



Islamic Republic of Afghanistan
Ministry of Economy

Report

فعالیت های سالانه موسسات غیر دولتی

Annual Activities Report of Non-Governmental Organizations

2015 – ۱۳۹۴





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Terminology:

Local NGO: A non-governmental, non-political, and non-profit organization established inside the country with the specific goal(s) based on the NGO Law.

International NGO: A non-governmental, non-political, and non-profit organization active inside the country with the specific goal(s) based on the NGO Law

Investment: Investment is expenditures by Local NGOs and International NGOs in different areas in the country in a specific time, mostly one year.

Governmental Budget: Governmental budget is a budget funded from internal or external sources and being spent through the financial system of the government budget

Non-governmental budget: This budget is funded by external sources and being spent out of the government financial system.

Permanent employees: Permanent employees are those who are being hired by the organization under a contract in central or regional offices, to achieve the overall goal of the organization .

Project staff/employees: Organizations hire project staffs under a specific contract for the project life cycle to achieve the project goal.

Message of the Minister of Economy

The Ministry of Economy (MoEc) is honored to publish the Non-Governmental Organizations (NGOs) Annual Activity Report for the year 1394, which includes NGOs' expenses and activities in the country.



This report is fundamental to our commitment to transparency, accountability and the provision of information to the government, community and donors. Furthermore, this report can be used in informing policy development and planning at a national level.

The Non-Governmental Organizations Annual Activity Report highlights the role and contribution of these organizations in undertaking economic, social and cultural development projects in this country. and covers the number and cost of the projects implemented by these organizations around the country.

The Non-Governmental Organizations Activity Report provides information about the number of projects undertaken in each province and about the types of investment. It also provides an opportunity for the Afghan government, donors, and NGOs to invest based on demonstrated needs and national priorities.

In preparing this report, MoEc has obtained the required information from different sources (e.g. budget units of the Afghan government, NGOs, and donors) to accurately inform the Islamic Republic of Afghanistan, donor organizations and Afghan citizens about the annual activities and accomplishments of NGOs.

It is worth mentioning that the report contains information on the activities of the NGOs based on the limited information we received from sectorial organizations. In the future we will try to include all sectorial organizations which implement their programs through NGOs. and develop the Non-Governmental Organizations Activity Report to provide more detailed information by sectors, provinces, districts and villages.

Finally, I want to thank and acknowledge the staff of the NGO department, governmental and non-governmental organizations who have helped us in preparing this report.

Best Regards;

Abdul Satar Murad
Minister of Economy



Introduction:

Ministry of Economy, built on its previous reports, presents both, national and International NGOs' annual activity reports for the year 1394, as general picture from the efficiency and effectiveness of investment in the country.

MoEc believe that NGOs as a non-profit sector are very important for providing services for vulnerable and needy people in the country, and will be very useful for planning of the organization's works. Participation of NGOs in infrastructural projects and social-economic development of Afghanistan is not only a good opportunity to attract support of international community, but also it is a positive factor for capacity building and employment opportunity for the professional and educated people, especial young generation. NGOs operate in accordance with the NGO Law and all enforced laws of the country. Based on the article 31 of the NGO Law, reporting by NGOs to relevant entities is their legal obligation; and based on that implementer organizations are obliged to report their activities and budget to relevant government agencies.

This report is prepared based on submitted reports by the NGOs, and all figures and data in the tables are taken from received reports and information from different sources (NGOs, Ministry of Finance, Ministry of Education, Ministry of Rural Rehabilitation and Development, Ministry of Public Health, Word Bank).

It worth mentioning that MoEc plans to monitor NGOs' various activities and programs; and provide necessary facilities to enable them to provide efficient and effective services for Afghan people. To facilitated reporting, MoEc created an online data base for NGOs to send their activity reports to MoEc on time and on regular base.

MoEc wants to create an online database through NGO website to provide NGOs with the opportunity to submit their reports via this data base, and the ministry will provide registration process through this data bas as well.

At the end, MoEc want to thank all NGOs those who submitted their activity reports for preparation of this document; and requests the remaining NGOs to send their activity reports on regular based according to article 31 of the NGO Law. It will help the NGO Department to have a clear picture of NGOs' activities and their role in social and economic activities in the country, to be included in the upcoming report.

This report has four main parts:

- Part I: Summary of the NGO activities and their expenditure rate
 - Part II: Detailed report on NGOs' expenditure rate by sector
 - Part III: Providing facilities for NGOs by MoEc, and
 - Part IV: Future actions, challenges and recommendations.
-

PART-I

Summary of NGO Activities in 2015



I - NGOs' activity summary for 1394

A. Investment by Local NGOs and International NGOs :

Based on article 31 of the NGO Law, Kabul based Non-Governmental Organizations, hereinafter referred to NGO, are obliged to send their activity and budget reports in every six months to MoEc/NGO department and sectorial agencies, while provincial based organizations can send their reports to provincial departments of the MoEc.

NGOs have implemented total of 4135 different projects around the country, and 2598 of them are implemented by International NGOs and the rest 1537 of them are implemented by local organizations.

Based on the data obtained from the NGOs' reports, total expenditure in 1394 was Afs46762.8 million (\$820.4 million) and:

Afs 33392.88 million (\$585.84 million) or 71% of them had been spent by International NGOs, while Afs13369.92 million (\$234.56 million) or 29% of them had been spent by Local NGOs.

