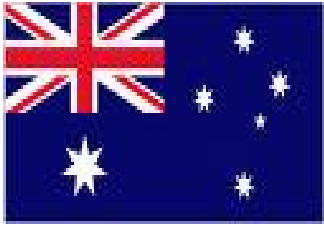


United Nations Development Programme
Afghanistan
Law and Order Trust Fund for Afghanistan (LOTFA) [Phase V]
1ST QUARTER PROJECT PROGRESS REPORT [1388]



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CPAP Component: Strengthening democratic state and government institutions
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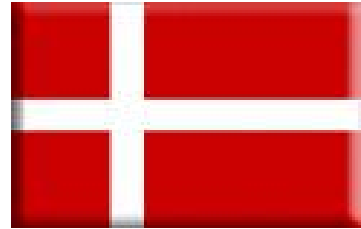
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Executive Summary

The quarterly LOTFA project Steering Committee (SC) meeting was held on 14 June, 2009, co-chaired by Minister of Interior and UNAMA Deputy Special Representative of the Secretary General. At this, important decisions on some key Ministry of Interior (MoI) proposals were taken i.e. extension of 6-month pilot incentive pay for select Afghan National Police (ANP) in high threat areas until end of 1388, as well as endorsement of additional funding commitments of USD 41.6 million in support of Joint Coordination and Monitoring Board (JCMB) - International Police Coordination Board (IPCB) decisions for interim 10,000 ANP growth.

As part of the main priority activity of the project i.e. police remunerations, during the quarter, LOTFA paid salaries of around 82,000 ANP personnel in all 34 provinces of Afghanistan, on a fairly regular basis. During the reporting period, additionally, an advance of USD 60 million was transferred to the Ministry of Finance (MoF) to cover the expenditure of the next quarter.

There was considerable discussion during the quarter on the interim growth of ANP, particularly in the context for forthcoming presidential elections, with corresponding implications of additional funding; extension of proposal for hazardous incentive pay for ANP in high threat provinces, as well as merit of food versus in-kind food allowance. Encouragement was expressed at successful implementation of cash allowance in pilot Parwan province, with plans to expand the scheme to other provinces in coming months.

The continued implementation of the Electronic Payroll System (EPS) aimed at introducing transparency and accountability in the payrolls, showed encouraging progress, with 99.5% representation of total police force in all 34 provinces by the end of the quarter. EPS reports were received from all provinces, including security vulnerable provinces, although *regularity* in receipt of reports from some provinces continued to be an issue, and taken up appropriately with MoI leadership. Encouraging progress was also recorded in Electronic Fund transfer (EFT), with 73% coverage, with further expansion dependent on opening of commercial banks in the provinces.

During the quarter, enhanced focus was placed on Institutional Development (ID) of the MoI. Around 138 officials of MoI, Kabul police, provincial police HQs and border police were provided on-the-job, refresher and advanced training in computerization of payroll, financial management, human resource (HR) systems, administrative issues, personnel data entry and computer concepts.

The continued implementation of gender mainstreaming in MoI was another activity of LOTFA which yielded encouraging results. Despite constraints, a total of 127 new females were inducted into the police force during the quarter as a result of recruitment and gender publicity campaigns, bringing the total to 677. This was complemented with strategic capacity building (including Training of Trainers-ToTs) and gender awareness programmes, with element of long term sustainability. Work on the Afghan National Police Women Association (ANPWA), set up to provide a platform for policewomen to come together to take up issues of concern, was also furthered.

The implementation of the payment of salaries to uniformed personnel of the Central Prisons Department (CPD) through specially earmarked contributions remained dependent on finalization/signing of government's justice sector PRR plan. Talks were progressed with Ministry of Justice (MoJ)/MoF as well as international stakeholders, and some forward movement was affected with the agreement between MoF and MoJ on the revised taskeel size of the uniformed and civilian personnel. The documents are resting with the President's office for approval.

LOTFA continued to be engaged with the procurement of equipment for Disarmament of Illegal Armed Groups (DIAG) unit in the MoI. There were some administrative constraints which were finally resolved, and the process was advanced appropriately.

With a view to affecting oversight and proper accountability and transparency of payroll and HR processes at the provincial level, systematic monitoring missions were conducted in 6 provinces

jointly with representatives of Mol and UNDP programme unit. These were combined with gender recruitment/EPS-EFT enforcement missions for affecting greater cost effectiveness.

