

United Nations Development Programme
Afghanistan
Counter Narcotics Trust Fund [CNTF]
Annual Progress Report – [2009]



Public Awareness Workshop in Kunduz Province

Project ID: 00045781

Duration: October 2005-December 2010

Strategic Plan Component: Crisis Prevention and Recovery

CPAP Component: Outcome VII

ANDS Component: Cross cutting Theme: Counter Narcotics

Total Budget: USD 900 Million

Responsible Agency: Ministry of Finance & Ministry of Counter Narcotics

CNTF DONORS



Australia



Canada



United Kingdom



Japan



European Commission



Latvia



Cyprus



New Zealand



DFID



SIDA



Italy



Iceland



UNDP



Poland



USAID



Spain



Sweden



Korea



Estonia

ABBREVIATIONS & ACRONYMS

AL	Alternative Livelihoods
CNTF	Counter Narcotics Trust Fund
DDR	Drug Demand Reduction
GPI	Good Performance Initiative
MB	Management Board
MCN	Ministry of Counter Narcotics
NDCS	National Drug Control Strategy
UNDP	United Nations Development Programme
MoEW	Ministry of Energy & Water
MoF	Ministry of Finance
MoH	Ministry of Hajj & Pilgrimage
MoLSAMD	Ministry of Labor, Social Affairs, Martyrs and Disabled
MoPH	Ministry of Public Health
MoPW	Ministry of Public Works
MoWA	Ministry of Women's Affairs
MRRD	Ministry of Rural Rehabilitation & Development
SC	Steering Committee
TF	Trust Fund

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Executive Summary

The Counter Narcotics Trust Fund (CNTF) completed its stipulated duration by the end of December 2008. However, as a number of Line Ministries (LMs) projects were still in progress, it was decided to extend the project initially for first six months and later on till end of 2009. The project continued to fund the implementation of LMs projects.

The reporting year proved to be the most productive of CNTF in terms of LMs project implementation and completion. Significant progress was made as of total ongoing projects 21 projects were completed during the year with overall utilization of USD 36.8 million. Besides, progress on implementation of Good Performers initiative also continued as of total incomplete projects 9 projects were completed. Additionally, 3 have neared the completion as over 80% progresses have been recorded in the projects.

Although significant progress was observed, still a number of projects remain incomplete. Keeping the incomplete projects in view, CNTF Steering Committee (SC) recommended further extension of the project which will allow LMs to complete their projects. Hence, the project was further extended for a period of 12 months (till December 2010).

Security remained one of the main challenges faced by the project as it restricted project monitoring. The instable security situation did not allow the full coverage of projects by the monitoring team and CNTF had to rely on the LMs reports. In addition, the Government introduced new payment procedure where Ministry of Economy had to clear each payment before disbursements delaying the payment process during the first halve of the year. However, later on, the process was repelled, allowing smooth disbursements.

CNTF will continue to support implementation of the projects by LMs during the year 2010. In addition, regular follow ups will be made with the LMs to ensure that all projects are completed during the extended period. Moreover, final evaluation of the project will also be conducted which will feed in to the future programming in the area of Counter Narcotics (CN).

I. Context

The CNTF, officially established in October 2005, is a multi-donor funding source that contributes to fulfilling objectives of the National Drug Control Strategy (NDCS) of Government of Afghanistan (GoA). The NDCS remains the overall policy and strategy for Counter Narcotics (CN) activities. The key principles behind the Trust Fund (TF) are to provide additional resources for the Government's CN efforts through the national development budget, thus enabling the Government of Afghanistan (GoA) to have greater ownership over implementation of its CN strategy, ensuring transparency and accountability in allocation of the resources and promoting greater coherence in the funding of CN related activities among the international partners.

CNTF is implemented as per the National Implementation (NIM) modality and as such the GoA retains the overall responsibility for CNTF through its designated institutions: the Ministry of Finance (MoF) and Ministry of Counter Narcotics (MCN). The Line Ministries (LMs) serve as the implementing partners of projects funded by CNTF and work closely with the MCN to identify, develop and implement CN related activities and projects within their mandated areas. The MCN is responsible for coordination, policy making, monitoring and evaluation of all CN activities including efforts at both national and sub-national levels.

UNDP, as the administrator of the TF ensures the management of the Fund while ensuring national leadership, effective and efficient delivery. UNDP is responsible for supporting the GoA in mobilization of resources for the fund, coordination and management of the fund in accordance with the UNDP financial rules and regulations; reporting and liaison with relevant partner institutions and stakeholders.