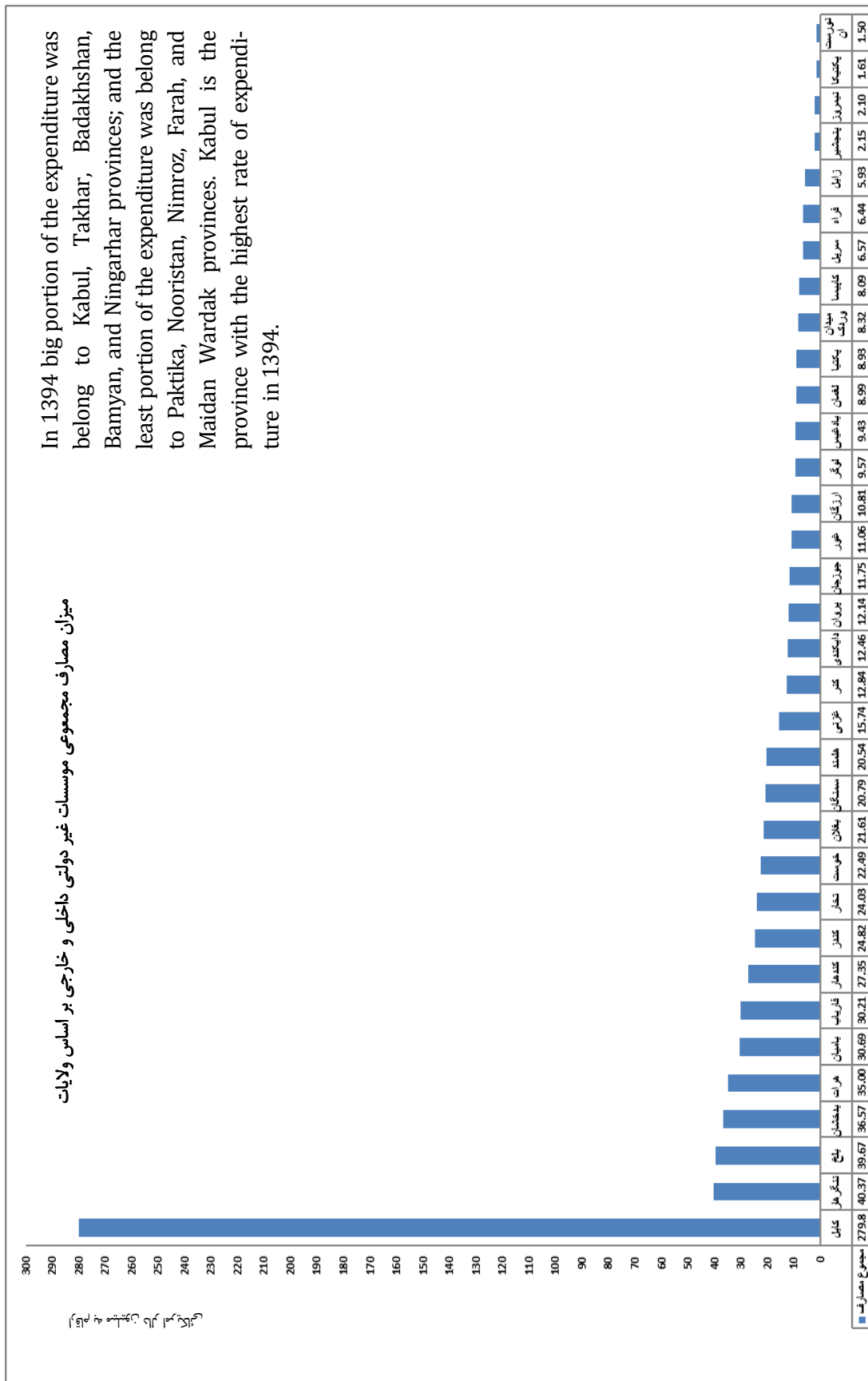
B. Total expenditure, by provinces

The results which shows expenditures in the provinces, are explained as follow: Obtained data shows that most of the expenditures are related to the provinces with better security situation.

In 1394 big portion of the expenditure was belong to Kabul, Takhar, Badakhshan, Bamyan, and Ningarhar provinces; and the least portion of the expenditure was belong to Paktika, Nouristan, Nimroz, Farah, and Maidan Wardak provinces. Kabul is the province with the highest rate of expenditure in 1394.

All tables and charts in this report shows unbalanced picture of the expenditures by province

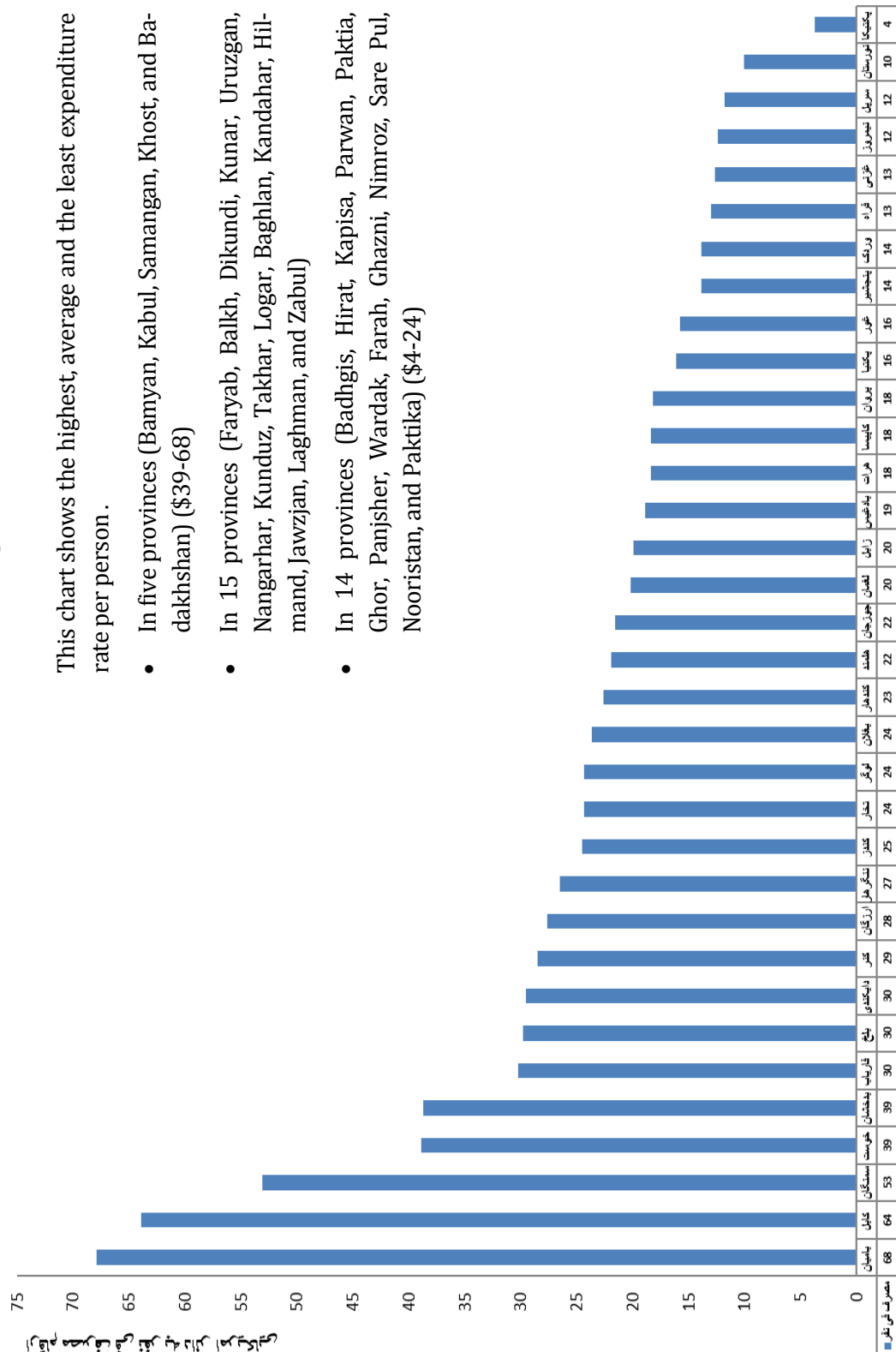
Chart 1



In 1394 big portion of the expenditure was belong to Kabul, Takhar, Badakhshan, Bamyan, and Ningarhar provinces; and the least portion of the expenditure was belong to Paktika, Nooristan, Nimroz, Farah, and Maidan Wardak provinces. Kabul is the province with the highest rate of expenditure in 1394.