The independent evaluation of LOTFA phase-IV was completed by ATOS Consulting Company. Some practical recommendations relating to ID, need for specialization of project management unit, and downsizing of gender unit are being followed-up appropriately.

All project activities were advanced in accordance with the Annual Work Plan (AWP) and it was the best endeavor to match the delivery of outputs against the defined time-lines. Strengthened focus was accorded to the ID of the Mol for the sustainability of all LOTFA processes. Gender recruitment and mainstreaming continued to form an important component of the quarterly activities, yielding relatively encouraging results. Moreover, the project collaborated with other donor initiatives being implemented at Mol so that synergies could be built and effectiveness of operations improved. Partnerships between the government and international community were endeavored to be strengthened through effective consultation in areas impacting on LOTFA priorities. To give true credence to the principle of national ownership, during the reporting period, LOTFA Management Support Unit (MSU) remained extensively engaged with Mol on strategic police reform and development issues impacting on LOTFA funding. Moreover, the available project inputs – staff, transport, equipment, etc- were endeavored to be utilized in the most efficient and cost effective manner.

The main risk and challenge during the reporting quarter related to: unmet funding requirement for 1388, insufficient ownership by Mol and institutional development; security constraints for monitoring/recruitment and EPS implementation missions; non regularity in receipt of EPS reports, further expansion of EFT, dependent on expansion of commercial banks in provinces and districts as well as future of gender activities, dependent on approval of phase-II funding. The main project issue causing very serious concern to all stakeholders was the *delay in the much anticipated process of recruitment of the Monitoring Agent (MA)*, on account of insufficient number of firms initially meeting the technical evaluation criteria; UNDP concerns on caliber of recommended firm, etc. Since then, a compromise resolution has been agreed upon, with limited (6-month) scope for the MA- which is being pursued aggressively. Linked to this is also the proposal for recruitment of 8 HR International Controllers, for which ToRs will be advertised after award of MA contract.

Future plans (for the next quarter), building on the progress achieved during this quarter and taking into account the lessons learnt, will be: follow up on contracting out of the MA and 8 HR Controllers on topmost priority basis; focus on 1388 ID Plan implementation: pilot implementation of web-based EPS in Parwan and Kabul; follow-up on time-bound non-lethal procurement and construction activities; continuation of project gender activities; building on stakeholder partnerships; recruitment of 1 Police Advisor; follow-up/ exploration of potential new issues; follow-up on last LOTFA SC decision; greater synergies with ARTF; and advocacy for LOTFA.

Context

Rebuilding the national civilian police force for national security and recovery represents one of the Afghan Government's highest priorities. The JCMB, in its various assessments, has underlined that lack of improvement in the security situation, particularly in the south and south-east of the country, would continue to prevent sustainable development and divert attention and resources from comprehensive security sector reform. The Afghanistan National Development Strategy (ANDS) too, envisions a professional, disciplined and reinvigorated police force that is responsible and loyal to MoI, widely visible to and respected by the public, capable of protecting human rights and fighting insurgency and drug trafficking.

Despite the need for an effective, well equipped and trained police force, currently, the national police personnel operate under severe constraints due in part to limited human and material resources, but also because of the non-traditional roles that it has increasingly been required to take on. The ANP has expanded, but the quality of the police has remained questionable.

International community's support to rebuild Afghan police force started from the beginning of the establishment of the Afghan Interim Government in 2002, as envisaged by the Bonn Agreement. In May 2002, at the request of the Afghan Government and United Nations Assistance Mission for Afghanistan (UNAMA), UNDP established LOTFA to enable the police to return to operations throughout the country. The Trust Fund has provided a mechanism for coordinating contributions from donors with the principle priority to cover police salaries, as well as to pursue other activities in accordance with project priorities. Since then, LOTFA has completed IV phases and is currently in phase-V, which was started on 01 September, 2008 and will end on 31 August 2010. LOTFA is nationally managed through the Ministry of Interior and is governed by UNDP's financial rules and regulations. Ministry of Finance is the other implementing partner.