CN is one of the 6 cross-cutting issues cited in the Afghanistan National Development Strategy (ANDS). The cross cutting strategy is the NDCS, which ensures that all line ministries play an active role in contributing to CN aims and objectives. Specific benchmarks have been set up to monitor the progress. The 2 core Benchmarks of ANDS state that 1) "By Jaddi 1389 (the end of 2010) the Government will design and implement programs to achieve a sustained annual reduction in the amount of land under poppy and other drugs cultivation, by strengthening and diversification of licit livelihoods and other counter-narcotics measures as part of the Government's overall goal of a decrease in the absolute and relative size of the drug economy, in line with the Government' MDG target"; and 2) "By the end of 1389 (20 March 2011), the Government of Afghanistan will implement programs to reduce the demand for drugs and provide improved treatment for drug users".

CNTF, contributing to one of the six cross cutting issues of ANDS, has contributed to drug reduction through its licit livelihoods projects. CNTF outputs were pursued in line with the Government of Afghanistan's CN policy, which is to combine eradication with alternative livelihoods so that farmers have the practical means to make a lasting move into the legal economy. Alternative livelihoods projects and promotion of licit economic activities have been at the core of the CNTF as illustrated by the fact that over 70% of the CNTF funded projects are livelihoods related.

CNTF effectively contributed to the two benchmarks of ANDS through diverse activities designed in accordance with the NDCS. In 2009, while poppy cultivation increased in the south, particularly in Helmand province, the trend in the north, east and central regions were in the opposite direction. The number of poppy-free provinces has increased from 18 in 2008 to 20 in 2009 a 19% reduction in the overall cultivation of opium poppies was reported by United Nations Office on Drug and Crime (UNODC) in December 2009.

CNTF funded projects are intended to enhance food production through rehabilitation of arable land and the irrigation networks, improve access to markets, provide electricity and education vocational services, and other means to ensure that Afghan individuals are supported in

establishing licit livelihoods. The Fund is also making a targeted effort to ensure that approved projects benefit women as well as marginalized and vulnerable groups such as drug addicts.

The project is focused on supporting the MCN to implement the NDCS and as such meet the overall objective of reducing and eliminating the poppy cultivation. Hence, the MCN was the direct implementing partner of the project in addition to the MoF, responsible for the disbursement of funds. Besides, Ministry of Agriculture, Irrigation & Livestock (MAIL) Ministry of Education (MoE), Ministry of Energy & Water (MoEW), Ministry of Hajj & Pilgrimage (MoH) Ministry of Labor, Social Affairs, Martyrs and Disabled (MoLSAMD), Ministry of Public Health (MoPH) Ministry of Public Works (MoPW) Ministry of Women's Affairs (MoWA), and Ministry of Rural Rehabilitation & Development (MRRD) were the LMs responsible for the implementation of the projects.

II. Performance Review

1. Overall progress towards the ANDS benchmark(s)

Counter Narcotics is one of the 6 cross-cutting issues of the Afghanistan National Development Strategy (ANDS). The cross cutting strategy is the National Drug Control Strategy (NDCS), which ensures that all LMs play an active role in contributing to the counter narcotics aims and objectives.

Specific benchmarks have been set up to monitor the progress. The 2 core Benchmarks stipulates "By Jaddi 1389 (end 2010) the Government will design and implement programs to achieve a sustained annual reduction in the amount of land under poppy and other drugs cultivation, by strengthening and diversification of licit livelihoods and other counter-narcotics measures as part of the Government's overall goal of a decrease in the absolute and relative size of the drug economy, in line with the Government' MDG target", and "By the end of 1389 (20 March 2011), the Government of Afghanistan will implement programs to reduce the demand for drugs and provide improved treatment for drug users". CNTF has clearly collaborated to achieving outcomes toward both benchmarks.

In 2009, the CNTF resources continued to be allocated to support the GoA to achieve the objectives of its NDCS through implementation of the earlier approved projects. Similarly, funding under the Good Performance Initiatives¹ (GPI), a Window of CNTF, continued to reward provinces with funding for their priority development projects approved earlier.

2. Overall progress towards the UNDAF outcome

The CNTF contributes to the United Nations Development Assistance Framework (UNDAF), in particular to achieving the UNDAF outcome 2: "By 2008, opportunities, skills and infrastructure that allow for active participation and strengthened formal economy and private sector are improved, particularly for poor and vulnerable groups." 75% of the 67 approved and ongoing CNTF & GPI projects are intended to enhance the access of Afghans to assets and licit income for livelihood in the rural areas.

CNTF funded projects are intended to enhance food production through rehabilitation of arable land and the irrigation networks, improve access to markets, provide electricity and education vocational services, and other means to ensure that Afghan individuals are supported in establishing licit livelihoods. The Fund is also making a targeted effort to ensure that approved projects benefit women as well as marginalized and vulnerable groups such as drug addicts.