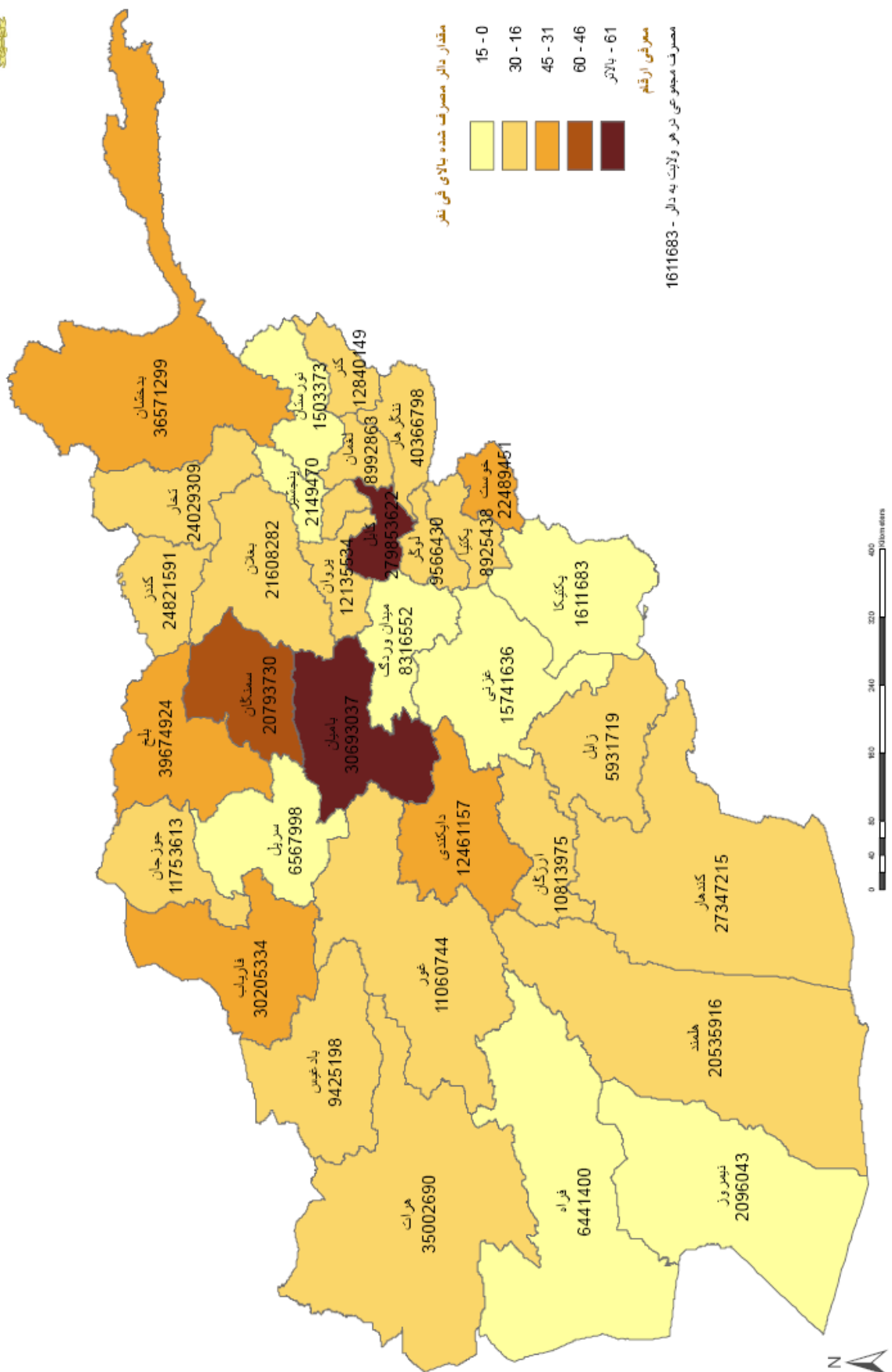
Chart 2

مصرف فی نفر در 34 ولایت کشور: 1394





حجم مصارف موسسات غیر دولتی بالای فی نفر به تفکیک ولایات



C. Expenditure rate of Local and International NGOs by sectors:

All NGO activities are divided into four sectors of health, education, agriculture and social services; and the expenditure rate of the NGOs by sectors in 1394 is explained below:

1. Health:

- Total expenditure in health sector was Afs14399.02 (\$250.86 million) that Afs 6165.12 million (\$108.16 million) of them was spent by Local NGOs, and Afs8133.9 million (\$142.70 million) of them was spent by International NGOs.
- From total of 677 projects, 301 of them were implemented by Local NGOs, while 376 of them were implemented by international organizations.

2. Education:

- Total expenditure in education sector was Afs7240.14 million (\$127.2 million) that Afs 2345.55 million (\$41.15 million) of them was spent by Local NGOs, and Afs4894.59 million (\$85.87 million) of them was spent by International NGOs.
- From total of 569 projects, 230 of them were implemented by Local NGOs, while 339 of them were implemented by International NGOs.

3: Agriculture, livestock, and irrigation:

- Total expenditure in agriculture, livestock, and irrigation sector was Afs2952.6 million (\$51.8 million) that Afs721.05 million (\$12.65 million) of them was spent by local organizations, and Afs2231.55 million (\$39.15 million) of them was spent by international organizations.
- From total of 353 projects, 101 of them were implemented by Local NGOs, while 252 of them were implemented by International NGOs.

4. Social services:

- Total expenditure in agriculture, livestock, and irrigation sector was Afs22270.47 million (\$390.71 million) that Afs4138.2 million (\$72.6 million) of them was spent by Local NGOs, and Afs18132.27 million (\$318.11 million) of them was spent by International NGOs.
- From total of 2536 projects, 905 of them were implemented by Local NGOs, while 1631 of them were implemented by International NGOs.

II - Recruitment level in Local and International NGOs in 1394:

Based on the reports from NGOs, total number of permanent and project staff of the NGOs is 76509 which are explained as follow:

A. NGOs' Permanent staff:

Total number of permanent staff in local and International NGOs is 19130, and 14238 of them are male. 13747 of them local and 404 of them are expatriates. From 4892 female staff of the NGos, 308 of them are expatriates, and 4584 of them are local staff.

B. NGOs' Project staff:

Total number of the project staff of the NGOs is 57379 and 46127 of them are male. 45754 of the male staff are expatriates and the rest 373 of them are local staff. 10397 of the 11252 female staff are local staff and the rest 856 of them are expatriates.

III - Registration services for Local and International NGOs

- In 1394, 12 technical commissions to and 8 high commissions were established to evaluate registration documents of the organizations. As the result 351 NGOs were approved, 339 of them were local and 12 of them were International NGOs.
- In 1393, 268 organizations were approved that 255 of them were local organizations while 13 of them were International NGOs, which shows %31 increase in 1394.
- Revenue from registration of the mentioned NGOs reached to Afs4.22 million which has been transferred to the government account.
- It worth mentioning that so far 2144 (1869 local, 275 international) NGOs are registered with MoEc.

IV - Visa and custom charges exemption services:

A. Visa facilities:

- Visa services have been provided for 2013 people; 923 persons have been provided with six-month visa for multiple entries, and 1090 persons provided with entry visa services in 1394.

B. Custom charges exemption:

- NGOs' custom charges exemption for in kind assistance and purchases in 1394 are explained below:
 - ◆ \$11,947,789.95
 - ◆ S\$18,000
 - ◆ €6,941,171.98
 - ◆ £120,463.03
 - ◆ ¥3,249
 - ◆ Rs4,524,339.24
 - ◆ Afs7,407,811

C. Auto registration services

- It worth mentioning that 90 different vehicles are also included in the exemption, that after getting number plates and registration by the name of the NGO, are being used.
- Also legal procedure for documents of the 1051 different vehicles are completed, to be renewed or to be transferred the ownership documents in the name of organizations; the documents of 961 vehicle are renewed, and ownership documents of 90 cars transferred to the NGO.
- Meanwhile in this period, the document for a total of 528 radio handset were completed. Documents for 466 of them are renewed/extended, and new documents have been obtained for 62 of them.



PART-II

Report Detail



Report Detail

Background:

Activities of the NGOs and international aid organizations in Afghanistan had been started on 1374 (1995) under the Foreign Relation Department of the former Ministry of Plan. At the beginning, the NGOs were getting their fund from individuals and aid organizations. These aids were in the form of humanitarian aids to rescue the lives of vulnerable and war affected people.

Reporting by those organizations to the government were not deemed their legal obligation, and the projects were being implemented by the request of local communities and organizations' decision. Over the time, especially after presence of the international community and International NGOs in Afghanistan after September 2011, and enforcement of the NGO Law in July 2005, when the activates of the NGOs expanded from humanitarian aids to providing services in rehabilitation programs, education and health sectors, reporting by the NGOs to relevant agencies became on of their legal obligations.

Preparation of NGO Law, improved reporting process, but lack of coordination between organizations themselves, non-governmental and governmental organizations regarding to identifying priorities, monitoring project implementations by the government agencies (sectorial ministries), and lack of coordination between organizations and donors created challenges like duplicate in projects implementation, cost density in some provinces compare to other provinces, and finally resulted in uncoordinated and unstable projects implementation.