LOTFA-V has the following order of priorities:

1. Payment of the police force remuneration;
2. Institutional development;
3. Procurement, maintenance and operations of non lethal police equipment and supplies;
4. Rehabilitation, maintenance and operations of police facilities;
5. Gender Orientation(Selection, recruitment and training of police); and
6. Payment of remuneration of uniformed personnel employed by the Central Prisons Department through specially earmarked contributions;

Significantly, considering the importance of institution and capacity development within the MoI, together with the cognizance of the need for long-term sustainability of LOTFA processes, ID has been accorded higher (second) priority in phase-V of LOTFA. Appropriately, during the quarter, this was developed into a full-fledged institutional and capacity development plan, with specific timelines.

Work during the quarter was progressed based on the above priorities. The Annual Work Plan (AWP) deriving from the project document, served as a strategic guiding manual. It was also endeavored to meet the clearly spelt out AWP goals for contribution to achievement of Afghanistan National Development Strategy (ANDS) benchmark, United Nations Development Assistance Framework (UNDAF) outcome as well as expected outcome and output as per the Country Programme Action Plan (CPAP) by way of strengthening police institutions at the national and sub-national level and enhancing service delivery by affecting timely payments of salaries, to the extent possible, and supporting other associated police activities, as per the project document.

The donors that contributed to the Fund during LOTFA-V are: Japan, United States of America (USA), European Commission (EC), United Kingdom (UK), Canada, Netherlands, Germany,

Switzerland, Finland, Norway, Denmark, Australia and Italy. These donors were also the key stakeholders that provided strategic direction to LOTFA during the reporting period.

Implementation Progress

Output 1: Police force is supported to perform their job effectively and efficiently.

1.1. Ensuring of payment of salaries to police force

The first priority of LOTFA is reimbursing remuneration (salaries and food allowance) of ANP to the MoF in all 34 provinces and ensuring that the payments are made in a timely and transparent manner. During the quarter, the combined expenditure for police salaries and food allowance totaled USD 63.8 million. In comparative terms, this was a **39% increase over the last quarter** during which total expenditure was USD 45.8 million. In addition, as per MoF request, a partial advance of USD 60 million was also released for 1388 Quarter-2 expenditure.

The regular release of funds to MoF enabled the Government of Afghanistan (GoA) to ensure timely payment of police remuneration nationwide, to the extent possible.

Detailed financial information is presented in the Financial Section of the report. (Funding Overview: Table 1; Expenditure Status by activity: Table 2; Expenditure Status by activity: Table 3).

1.2. Completion of computerization of the payroll system

Electronic payroll system (EPS) continued to serve as an efficient and transparent financial and human resource tool, with the objective of ensuring relatively timely and accurate police salary payments to the legitimate staff, through sustainable and cost effective payroll payment procedures.

EPS was implemented in all 34 provinces, covering 82,138 police personnel, of which **1,735 police were newly added to the EPS** during the quarter. This reflected a **2.5% increase in EPS over the last quarter**, with overall representation of 99.5% of the total existing police force.

LOTFA received EPS monthly reports from all 34 provinces. However, there were difficulties in the regular receipt of EPS reports from some security prone provinces of Paktika, Khost, Nooristan, Ghazni and Paktia Border Police. The LOTFA team closely coordinated the issue with Mol, and consequently by end of the quarter, delays were limited to Paktika and Paktia Border Police.

1.3. Establishment of bank accounts for police force

During the reporting quarter, the LOTFA EPS team facilitated opening of **7,233 new bank accounts**, with the total number reaching 69,241 (reflecting **increase of 11.7% over last quarter** and covering 84% of total existing police force). Additionally, facilitation was also provided for opening of bank accounts for Afghan National Civil Order Police (ANCOP) as well as trainees of Kabul Police Academy after reconciliation of personnel data with DynCorps IDs. However, in provinces where the commercial banks are not operative, the bank accounts are not activated. The process of opening bank accounts for police personnel is ongoing in the provinces where commercial banks are to expand branches. This will expedite the process of transferring the salary payment process from manual to EFT.

1.4. Expediting and increase of the Electronic Fund Transfer (EFT) to the police force

EFT (payment of police salaries through individual bank accounts) was made functional in 30 provinces (except Nooristan, Paktika, Uruzgan and Zabul). **8 new provinces of Nimroz, Wardak, Paktia, Ghor, Badghis, Farah, Logar and Helmand were added during the quarter**. The number of uniformed police personnel receiving salaries by EFT reached 60,165 (marking an **increase of 8% over the last quarter**, and representing 73% of total existing police force). The EPS team is

liaising with Kabul Bank for expansion of the branches to other provinces too, so that the remaining 9,076 inactive bank accounts can also be activated and that all police personnel having bank accounts can receive their salaries through EFT.