¹ In the spring 2007, a new initiative to reward poppy free and good performing provinces (Good Performance Initiative (GPI)) was launched. Detailed description of the initiative is provided below under the Good Performance Initiative.

3. Overall progress towards the CPAP outcome and output

CNTF has made steady progress towards the CPAP outcome 7 - output 7: "Access to social and economical opportunities (local poverty initiatives, private sector development, alternative livelihoods improved for the poor and vulnerable groups". The largest share of CNTF projects implementation falls under the NDCS Alternative Livelihoods pillar, which directly works towards offering alternative livelihoods to farmers.

CNTF is also making a targeted effort to ensure that approved projects benefit women as well as marginalized and vulnerable groups in particular through its Public awareness, health related and vocational training projects that particularly target the vulnerable groups

Implementation strategy review

1. Participatory/Consultative processes/Quality of partnerships

The CNTF since its establishment has been a participatory and consultative project. The project document and its current implementation strategy is the result of close collaboration between the GoA (MoF and MCN), the LMs and the Management Board (MB) which includes Donors, International organizations, the Government of UK as a leading nation in Counter-Narcotics and the UN (UNAMA, UNDP and UNODC).

The participatory and consultative mechanism of the CNTF is the Steering Committee (SC) which is attended by all donors' representatives plus the MB Members and UNODC. LMs and technical departments at the national level have carried out needs assessments and designed projects in close consultation with the provincial authorities and local communities.

Funds have also been allocated to projects after a comprehensive screening process by a Technical Review Panel and the Review Committee. Representatives of all stakeholders have been included as part of the review mechanisms to ensure transparency and accountability in the selection process.

The CNTF, MCN and MoF have developed a strong partnership in which the full range of difficult and complex issues have been jointly discussed and resolved. The MCN has been building partnerships with LMs in order to more effectively implement projects.

3. National ownership & Sustainability

The CNTF is a nationally owned and implemented project. As such, the GoA remained in lead role in setting up priorities, resource allocation, project implementation, monitoring and supervision. The fund was administered by UNDP while financial resources were channeled through Da Afghanistan Bank to MoF, enabling the GoA to continually strengthen its ability to manage and oversee the expenditures made under the project.

Management effectiveness review

1. Quality of monitoring

Monitoring of Projects

The monitoring of the projects is the primary responsibility of the LMs. Besides, CNTF also conducted field monitoring of projects in order to ensure that the projects are on track and are

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being implemented as per actual terms and specifications. A total of 38 field monitoring missions to 18 different provinces were undertaken by the CNTF staff during the reporting year. During the field monitoring missions, a number of technical flaws and deviations from actual specifications were identified. The responsible contractors were provided with real time feedback and as such corrective measures were undertaken.

Monitoring of financial transactions

The Monitoring Agent (MA) team has been providing audit check and control; support and report on the accuracy, as well as efficient and effective implementation, of the financial controls of approved CNTF funded projects since mid 2007 and its service extension during 2008 and 2009. Specific activities undertaken by the team during the review period included:

- Review and audit project budget and commitments and facilitation of transaction for timely disbursement of funds from the special account to LMs,
- Assurance of the proper disbursement of the funds and audit if the transactions and procurement are in line with the GoA/UNDP rules and procedures,
- Providing institutional capacity building support to improve financial management application by the MoF and the LMs.

The MA team established good relations and contact with the concerned personnel at the UNDP, CNTF, MoF, MCN and the LMs. CNTF related documentations such as laws, guidelines, procedures, manuals and relevant reports were also reviewed.

The Annual Financial Report, covering the period January 2009-December 2009 was prepared focusing on the overall financial management of the projects funded by CNTF with chapters on Project Financial Report, Audit Issues and Institutional Capacity Building plans.

The MA Team conducted audits on a project wise basis at the LMs and assessed the financial management capacity and existing internal controls in the course of their contact. The monthly Financial Reports for all 12 months highlighted more specific financial, compliance and controls issues from a project financial management context.

The MA provided reports on a monthly and quarterly basis to UNDP. These reports provided insight into the utilization of funds and findings upon examination of expenditure documents of the CNTF projects. A summary of the report findings were shared with the CNTF Director who in close consultation with the MoF and the MCN took actions to resolve the findings.

The MA presented its overall findings to the MB at the MB Meetings. The monitoring results in financial terms, monitoring issues, capacity building actions and future recommendations were also highlighted.