Goal of the report:

Based on article 31 of the NGO Law all organizations are require to submit reports related to their development projects in the country.

Therefore, the main purpose of this report is providing a clear picture of development activities of those local and International NGOs in 1394, which are registered in Afghanistan.

Methodology:

Activity report of the organizations is prepared based on the accepted criteria of the analytical reports. The information for this report is collected from the NGOs using MoEc/NGO department's (01) and (02) standard forms. For verification of the information, we used different sources like MoF database related to donor cooperation (DAD), Afghanistan Reconstruction Trust Fund (ARTF), sectorial ministries that their projects are being implemented by the NGOs.

In addition, MoEc/NGO department assigned M&E teams to evaluate organizations. This team also has their input in the report.

I– Detail report on expenditures of NGOs’ projects , by sector

Based on article 31 of the NGO Law, all Local and International NGOs shall submit their activity reports to MoEc/NGO department by using (01) and (02) reporting forms.

In 1394 , total of 995 (213 international; 782 local) NGOs submitted their reports to MoEc/NGO department. Meanwhile 8 international and 304 Local NGOs reported that they didn’t have any activities in 1394.

The mentioned NGOs have implemented 4135 projects around the country; 2598 of them have been implemented by International NGOs, and the rest 1537 of them have been implemented by Local NGOs.

Based on the data from NGOs’ report , total expenditure during the year 1394 was Af\$46762.8 million (\$820 million); Af\$3339.2 million (\$585.84 million) or 71% of which was spent by International NGOs, and Af\$13369.92 million (\$234.56 million) or 29% of them was spent by Local NGOs.

Analyses of the obtained data show that during the year 1394, expenditure of the NGOs in the provinces was unbalanced; the difference between expenditure level in some provinces were up to \$284. most expenditures were related to Kabul, Takhar, Badakhshan, Bamyan, and Nangarhar provinces, and the least expenditures were in Paktika, Nooristan, Nimroz, Farah, and Maidan Wardak provinces.

One of the reasons of the differences between expenses in each provinces is security issues.

For verification of the expenses related data, MoEc tried to use different sources related to organizations’ expense rebate, such as ARTF. For some sectorial organizations that their projects are being implemented by NGOs (e.g MoRRD, MoPH, and MoE); MoEc used Donors’ Assistance Database of the MoF as well.

As all projects of the organizations are divided into four sectors of the health, education, irrigation, and social servicers, expenditure rate in each sector and in accordance with provincial division is explained in detail in the follow:

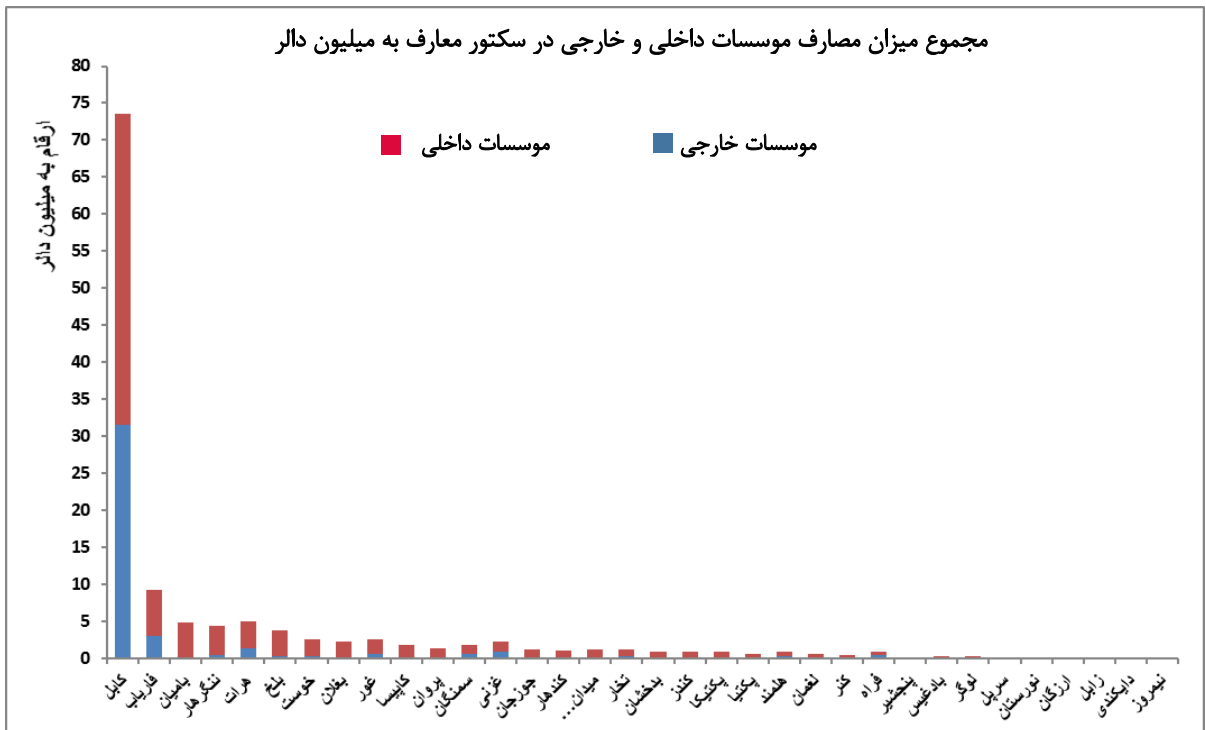
2 - Education:

Programs, projects, and services of this sector include building schools, establishing literacy courses, capacity building programs for teachers and improving quality of the education, teaching foreign languages and computer, management, higher education, scientific and cultural researches, community base education, girls' access to community schools, establishing libraries at schools, building the capacity of local education organizations in remote provinces of the country, and education programs of the institutes.

A total of 569 project were implemented in education sector in 1394, and total expenditure was \$127.02 million or %15.48 of all expenses in the education sector, which were implemented by local (32.4%) and International NGOs (67.6%).

Kabul, Faryab, Hirat, Bamyan, and Nangarhar provinces had the highest expense rate, while Nooristan, Uruzgan, Zabul, Dikundi, and Nimroze were the provinces with the lowest expenditure rate in 1994.

Chart 3



Source: Local and international organizations annual reports, MoEc/NGO department.

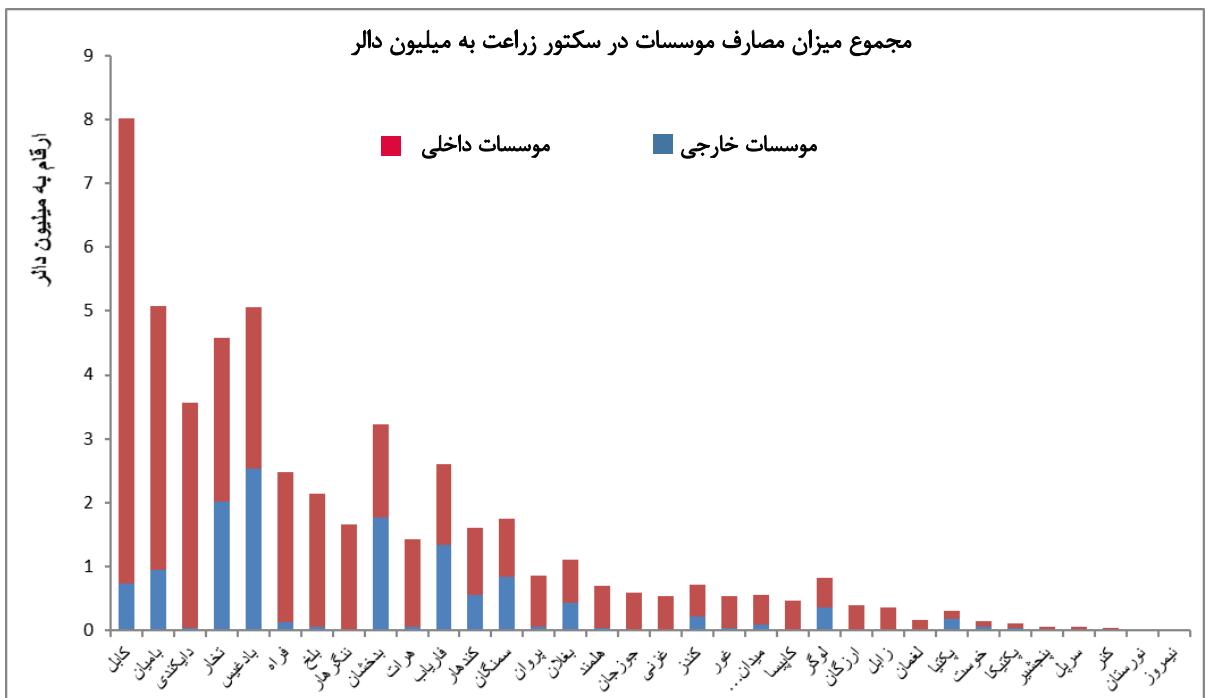
3 - Agriculture, Livestock, and Irrigation:

