance of LAN, file, server, proxy servers print server and other it related configuration of any kind of access point
- Maintaining and troubleshooting of ICT equipment, printers and copiers
- Administration
- Installation and troubleshooting.
- Troubleshooting technical problems
- Management, group working
- Print, web, video graphic design, website development, database and applications administration
- Networking, group working, hardware
- Teaching, designing, testing, modifying
- Basic, network, web designing
- Networking, group working, hardware
- IT skills, communication, internet, reporting and programing
- Computer, internet, business, project management and design
- Time management, communication, management
- System development, life cycle, work on close and open source development
- Development of database system, networking, storage

Finance and Administration Respondents

- Accounting, communication, analytical and budgeting
- Program budgeting
- Finance and accounting, planning, control, communication and leadership
- Finance and accounting, planning, FMS
- Financial accounting, budgeting, management and reporting, EMIS, QuickBooks and advance Microsoft
- QuickBooks, MS dynamic GP, teaching
- QuickBooks, accounting, English
- QuickBooks, computer,
- AFMIS, accounting, government budgeting procedures

Procurement Respondents

- Project management, procurement law, business communication
- Evaluation, procurement law, business communication
- Evaluation, procurement law, business communication
- Procurement, research and project management
- Procurement law, business communication and finance management
- Procurement, research and project management
- Procurement, communication and project management

- Procurement, budget, taxation
- Public procurement and contract management

7.4 Appendix 3: Training Needs Assessment

The following table records individual training needs for 2017.

<p>HR Respondents</p> <ul style="list-style-type: none"> • English • HR planning • Management and leadership, train the trainers • Computer skills and English • Leadership, strategic HR, instruction on new attendance system and English • Strategic HR • Data analysis in SPSS, strategic HR and research in HR • Strategic HR management and planning, • HRMIS, HR Strategic management • train the trainers, develop policy and strategy • Future of HR • HR audit, research and strategy • HR strategic management, HR Audit and research, data analysis by SPSS
<p>PIU Respondents</p> <ul style="list-style-type: none"> • English, Construction structure, computer • Master's, Autocade, Civil 3D Survey, English • RCC and Survey • English • Master in urban planning, construction management and English • Master in engineering, construction management and English, • Change management • English and project management • English, proposal writing, project analysis and procurement • Report writing, project management • Masters law, CESCO Certificates, project management and leadership • Time management and computer skills • Master's in Finance and English • MS project, English • MS project, English • RCC, survey, road design, English, MBA and quality control • RCC design, Road Design, English • Program C,C++. Java. Script and English • RCC Design, Safe, Sap, Architecture, survey, MBA in civil engineering
<p>IT Respondents</p> <ul style="list-style-type: none"> • Software security

- Developing ERP system
- Database and system security
- Microsoft certified solution
- Maintaining and troubleshooting of HP colour printer, APC and Soutak UPS and advance colour copier
- PMP project management, English
- Certified wireless networking professional
- CCNA and Cisco
- CCNA and CCNP
- Project management professional
- Cisco Certificate
- CCNP, MCIT and At
- Web Development, ASP and C#
- Advance training on maintenance and repair
- Networking, advance technology
- Advance program on C#, mobile APPS
- Net security, mobile application development, free and open source development
- Cloud computing,

Finance and Administration Respondents

- Budgeting based on International norms, country budgeting, budget portfolio statement
- Financial reporting, public budgeting,
- English, computer, accounting
- Computer skills and English
- International public sector accounting standards (IPSAS), government financial system
- English, finance and management
- IAS and AFMIS
- Finance and accounting
- English, Public management, technology
- English

Procurement Respondents

- Procurement and management, MBA
- Procurement and management, MBA
- International business law
- Contract management
- MBA
- contract management and project management
- Contract management and project evaluation
- International procurement, good governance