2. Timely delivery of outputs

As was reported in previous Annual reports, CNTF activities (including some of the GPI-funded projects) faced significant delays especially in the areas of project design/development and implementation. These served to undermine timely achievement of some of the delivery targets for previous years warranting extension of the project. However, significant improvement in the implementation speed of the projects was observed during the year as a total of 21 CNTF projects and 26 GPI projects were completed during the year.

3. Resource allocation

A total expenditure of USD **28,653,409.62** million took place during the reporting year. The operating costs of the Fund were supported by the CNTF as of 1 January 2009. Of the total

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expenditure, USD **1,053,304.41** was spent on project administration. Comparatively, the project administration cost formed 96% of the total expenditure made during the year.

4. Cost-effective use of inputs

The available inputs – staff, transport, equipment, etc- were used in a highly efficient manner, as shown in the constant rate of expenditure. It is important to note that the CNTF unit at MCN had no international staff and that all operations and management activities were carried out by the national staff signifying the increased capacity of the national CNTF team. More importantly, the significant improvement of the delivery was also made possible by the efficient use of the available resources.

Implementation Progress

Output 1:

Strong, well resourced, staffed and coordinated Afghan Government counter narcotics institutions in Kabul and at provincial level leading an international effort to eliminate poppy cultivation in Afghanistan

The Capacity Development project was initiated as main compound of the project for the Government of Afghanistan (GoA) to develop and implement Counter Narcotics (CN) projects through the LMs and related agencies. A detailed capacity needs assessment was carried out in 2007-2008, within 12 LMs to evaluate the current status of capacities in relation to writing, developing and managing CN related projects as well as on their understanding role and function of the CNTF and MCN in order to assess the impact of the projects. Similar exercise was also carried out within CNTF, aiming at properly defining whether the skill set is sufficient to process all the project related cycles from and through the LMs in the most professional and efficient way.

The capacity development, however, could not be perused this year because the project was focused on closure during the course of the year. On 5th September 2009, a one day capacity building workshop was organized where 39 CNTF and MCN staff participated and received training on report writing and M&E.

Output 2:

Comprehensive and credible Ministry of Counter Narcotics led information campaign that discourages involvement in the drug industry and effectively supports to all pillars of the Islamic Republic of Afghanistan's National Drug Control Strategy

2.1 Harm Reduction (National HIV/AIDS Control Program)

The project goal is to help raising awareness and tackle risks of HIV/AIDS and other blood borne diseases being spread through sharing of needles and syringes by Injecting Drug Users (IDUs). Community based outreach services were provided in Herat and Balkh Volunteer Confidential Counseling and Testing (VCCT) centers. 41,000 harm reduction kits have been distributed in both Balkh and Hirat provinces. 330 outreach visits were performed to Balkh and Heart provinces. The printing and distribution of around 30,000 Information Education and Communication (IEC) materials was completed in the targeted provinces.

2.2 Drug Free Educational Environment Project

The project aimed to reduce the risk of drug use among children and maintain an educational environment, which is drug-free for children and youth. Educational Counter Narcotics Strategy, messages through curriculum, audio/video messages, and support for Afghan Radio Television

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(ARTV) coverage expansion could help convey the messages of education and the abuses of narcotics to the youth were the key aspects of this component.

During the year, the nation-wide project reached 12600 General Education Schools, 578 Islamic Schools, and 60 Vocational Schools. The information projects were implemented by the Ministry of Education (MoE) producing following results till end of the year:

- Drafted Education Counter Narcotics Strategy and submitted to CNTF for review, this would ensure a comprehensive educational programming in the context of Counter Narcotics.
- Drafted standard procedures for the identification of drug abusing and addicted students.
- Incorporated CN messages into the core primary and secondary grade curriculum
- Translated CN awareness raising text manual and inserted into the Third Languages curriculum
- Air Education Radio TV (ERTV) generated CN video spots on RTA and other TV channels.
- Expanded Educational Radio TV coverage nationally and internationally through satellite uplink: ERTV satellite procurement is under process

This project has helped MoE to establish strong communication with provincial authorities, media personnel, and the public through provincial outreach coordinators. The provincial outreach coordinators have helped convey the messages of counter narcotics and other messages related to MoE to the capital from provinces and/or from the capital to the provinces. The impact of this information campaign will be felt over the years as the children in school receive counter narcotics messages and internalize them.

Output3:

Increased access to sustainable licit livelihoods opportunities for all citizens in every province of Afghanistan

The LMs continued to focus on completion of the already approved projects during the year. Significant improvement in the pace of implementation of the projects was observed and good number of projects was completed during the year. A total of 33 projects have been approved for implementation by the MB since the start of CNTF. Of the total, 7 were completed earlier while 4 were cancelled. During the year, of the total ongoing projects, 21 were completed, 4 were cancelled and 8 are currently under implementation. Below is an overview of the projects implemented under the alternative livelihoods output of CNTF.