Programs, projects, and services of this sector include new horticulture system, distribution of improved seeds, agricultural researches, mechanization of the agricultural system, creating modern irrigation systems, construction of the irrigation dams, acceleration of agricultural and livestock programs, investigation on improved seeds (wheat and corn), establishing storage for agricultural products, establishing poultry farm, beekeeping, greenhouses and cold storages.

There were 353 projects implemented in agriculture sector, livestock and irrigation sector in 1394 by local (24.43%) and International NGOs (75.57%). Total cast for these projects were \$51.8 million or 6.31% of total expenses in this sector.

Kabul, Bamyan, and Takhar provinces had the highest expenditure rate in this sector, while Kunar, Nooristan and Nimrooz were the provinces with the lowest expenditure rate in 1394

Chart 4



Source: Local and international organizations annual reports, MoEc/NGO department.

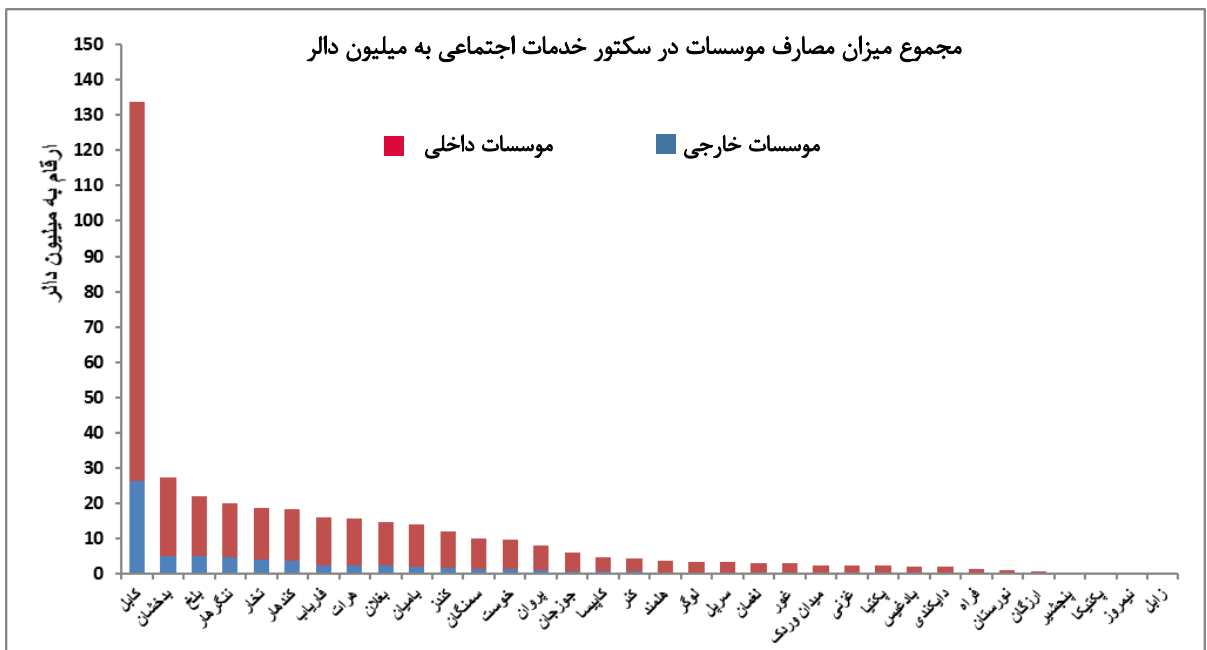
4 - Social Services:

Programs, projects, and services of this sector mainly include food staff distribution for refugees, flood affected, and displaced people from civil war, support of orphanages, street working children, support of Community Development Councils (CDCs), elections, HR capacity building, promoting civil society and democracy, public awareness, implementation of National Solidarity Programs (NSP) in the provinces which include bridge construction, road graveling, making micro hydro powers, building mosques, radio programs in communities and villages, coerces for persons with disabilities and women's self-sufficiency, constriction of shelters and distributing them to the poor people, mine clearance extensive programs, removing explosive devises (IEDs) from Afghanistan, providing clean water, digging wells in the villages, emergency relief and humanitarian aids for repatriations, refugees and persons with disabilities, and distribution of food staff to vulnerable people.

A total of 2536 projects were implemented in the social services sector in 1394, with the total cost of \$390.71 million or 47.62% of total expenses in this sector. Of this expenditures 81.41% was spent by international organizations and the remaining 18.59% was spent by local organizations.

The chart below shows that in 1394 Kabul, Badakhshan, Badghis, Balkh and Nangarhar are the provinces with the highest rate of expenses in this sector, while Nooristan, Uruzgan, Panjsher, Paktika, Nimroz and Zabul experienced the lowest level of expenditure.

Chart 5



Source: Local and international organizations annual reports, MoEc/NGO department.

- II- Permanent and project staff of local and international organizations

Total number of permanent and project staff of the NGOs is 76509.

Permanent staff of the NGOs:

Total number of permanent and project staff of local and International NGOs is 19130, and 14238 of them are male (13747 local staff, 404 expatriates); and 4892 of them are female (4584 local, 308 expatriate) staff.

NGOs' project staff:

NGOs have 57379 project staff, and 46127 of them are male (45754 local, 373 expatriate) staff; and 11252 of the are female (10396 local, 856 expatriate) staff.