1.5. Exploration of alternative fund transfer mechanism including new technologies

To overcome the challenge of bringing greater number of police personnel into transparent systems of salary disbursements, in collaboration with Mol, MoF, and CSTS-A, LOTFA is continuing to work on a new-age technology initiative of M-paisa launched by Roshan mobile company in collaboration with First Micro Finance Bank (FMFB) to affect salary payments through mobile cell phones. This will serve as a supplement to the EFT system. Progress was made on a pilot launch of the M-Paisa system in Jalraiz district of Wardak province, covering around 100 personnel. An MoU was signed between Mol/MoF/Roshan. If the new system is deemed to be promising, then Mol will expand it to other provinces where there are no functional commercial banks. Consequently, the salary payment process would be individualized and as such there would be increased transparency in the police salary payment process. Constraints to this have been that not all sampled policemen have mobile phones; moreover, they would also need to be adequately trained in this technology – for which provision had been made in the plan of action.

1.6 Monitoring and evaluation

Field monitoring missions were conducted in 3 provinces of Samangan, Balkh and Jauzjan jointly with representatives of Mol. Key recommendations included - Mol/mostufiats to make timely allotments to provincial HQs; institutionalization of position of EPS operators for sustainability of capacities built; regularization of EPS/EFT refresher/advanced trainings; Kabul Bank to take immediate measures with respect undertakings about mobile banking for inaccessible districts; food contracts to be finalized on time by Mol; and provincial police commanders to set up food quality control committees.

The process of recruitment of a Monitoring Agent (MA) for financial accountability of payroll disbursements was steered off the planned timeline, initially on account of insufficient number of firms meeting the technical evaluation criteria; and subsequent UNDP concerns on annual turnover of the company being less than the value of MA contract, etc. During the quarter, hectic discussions at all levels of UNDP as well as with the firm resulted in a compromise resolution, with limited (6 month) scope for the MA - which is being pursued. The independent evaluation of LOTFA phase-IV was completed by ATOS Consulting Company. Some practical recommendations relating to ID, need for specialization of project management unit, and downsizing of gender unit for being commensurate with the funding at disposal, are being followed-up appropriately.

Output 2: Financial and project management capacity built within Mol

2.1 Conduct of financial management/HR/admin/EPS-EFT/computer training

During the reporting quarter, the Institutional Development (ID) plan was designed and its implementation commenced for better accountability and transparency in financial, HR, administrative, and EPS-EFT management systems. An outsourced firm, Beacon Consultancy, together with LOTFA-EPS team conducted 12-day refresher training capsules for 138 finance officers/HR/admin/EPS operators from Mol HQ, provincial police HQ and border police in above disciplines. Focus was on transition from current manual systems to computerization of all financial and HR management systems. The training was also found very useful in ensuring EPS operationalization. In the words of one Finance officer from Uruzgan province, "So far, I was being given fish to eat; now I have been given a net with which to catch fish."

During the quarter, LOTFA in coordination with CSTC-A conducted a 3-day familiarization conference on all Mol procedures for Mol provincial finance and HR officers.

Certain reluctance on the part of some Mol staff to embrace this capacity will continue to be followed-up. Progressive hand-over of certain LOTFA management functions to Mol, as per the terms of the Mol ID plan, was also undertaken.

With the recruitment of the proposed MA, capacity development in financial management systems, fiduciary reviews and accounting systems will be also be an integral component of their work plan.

2.2 Provision of technical support on EPS on regular basis

The LOTFA EPS help desk provided routine technical advice and support to all EPS stations nationwide as well as for introduction of banking culture to police account holders. Weekly updates were also provided to the 65 client databases in Mol central departments, Kabul zonal command, 14 Kabul districts, 22 police stations and 2 border police HQs. Technical support included undertaking of computer repairs/problem solving, scans, maintenance of data back-up, creation and sharing of financial/HR data, maintenance of bank accounts, facilitation with commercial banks for payroll transactions, etc

Work was also commenced by LOTFA EPS team on development of a web-based database application system for centralizing payroll and personnel information. The objective will be to link all Mol data sources (centralized Mol systems with provincial systems) as well as to link Mol EPS database with other existing applications i.e DynCorp ID card database and HR database. This is planned to be piloted in Parwan and Kabul by August, and thereafter to be expanded to all provinces, according to expansion plan of Mol Network Operations Center (NOC) system.