3.1 Projects Completed during the year: Below is the list of projects completed during 2009:

- Construction of protection wall (255 Meter gabion wall) in village Da-e-Zangi, district Aabkamari of Badghis province. The project generated 5,025 person days with 630 persons benefitting directly from it. Agriculture land and irrigation systems are protected from floods
- Construction of (480 Meter) protection walls (Kemenj in Shahrak and Sangbar & Wazhgona in Cheghcheran); Shahrak and Chaghcharan; Ghor generating 8,085 person days with 280 workers directly benefitted by the project irrigation systems are protected from floods
- Construction of 1,212 Meter protection walls in Nengarhar province (districts Koot & Muhmand Dara and Gul Ahmad, Anarkhail, Safi Meshwani and Daka villages). The project generated 17,383 person days by involving 579 workers. By the construction of these walls the irrigation systems are protected from floods and people are saying that construction of protection walls have good impact on their crops.
- Construction of protection wall (1,400 meter) in Samangan province (district: Dar-e-Souf - e-bala Sare Long, Dani Sorab Zeraki, Zeraki Sarki, Zeraki Gagnici & Garbi Zeraki). The

project generated 23,900 person days by involving 735 workers. Agriculture land and irrigation systems are protected from floods. This is a unique project in the area and protected a lot of property and land from floods.

- The Retaining Wall in Kabul province (Qara Bagh, Daud Zaie) was built by transferring \$ 600,000 from the Qades road project. The project generated 572 workdays and employed 19 workers making the land in the area now safe from floods
- Retaining Wall in Kabul (Char Asaib, Kakara) construction completed through generation of 10,341 workdays and the land is safe from floods.
- Rehabilitation of Aab-e-Barik Canal (6.81 Km) in Badghis province (Aabkamari/Aab-Bareek) generated 1,546 person days by engaging 581 workers. People now have access to irrigation water
- Cleaning of 30 Kilo-meter canal in Faryab province (Deh Miran and Takhara villages of Gurzeewan & Takhara & Deh Miran districts) generating 11,700 workdays by employing 637 workers giving people access to irrigation water.
- Construction of diversion dam in Faryab province (Gurzeewan, Takhara) generating 2,587 workdays by employing 84 workers. Irrigation water is available for growing crops
- Boring of 85 deep wells in Balkh province (Centre, Nar-e-Shahi, Charboolak, Balkh, Dehdadi & Charkent) generating 1,470 workdays and employing 25 workers. Incidence of water born disease has been decreased since boring of deep wells
- Road construction and Asphalt work (16.26KM) from Pule Imam Mukri to Chermal District Centre in Balkh province has generated 85,633 workdays. Access to markets and other facilities since construction of this road transportation and goods cost have decreased. It is reported that security situation has improved too.
- Road Construction and Asphalt (2.4 KM) from Balkh City Road to Balkh District connecting several villages as many as 18,076 workdays were generated. The project has improved access to the market, cost of transportation and goods have decreased. Reportedly the security situation is better too.
- Construction of 162 Meter long bridge in Bangi district of Takhar province. The project generated 20,908 workdays for 420 labour providing people access to markets and other facilities.
- Construction of 200 Meter long suspension bridge in Takhar province (Qaghni, Darqad) generating 13,268 workdays for 442 and increased access to markets and has good impact in cost of transportation and goods.
- Construction of (410 Meter) protection walls & 370 Meter retaining wall besides one intake in Farah (Anar Dara & Bala Blook – Anar Dara Bazaar and Pooza-e-Langar of Bala Blook) workdays: 13,875 workers : 525. The land is safe from floods. The project component located in Balabolok district could not be completed due to security problems.

3.2 Ongoing Projects:

3.2.1 Labour Based Rural Development Programme

The CNTF MB approved USD 19 million for the Labour Based Rural Development Programme (LBRDP) in June 2008, to be implemented in Badakhshan, Badghis, Baghlan, Balkh, Farah, Hirat, Jozjan, Kunar, Nimroz, Samangan, Sar-e-pol, Takhar, Kunduz and Faryab provinces of the country through Ministry of Rural Rehabilitation and Development (MRRD). The projects are estimated to generate 2,123,654 workdays. The programme will be providing access to the markets, water for irrigation and drinking and secure land from inundation.