The total number of NGOs' staff in 1394								Type of NGOs
Project staff				Permanent staff				
Female staff		Male staff		Female staff		Male staff		
International	Local	International	Local	International	Local	International	Local	
28	7406	48	24729	47	1939	87	4792	Local NGOs
828	2990	325	21025	261	2645	404	8955	International
856	10396	373	45754	308	4584	491	13747	Total
11252		46127		4892		14238		Grand Total
76509						Total number of staff		

Chart 6

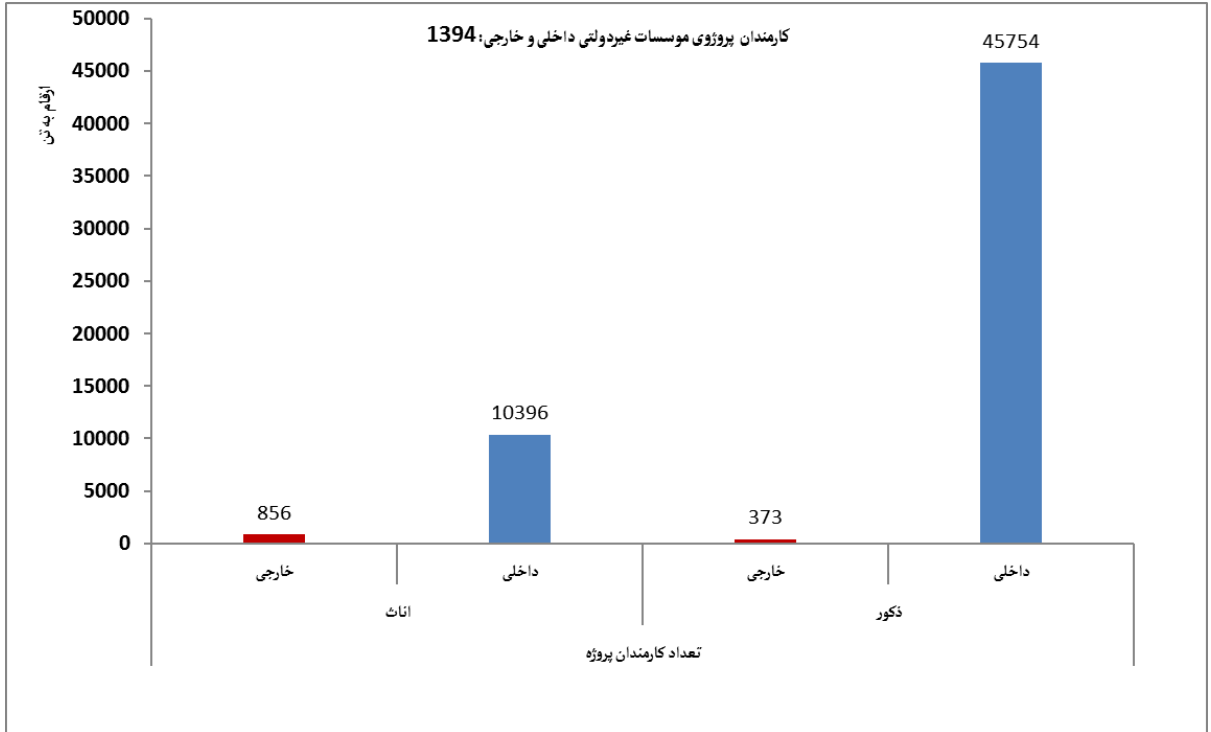
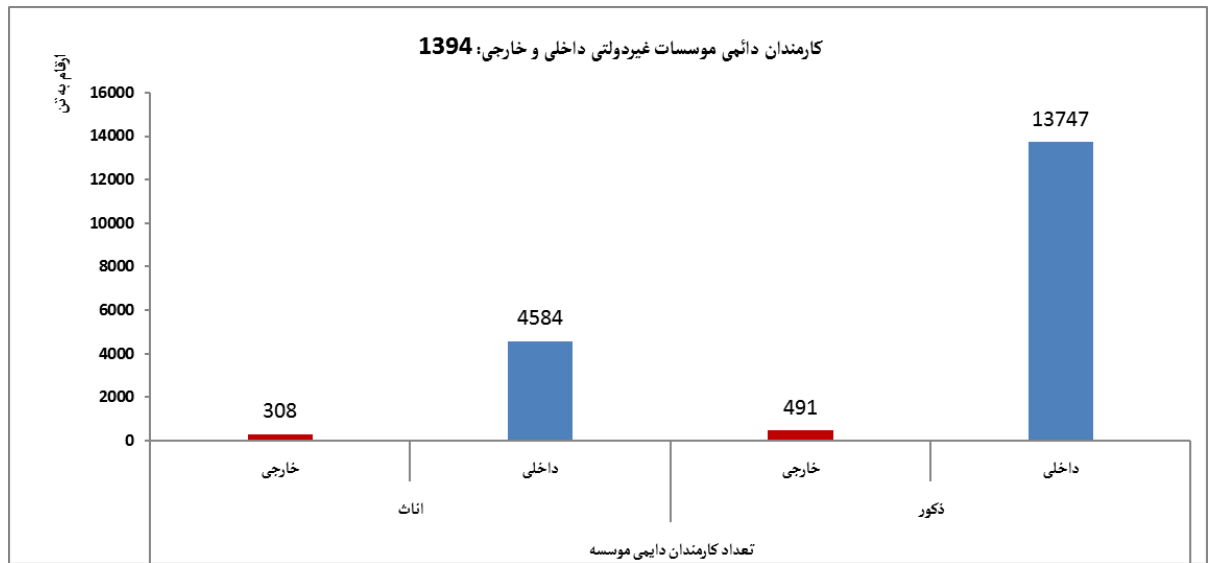


Chart 7



III Implementation of monitoring and supervision plan for Local and International NGOs:

Development projects in play main role in implementation of economic and social programs in developing countries. Experiences show effectively designed projects will be failed without having appropriate monitoring and supervision system, therefore it is important to have monitoring and supervision system for better implementation and progress of the project.

M&E is the main part of program and project management to insure achieving their goal and objectives. It insures that if the project is being in accordance with the designed plan or not. Therefore monitoring and supervision provides decision makers with necessary information regarding to progress of the quantity and quality of the project, play a vital role in project management.

By considering the mentioned point, and based on NGO Law, NGO Department visited 70 NGOs in 1394 to insure the consistency of the reports with their activities. Monitoring process was focused on the following points:

- Monitoring and control of quality and onetime project implementation.
- Reporting system, annual financial review, accomplishing tax responsibilities, and NGO legitimacy
- Coordination between NGOs and sectorial agencies in Kabul and Provinces.
- Comparison of project results and achievements with the activity reports
- Prevent the loss and waste of goods and property of NGOs, and their registration as public property for NGOs
- Identify positive and negative points of the project management in project implementation
- Sharing of directive comments with relevant NGOs to solve problems; and enhancing effectiveness and quality of the projects

It worth mentioning, based on designed plan for 1394, offices and projects of 70 NGOs (35 local, 35 International NGOs) were evaluated. The evaluated project were being implemented in Kabul, Parwan, and Kapisa provinces. Monitoring process were completed in two phases:

- In first phase 40 local and International NGOs
- In second phase 30 local and International NGOs

Phase I:

Monitoring results from monitoring of 40 NGOs show that 20 of them were local and the remaining 20 of them were International NGOs, and:

- These NGOs implemented 336 projects in the first quarter of 1394 (first quarter of 2015).
- Expenditure rate for the mentioned project was \$59.63 million (\$51 million project expenditure, \$8.63 million administration expenditure).
- A total of 189 project with the expenditure rate of \$46 million (\$39 million project expenditure, \$7 million administration expenditure) were implemented by International NGOs.
- A total of 147 project with the expenditure rate of \$13.6 million (\$12 million project expenditure, \$1.6 million administration expenditure) were implemented by Local NGOs.

Phase II:

Monitoring results from monitoring of 30 NGOs (15 local, 5 International NGOs) are as follow:

- These organizations implemented a total of 239 projects during the first 6 months of 1394.
- Expenditure rate for the mentioned project was \$54.73 million (\$45.66 million project expenditure, \$9.06 million administration expenditure).
- A total of 96 project with the expenditure rate of \$28.49 million (\$21.88 million project expenditure, \$6.61 million administration expenditure) were implemented by International NGOs.
- A total of 143 project with the expenditure rate of \$26.23 million (\$23.77 million project expenditure, \$2.45 million administration expenditure) were implemented by Local NGOs

Findings and results from monitoring of the 70 local and International NGOs:

Findings show that there were some shortcoming and deficiencies in some local and International NGOs which are explained bellow:

- A total of 12 NGOs (11 local, 1 international) didn't have good coordination with relevant sectorial organizations, which is required in article 33 of the NGO Law.
- Sixteen organizations (11 international, 5 local) didn't submit their audit reports, which is required in article 27 of the NGO Law.
- Eight NGOs (3 international, 5 local) didn't consider article 28 of the NGO Law regarding to transparency in their recruitment process through competency.