2.3 Establishment and strengthening of specialized units in Mol

Mol capacities were continued to be strengthened in specialized units in Minister's office (policy planning, gender, legal, parliamentary affairs and security disciplines)/ as well as procurement/HR/finance departments through provision of 18 National Advisors (through core funds). Additionally, specific areas have been identified in context of UNDP cross-project collaboration for maximizing ground impact i.e. to strengthen linkages of LOTFA with the anti-corruption, justice and gender projects. Some progress was made in the anti-corruption (setting up of a Vulnerability to Corruption Assessment (VCA) unit in Mol) and gender (developing a standardized curricula in gender and security issues for Kabul Police Academy) cross-project collaboration.

Output 3: Police force is equipped with required equipments for improvement of their mobility and responsiveness.

3.1 Procurement of equipment falling under the category of non-lethal equipment

Procurement of equipment for Mol is dependent on Mol request. During the last quarter, Mol did not submit any request for the procurement of equipment; hence, there was not adequate progress towards this output. However, during the current quarter, comprehensive proposals were finalized for supply of non-lethal equipment from supplementary Japanese funding covering equipment for traffic department, fire-brigade department as well as medical equipment for health department (police hospital).

3.2 Procurement of Equipment for DIAG Cell

Procurement of equipment for Disarmament of Illegal Armed Groups (DIAG) cell in Mol was progressed. This included IT equipment and 15 vehicles for the provinces. The procurement was initially constrained due to administrative issues, which however, were subsequently resolved.

Output 4: Improved working and living conditions of police contributing to better efficiency and morale.

4.1 Provision of assistance to Mol for tendering of LOTFA- funded construction activities

The construction work of the police gymnasium at the Central Region Command Centre (CRCC) was progressed. LOTFA team made monthly visits to the project site that would continue until the completion of the project. The construction of the gym would provide a much needed facility for police in Kabul for improvement of their physical fitness. Based on Mol/LOTFA and UNDP team visit the work has been progressed by 35% (15% over last quarter). Some construction quality issues are being taken up appropriately.

Progress on the construction of 1,000 police check posts throughout the country, from German funds, was somewhat limited during the quarter, as compared to the previous quarter. 628 check posts have so far been completed. Issue of rejection of payment by Ministry of Economy (MoE) on account of lack of standardization was cause for some delay, but has since been resolved.

Additionally, 10 construction projects for Mol health, fire brigade, border police, and traffic department are in administrative process.

Output 5: Improved capacity in police force with enhanced gender balance

Activities were carried out in accordance with the two sub-components of the gender mainstreaming component of LOTFA i.e. recruitment campaign and gender mainstreaming in Mol.

5.1 Undertaking of recruitment campaign

Currently, there are 657 female police as part of the ANP (93 officers, 339 Sergeants and 220 patrolwomen). Additionally, 20 female policewomen are enrolled for courses in the Kabul Police Academy, bringing the total to 677. **127 additional female police were recruited during the quarter, reflecting a 53% increase over the last quarter.** In the last quarter, the number of women recruits was 83.

Regular monthly meetings of Afghan National Police Women Association - an informal platform for recruited women to share experiences and concerns - were facilitated during the quarter, with participation of policewomen from Mol, Kabul Police Academy, Family Response Units and district commands.

Media served as a vital tool for women recruitment. TV spots were regularly telecasted by select private local television channels. The electronic media was supplemented by the print media, with development of materials containing flip charts, brochures, billboards and stickers, which were distributed among target masses for persuasion to join the police force. In addition, a telephone info-line was continued throughout the quarter to provide women with information on the recruitment process.

Coordination with Ministry of Woman Affairs (MoWA) and Ministry of Labor, Social Affairs, Martyrs and Disabled (MoLSAMD) was continued for exploring new avenues for policewomen recruitment, through the women development organizations registered with these Ministries at central and provincial levels. Civil society organizations like Afghan Women's Network (AWN) were also found to be useful partners in the women recruitment efforts.

A matter of concern that needs to be projected is that the funding for gender activities from Swiss Development Corporation (SDC) technically came to an end towards the end of the quarter. A funding proposal for the next phase of gender activities has been advanced, on which a decision is awaited.