Output 7:

The Afghan population aware and educated of the risks and dangers of drug abuse and a comprehensive and coordinated drug treatment, rehabilitation, aftercare and social reintegration program established in key provincial centres, including residential treatment centres and community-based services

7.1 Drug Demand Reduction Treatment Centres (Two Community Treatment Centres), Ministry of Public Health

The objective of the three-year Drug Demand Reduction Treatment Centres project, implemented by Ministry of Public Health (MoPH), was to establish two residential drug user treatment centres in Jalalabad (Nangarhar) and Mazar (Balkh).

The project for 2nd year was successfully completed as it enabled MoPH to expand audience and improve its design and methods of communications. The project represented one section of the NDCS 5 years demand reduction implementation plan and constituted a key initiative within a national integrated and comprehensive network of drug treatment rehabilitation and harm reduction services for drug users and their families. The major achievements of the project are explained below:

- Treatment: 537 (Male= 494 and Female= 43)
- Referral: 18
- Relapse: 33
- Counseling: 1,107 (Male=1,000 and Female=107)
- Follow Up: 1251
- Harm Reduction: 15
- Awareness: 14,127

All 537 treated persons have become active members of the community. One of the addicts joined CNTF project after treatment and is working as a driver in Nangarhar hospital. These interventions carried out by the two centers consolidated in to a programme that treated drug addicts, counseled them and their care takers and also generated awareness among the people about harms and how to stay away from the abuse and addiction. Through the de-addiction program relevant experience has been gathered in the field of drug demand reduction as it is a new practice in Afghanistan.

The drug demand reduction pillar needs long term support and funding as there are limited health facilities and long list of patients. The project has requested for a no cost extension up to March 31, 2010.

Good Performance Initiative (GPI) Window

The GPI completed its third year after its endorsement by the CNTF MB in February 2007 and entrance into operation with the signature of the Grant Agreement between USAID and UNDP on 31 May 2007. The key objective of the GPI is to support and reward provinces that achieve sustained progress towards poppy elimination or remain poppy free by providing them financial resources to fund their priority development projects. The GPI status is granted on the basis of the UNODC yearly Afghan Opium Survey.

The GPI which is a GoA initiative is funded by USAID and UK. Operationally, GPI aims at delivering projects in a timely, cost effective and transparent manner to help ensure communities are motivated to stay away from poppy cultivation. To this end, GPI operates as a separate window within the CNTF and its funds are managed, approved and contracted directly by the MCN, thus providing a challenging opportunity for capacity building for the GoA.

The implementation of GPI is different from the CNTF. The MCN receives, approves and out sources implementation of approved projects to private contractors or NGOs, acting on behalf of provincial administrations and in coordination with the MoF. The projects funded under the GPI are reinforcing the success of the government in the implementation of the NDCS.

Since no new projects were approved during the year, the overall focus remained on completion of the already approved projects. The GPI Review Committee had approved 37 projects for

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funding through GPI. Of these, 16 were completed earlier while 10 were completed during 2009 . Currently 13 projects are at different implementation stages. Below is the list of the projects:

The implementation of GPI projects contributed significantly to the poppy cultivation reduction. A total of 20 provinces were declared poppy free in the UNODC December 2009 report. Considerable reduction was also report in 20 provinces (an increase of 2 provinces over the last year).

Implementation Challenges

Risks

Security: The persistent, and in some cases increasing, insecurity continued to adversely impact the implementation of projects funded by CNTF and GPI.

It is not always easy to mitigate unprecedented security risks in Afghanistan but working closely with the local authorities at the provincial level along with enhanced advocacies with the stakeholders mitigated the security risks to quite an extent.

Financial: Financial progress of the project had been slow and was further affected by the additional process management steps introduced by the Government requiring all invoices to be approved by the Ministry of Economy. This resulted in significant delays in the payment to the implanting partners. However, the procedures were later on changed and processes were simplified which facilitated project implementation.

Issues

CNTF Administration: The CNTF Steering Committee, on August 31, 2008, decided that the Trust Fund should be gradually wind down while developing a management plan for the successful completion of the projects, which are currently in the system. This revision was made to the CNTF Project Document and was signed on October 25, 2008 to extend the project duration as a result of extension of project activities for a further period of six months, until June 30, 2009. However, the project had to be further extended till 31 December 2009. The SC demanded UNDP to continue its role of fund administration till full implementation of the Management Plan. Hence, the project was implemented till end of 2010.

Future Plans

Continues follow up on implementation of ongoing projects: CNTF will focus on assurance role, implementation and completion of the ongoing project activities during the year 2010. Regular field monitoring will be undertaken to assess the implementation progress as well as quality control. In addition, follow ups will be made with the LMs in order to ensure that all projects are completed in a timely manner.