- Six International NGOs didn't consider article 28 of NGO Law in changing private number plates in to temporary number plates.
- Assigned delegation provided the NGOs with the necessary constructive instructions based on the NGO Law; and formally informed them to take necessary action for elimination of defects and deficiencies, and inform the NGO department from their accomplishment accordingly. Some of the these NGOs informed NGO department regarding to their action taken for eliminate these deficiencies.
- MoEc wants to develop its monitoring and supervision process to create effectiveness and transparency in NGOs' activities, to be acceptable for GIRoA, and Afghan people.
- Staff are not recruited based on open competency, which is required in article 28 of the NGO Law.
- Article 28 of the NGO Law was not considered by 6 International NGOs regarding to changing private number plates of their vehicles to temporary plates.

Assigned delegation provided the NGOs with the necessary constructive instructions based on the NGO Law; and formally informed them to take necessary action for elimination of defects and deficiencies, and inform the NGO department from their accomplishment accordingly. Some of the these NGOs informed NGO department regarding to their action taken for eliminate these deficiencies.

- MoEc wants to develop its monitoring and supervision process to create effectiveness and transparency in NGOs' activities, to be acceptable for GIRoA, and Afghan people.



PART-III

Providing Facilities for NGOs



Providing Facilities for NGOs

1– NGO Registration:

In light of the NGO Law and regulation on regulating MoEc activities, MoEc/NGO Department has the responsibility for registration of the local and International NGOs, and provides them with the opportunity for coordination of their works; and provides governmental and non-governmental organization with the information regarding to registration and dissolution process of the NGOs.

The main goal of the registration of new local and international organization is to provide them with the opportunity for getting technical and financial support from donors to provide services and implement welfare projects, pave the way for social and economic development, and creating employment opportunity for people to reduce poverty rate and promote social welfare.

Registration of newly established NGOs based on articles 4, 15, 16, 17, and 20 of the NGO Law will be started by receiving application, assessing of registration documents by Technical Commission in NGO department of MoEc. Then it will be sent to High Evaluation Commission for evaluation and final decision. After the approval of High Evaluation Commission , activity license will be issued.

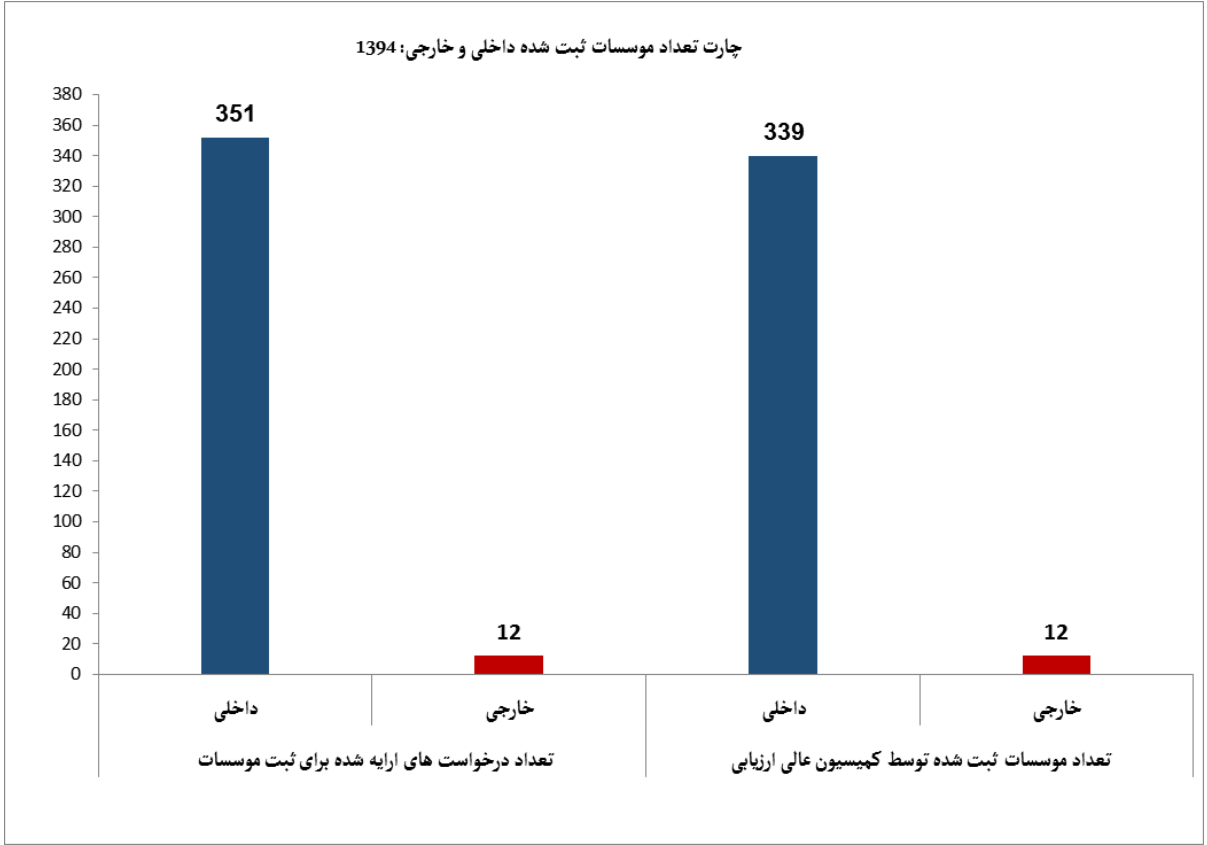
Performances of NGO Department regarding to NGO registration in 1394:

- NGO Department received 370 registration application from new established NGOs. Of these applications 358 of them were related to International NGOs, and the remaining 12 of them were from Local NGOs.
- From 358 applications for registration as Local NGOs, 339 of them were approved by the commission and they received their licenses.
- All the 12 application for registration as International NGOs were approved by the commission and they received their work license.
- It worth motioning, Local NGOs paid Afs3390000 , and International NGOs \$12000 as registration fees based on article 15 of the NGO Law, to the account in De Afghanistan Bank.

2– Visa services' facilities:

NGO Department got visa through MoI and MoFA for 2013 Local and International NGOs' employees in 1394. Of these people 923 of them got six month multiple and 1090 of them got entry visa.

Chart 8



Source: Local and International organizations annual reports, MoEc/NGO department.

3 – Work Permit Services:

In 1394, Work Permit services had provided for a total of 471 staff of Local and International NGOs by NGOs department through Ministry of Labors, Social Affairs, Martyrs and Disables. Of these work permits, 189 of them were newly issued to employees and actions have been taken on the renewal of Work Permit for 282 others.

Total	Renewal of Work Permit	New Work Permit	Year	No
۴۷۱ P	۲۸۲ P	۱۸۹ P	۱۳۹۴	۱
۸۹۲ P	۴۴۴ P	۴۴۸ P	۱۳۹۳	۲
۴۲۱ P	۱۶۲ P	۲۵۹ P	Increase and Decrease	

Total	Visa Renewal	External Visa	Internal Visa	Year	No
۲۰۱۳ P	۹۲۳ P	.	۱۰۹۰ P	۱۳۹۴	۱
۳۴۳۹ P	۱۸۱۱ P	.	۱۴۲۸ P	۱۳۹۳	۲
۱۴۲۶ P	۸۸۸ P	.	۵۳۸ P	Increase and Decrease	

4 – Customs Exemption and Technical Services:

Beside the registration, analyze, monitoring and evaluation of the activities of NGOs, MoEc is providing necessary facilities to deliver services to citizens through organization that are describing as follows:

A. Customs Exemption:

In 1394, customs exemption of the materials like (human and animal medicines, medical equipment, demining equipment, vehicles, stationeries, cloths and food staff) has been executed through MoF with the total cost of \$11.947.790, SD18.000, € 6.941.172, £ 120,463, Indian Rs64.193, Janinas Yen ¥3.249, Pakistani Rs 4.524.339 and Afs7.407.811.

Customs Exemption Chart

Currency	Difference	Currency	Year ۱۳۹۳	Currency	Year ۱۳۹۴	No
Dollars	۸۰۰۰۴۵.۸۳	Dollars	۱۲۷۴۷۸۳۵.۷۹	Dollars	۱۱۹۴۷۷۸۹.۹۶	۱
Euro	۱۱۳۵۴۰۰۳.۵۲	Euro	۱۸۲۹۵۱۷۵.۵	Euro	۶۹۴۱۱۷۱.۹۸	۲
Pond	۹۳۶۶۷.۰۹	Pond	۲۱۴۱۳۰.۱۲	Pond	۱۲۰۴۶۳.۰۳	۳
Indian Rupee s	۸۴۳۲۵۲.۴	Indian Rupee s	۹۰۷۴۴۶	Indian Rupee s	۶۴۱۹۳.۶۰	۴
Japanese Yan	۸۸۴	Japanese Yan	۲۳۶۵	Japanese Yan	۳۲۴۹	۵
Afghani	۱۱۲۵۶۷۰.۱	Afghani	۱۸۶۶۴۵۱۲	Afghani	۷۴۰۷۸۱۱	۶
Pakistan Rupees	۴۵۲۴۳۳۹.۲۴			Pakistan Rupees	۴۵۲۴۳۳۹.۲۴	۷
Singapore Dollar	۱۸۰۰۰			Singapore Dollar	۱۸۰۰۰	۸

B. Technical Services:

According to the article (30 and 41) of NGOs Law, MoEc in the provision of technical services in coordination with line ministries provided the following services in 1394 that includes ownership transformation and getting vehicle plate, renewal of vehicle license, getting radio license and frequency and getting work permit and its renewal.

Vehicle License Renewal and Ownership Transformation Chart

Total	Donated Vehicles	Purchased Vehicles	Year	No
۹۰	۱۸	۷۲	۱۳۹۴	۱
۱۳۶	۵۸	۷۸	۱۳۹۳	۲
۴۶	۴۰	۶	Increase and Decrease	

Total	Vehicle License Renewal	Ownership Transformation	Year	No
۱۰۵۱	۹۶۱	۹۰	۱۳۹۴	۱
۱۲۱۶	۱۰۳۷	۱۷۹	۱۳۹۳	۲
۱۶۵	۷۶	۸۹	Increase and Decrease	

Total	Renewal of Radio License	New Radio License	Year	No
۵۲۸	۴۶۶	۶۲	۱۳۹۴	۱
۱۵۷۵	۱۵۵۳	۲۲	۱۳۹۳	۲
۱۱۲۷	۱۰۸۷	۴۰	Increase and Decrease	

5- Reporting Through Website:

The Ministry of Economy is the registration, supervision, and coordination body for the NGOs’ activities in Afghanistan. Therefore, NGOs department recently launched online reporting system through MoEc website to collect reports from Local and International NGOs and maintain better mutual communication.

The main goal of this database is to receive the activity reports on timely bases and ensure the implementation of relevant projects of the NGOs.

In order to have access to the system, “Pass Word and User Name” has been distributed to 400 Local and International NGOs so far and the process of distribution of “PASSWORD Pass Word and User Name” is still on going to remaining NGOs. So far, a number of Local and International NGOs had uploaded their activities’ reports to the system.

MoEc decided to improve the online database system, aims to provide more facilities, avoid time wasting in the processing of documents, registration of new established NGOs and the ease of service provision in terms of visa processes and customs exemptions in the near future. MoEc wants to enable NGOs to easily process their documents and record them in the system for further actions.

PART IV

Challenges, Recommendations, and Future actions



Challenges, Recommendations and Future Actions

1- Challenges:

- Low level of cooperation of sectorial line ministries in relation to the signing of agreement and provision of the results of the projects' monitoring and evaluations with MoEc in accordance to the article (33) of NGOs Law.
- Article (27) of NGOs Law clearly states that "An NGO shall prepare an audit of its annual financial statements according to international standards and shall submit a copy of its report to the MoEc, MoF, and to donor agencies."
- Despite the fact that a number of NGOs couldn't implement any project in 1394 because of the lack of budget. As from the total number of 1004 NGOs who submitted their activities' reports, 163 of them reported that they didn't implement any project in this year. Thus, the audit of financial statements of these NGOs require high consideration. The imbalance expenditures of NGOs in the provinces in 1394 was a big problem. The highest level of expenditure was in Kabul, Takhar, Badakhshan, Balkh and Nangrahar provinces and the lowest was in Paktia, Noristan, Nimroz, Farah and Maidan Wardak provinces. Beside other factors, insecurity is one of the essential factors of this imbalanced situation.
- Lack of inclusive, credible and timely information on NGOs expenditures has limited the social and economic evaluation of the NGOs.
- Lack of accessible figures and statistics about NGOs activities resulted feeble coordination between NGOs, NGOs with Governmental organizations and NGOs with donor organizations in the different levels.
- As majority of the projects are depended on the donation of donor organizations, so reduction of international aid will affect sustainability of NGOs activities in the country.

2- Recommendations:

- Close cooperation of sectorial ministries with NGOs regarding the timely signing of the agreement and developing project coordination and supervision.
- Amendments in NGOs Law to provide better facilities for NGOs' activities.
- Improve the online information system management aiming to accelerate the process of information dealing and paving the ground for enhancing the coordination in the planning process and balance the expenditures of NGOs on provincial levels.
- Improving the security coordination mechanisms between security departments and NGOs.
- Provision of technical support to Local NGOs for technical capabilities in order to register in western countries to fundraise the humanitarian aid from international community.

3- Future Actions:

- **Incomes transferred to government accounts from taxes:** MoEc with the coordination and collaboration of MoF is struggling to pay full attention to NGOs' payable tax liabilities to ensure that all Local and International NGOs are paying their financial liabilities according to the article 30 of Income Tax Law. Meanwhile it is planned to conduct a number of meetings between NGOs and MoF in the near future to improve coordination and raise the NGOs awareness of their financial liabilities and customs exemptions and more facilities for the purpose of encouragement to all NGOs.
- **More analyses of aids by government budget:** To ensure transparency, significance and equalities in the projects' implementations and provision of services, MoEc is struggling to make sure that while the aids and services providing to communities through NGOs, the following points should be highly considered in their reports:
 - Expenditures through government budget
 - Expenditures though out of the government budget
 - Expenditures rate by provinces, districts and villages
 - Expenditures rate by sectors (Health, Agriculture, Education and Social Services)
 - Donation level of donor organizations to implementer NGOs
- **Improving coordination with donor organizations:** It is deriving from the activity reports of NGOs that because of poor coordination on local and national levels, repeated and uncoordinated projects are being implementing around the country. Therefore, to overcome the challenges, MoEc is assisting to improve coordination mechanisms between NGOs, donor organizations and sectorial ministries to increase the coordination level.
- **Facilitation and acceleration of service provision process to NGOs:** MoEc decided to improve the online database system, aims to provide more facilities, avoid time wasting in the processing of documents, registration of new established NGOs and the ease of service provision in terms of visa processes and customs exemptions in the near future. MoEc wants to enable NGOs to easily process their documents and record them in the system for further actions.