Project Evaluation: An independent evaluation of the CNTF will be undertaken which report on the achievement of the results while also will be providing recommendations on future involvement of UNDP in the CN sector. UNDP will also pursue its future course of action in the area of CN in light of the project evaluation.

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Table1. Funding Overview

Donor	Commitment (Currency of the Agreement)	Received (Currency of the Agreement)	Received (USD)	UNORE	Balance (Currency of the Agreement)
Australia	AUD 2,000,000	2,000,000	1,526,718	1.310	
New Zealand	NZ\$ 500,000	500,000	352,609	1.418	
EC	EUR15,000,000	12,000,000	14,117,647	0.850	
		1701891.36	2,363,738	0.72	
Estonia	USD 50,000	50,000	50,000	1	
UNDP	USD1,362,721	1,362,721	1,362,721	1	
UK(DFID)	GBP 20,000,000	3,500,000	6,086,957	0.575	28,695,652
UK (ADIDU)	GBP 5,500,000	5,500,000	9,565,217	0.750	
Japan	USD 5000,000	5,000,000	5,000,000		
Cyprus	USD 10,000	10,000	10,000	1	
Canada	CDN\$1,200,000	1,200,000	1,052,632	1.140	
Italy	EUR1,500,000	1000,000	1,965,191	0.759	
		500,000			
Poland	USD 100,000	100,000	100,000	1	
Spain	EUR250,000	250,000	336,022	0.740	
Korea	USD200,000	200,000	200,000	1	
Iceland	USD100,000	100,000	100,000	1	
Latvia	USD20,000	20,000	20,000	1	
Greece	USD442,478	442,478	442,478	1	
Sweden	USD2,000,000	2,000,000	2,000,000	1	
USA	USD105,915	105,915	105,915	1	
CANDA(DFID)	CDN\$ 3,000,000	3,000,000	2,396,166	1.310	
Total			49,155,887		
Good Performance Initiative (GPI)					
USAID	USD15,000,000	10,000,000	10,000,000	1	5000,000
UK	GBP1,300,000	1,300,000	2,680,412	0.485	
UK	GBP2,000,000	1,000,000	3,976,143	0.503	
UK	GBP 1,000,000	1,000,000	2,066,078	0.48	
Total			18,722,634		
Grand Total			67,876,644		

Project Name	CNTF
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Table 2: Expenditure Status (by activity)

Output	Budget	Expenditure in 2009 (January 01- 31 December)	Balance
Activity 01(Institutional building)	1,645,387.83	1,053,304.41	555,627.03
Activity 02 (information Campaign)	2,143,805.13	1,365,039.08	651,796.67
Activity 03 (Alternative Livelihood)	28,961,732.98	24,255,041.55	24,255,041.55
Activity 07 (Drug demand Reduction)	2,308,419.01	1,230,774.29	1,230,774.29
GMS		749,250.29	
Total	35,059,344.95	28,653,409.62	6,405,935.33

Annexes

Annex I: Performance Tracking Matrix

Result/Goals	Performance Indicators	Baseline Info	Performance Benchmark and Targets	Implementation Progress in reporting year
1-Strong ,well staffed and coordinated Afghan Government CN institutions in Kabul and at provincial level leading an international effort to eliminate poppy cultivation in Afghanistan.	1-number of communication/ dissemination workshops and on the job trainings to be conducted.	1- CN focal points in ten line ministries partially trained in procurement/financial management, project lifecycle management. Little dissemination of project	1- Two communication/ dissemination workshops and 2 training events to be conducted.	The workshops were conducted as per the plan.
2-Comprehensive and credible Ministry of Counter Narcotics led information campaign that discourages involvement in the drug	2- International opinion and key partners , public are better informed about NDCS and CNTF	2-over 17,500,000 textbooks containing counter narcotics messages have been printed, 70 master trainers have been selected. 41,000 harm reduction kits	2- All the textbooks will be distributed to the school students, master trainers will be trained, and video clips will be made and distributed.	The textbooks were distributed to the students as well as video clips were made and televised.
3- Increased access to sustainable licit livelihoods opportunities for all citizens in every province of Afghanistan	3-The number of CNTF and GPI projects to be either completed or at an advanced stage	3- 2008- CNTF 12 projects completed, 19 projects are under implementation; GPI 7 projects completed, 30 provinces projects are under different implementation or procurement stages	3-7 CNTF projects will be completed while the 12 other projects will be at an advance stage ; 10 GPI projects will be completed and 18 other	
4- The Afghan population aware and educated of the risks and dangers of drug abuse and a comprehensive and coordinated drug treatment	4-number of addicts treated. Number of people having an awareness of the harms of drug use	4- 2008- Provincial community outreach drug treatment centres in 8 provinces established and functioning. 1st phase ended, 2nd phase started.	4-2nd phase of the established treatment centres in 8 provinces will be completed.	The treatment centres continued to rehabilitate the drug addicts in all of the target areas.

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Annex II: Risk Log

RISK LOG

Project Title: Counter Narcotics Trust Fund (CNTF)	Award ID:40456	Date: 2009
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#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted , updated by	Last Update	Status
1	Construction halted due to potential threats to employee of the construction company	23/04/2009	Operational	High	Project has been reorganised	Subhash Misra CNTF advisor	Zubaida	25/10/2009	changed
1.1	Bidders providing quotations above the contract amount				Project cancelled as even repeated bidding it was not possible to attract contractors				<i>changed</i>
1.2	Effective and timely project closure	19/10/2009		<i>High</i>	Steering committee meeting was organised to make the donors aware of the situation and steps to be taken				<i>changed</i>
2	Socio-political problems and influence-peddling which are heightened in insecure districts	23/04/2009	Political	Text	Some community meetings organised	Subhash Misra CNTF advisor		25/10/2009	

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<p>3</p> <p>3.1</p>	<p>Field monitoring is risky for CNTF and Line Ministries staff</p> <p>Deterring potential and qualified bidders from applying. This is particularly so in the companies. The result is fewer bidders and often local bidders. There are quite a few CNTF and GPI projects for which more than one round of p case of out-of province</p> <p>No let up in the security situation</p>	<p>23/04/2009</p> <p>19/10/2009</p>	<p>Security</p>	<p>High</p>	<p>Have tried to organize monitoring through local staff</p> <p>Since there are no new project approved being sanction, attempts are being made to cancel the improbable project.</p> <p>Not much can be done by the project on this post-factu but security concentration were attempted to prevail the project design</p>	<p>Subhash Misra CNTF advisor</p>	<p>Zubaida</p>	<p>25/10/2009</p> <p>25/10/2009</p>	<p>Changed</p> <p>Changed</p> <p>The same</p>
<p>4</p> <p>4.1</p>	<p>By end of 30 June the funds would be transferred to the MoF and this may delay disbursement because of initial teaching issues</p> <p>Delays in financial disbursement in the past has impacted the projects</p> <p>Transfer and management of funds beyond 31 December 2009</p>	<p>23/04/2009</p>	<p>Financial</p>	<p>High</p>	<p>Project was extended till 31 December 2009 because MOF was not ready to received fund , attempts are being made to resolve this and work out solution</p> <p>The system have been changed and have been speedy disbursement now</p> <p>This has to be discussed at the MOF and possible modality to be worked out</p>	<p>Subhash Misra CNTF advisor</p>	<p>Zubaida</p>	<p>22/10/2009</p> <p>25/10/2009</p> <p>25/10/2009</p>	<p>Changed</p> <p>Changed</p> <p>Changed</p>

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5	As UNDP phases out in its role as the administrators; the capacity of MCN, CNTF and LM will be under test	23/04/2009	Organizational		If there are residual project they would have to be handled by sectors, ministries and projects with proven capacity.	Subhash Misra CNTF Advisor	Zubaida	25/10/2009	
6	some projects can be delayed because of environmental reasons -- winters and floods	23/04/2009	Environment		There are recurrent phenomenon and had been incorporated in project designed but some projects because of other delays (for instance fund disbursement)were pushed to these season risks	Subhash Misra CNTF Advisor	Zubaida	25/10/2009	Changed
6.1	Projects that are likely to go beyond December are likely to be affected by the winter	12/01/2009							

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Annex III: Issue Log²

ISSUES LOG						Date: 2009
Award ID: 40456 (Counter Narcotics Trust Fund)				Project: CNTF 00045781		
ID	Type	Date Identified	Description	Status/Priority	Status Change Date	Subhash Misra
1	Changes	23/04/2009	The primary issues concerning CNTF relates to phasing out of UNDP as the administrator. This will transfer funds to MOF and MCN will the line ministries.	UNDP is in constant dialogs with MOF and MCN to work out management arrangements for this transfer	25/10/2009	Subhash Misra
2	Problem	19/10/2009	Organizational issues relating to low capacity of CNTF and LM staff	As the project is in a phase out stage –MCN capacity can be built by other projects they have been awarded directly by the donors.	25/10/2009	Subhash Misra
3	Problem	19/10/2009	Limited strategic learning –Analysis of project lessons for strategic learning improbable because of security as well HR in CNTF	The project is attempting to collect the information on this through professionals – a plan is being prepared	25/10/2009	Subhash Misra

² Details on Issue log can be obtained from Issues log deliverable description.