5.2 Conduct of on-the-job and theoretical training

A key project, hailed as a flagship LOTFA-IPCB partnership project of Training of Trainers (ToTs) in enforcement of rule of law for ending family violence, with special emphasis on women and girls was completed during the quarter (04 April, to 13 May, 2009). 300 police personnel from the six regional zones of Mol – Mazar in the North, Kabul in the Central and for the Kabul region, Kandahar in the South, Paktia in the South-east, and Herat in the West were trained in batches and now constitute a valuable resource base for providing training in their respective regions. Significantly, a module on elections was also conducted by the EUPOL.

Continuous coordination was progressed with UNDP/Gender Equality Project as well as United Nations Fund for Population Activities (UNFPA) for integration of standardized Gender and Security Course in the Kabul Police Academy's curriculum. The translation and technical review of the existent curriculum was undertaken for further enrichment and introduction of new modules, as required. Liaison was also established with the UNAMA gender unit, which is in the process of developing some concept notes on joint gender activities.

5.3 Conduct of gender awareness and mainstreaming activities

During the period, gender awareness materials including posters, brochures and a guidebook was printed and distributed to provincial police Education Departments. Additionally, a full calendar for the new solar year 1388, with illustrations and messages about the importance of Afghan women police in Mol was printed, for wide distribution in schools, sports-clubs, and government and non-government entities.

Monitoring and oversight was provided for Family Response Units (FRUs), particularly in Kabul Police HQ and Dist 10, where LOTFA has supplied logistic support (furniture and IT equipment) in the past, in conjunction with the DynCorp team, which has overall responsibility for development of FRUs throughout the country. LOTFA also participated in arrangements, together with DynCorps and CANADEM, for bringing the oversight mandate of FRUs under an institutionalized command in Mol.

5.4 Provision of technical and logistic support to the Gender Mainstreaming Unit (GMU) in Mol

During the quarter, capacity building and logistics support was provided to Mol Gender Mainstreaming Unit (GMU) to further enhance its operational capability. Regular computer training was conducted by the LOTFA IT Associate. Some office equipment was also provided.

Output 6: Uniformed personnel of Central Prisons Department (CPD) are supported to perform their job effectively and efficiently.

6.1 Payment of remuneration of uniformed prison guards

The commencement of the activity remained dependent on the completion of justice PRR administrative processes on the part of Ministry of Justice (MoJ) and MoF relating to tashkeel size of the uniformed and civilian personnel, funding, etc. Towards the end of the quarter, an agreement was reached between the two Ministries and the documents sent to Presidential office for approval. In the absence of finalization of these processes, no progress could be achieved under this output.

6.2 Establishment of electronic payroll system

This activity will be commenced subsequent to commencement of payment of remunerations under 6.1

In relation to transparency and accountability in the disbursement of CPD salaries, as in case of ANP salaries, this will continue to be LOTFA's priority, for the most effective utilization of the funds. The LOTFA team has arrived at an agreement with the MoJ officials with respect to specific mechanisms for operationalization/ training of Finance and HR Officers in Kabul and the provinces in EPS and EFT systems, on the same lines as those being undertaken for Mol. In principle, MoJ has expressed enthusiasm for supporting this.

A Performance Tracking Matrix is at Annex I.

Challenges

Project risks and actions

Although there weren't any major risks that could seriously hamper progress of the project, some key matters remained vital:

- 1. Non predictability of donor contributions (general):** Less than certain cash flows of LOTFA funds somewhat tend to hamper scheduling of the police reimbursement to MoF. Longer-term reliability of donor funds, besides helping to plan prioritized project activities, would provide greater certainty in affecting timely reimbursements to Mol, whilst even strategizing on schedule for advance fund transfers. Additionally, some of the increases in remunerations and incentives i.e annual increase in salary across the board; hazardous duty pay, medics pay, etc - would need to be sustained.
- 2. Unmet funding requirement for 1388 (specific):** Based on LOTFA-V/Mol priorities, the re-defined funding requirement for 1388 was USD 341m (presented to 14 June SC meeting). Of this, USD 232 million was mobilized, with remaining shortfall of around USD 109 million. Although this may not be alarming on account of some major donors like US and EC still to announce their contributions officially, timely finalization of contribution agreements would help in better cash flow and planning projections. Towards the end of the last quarter, agreement was reached with Japan for a substantial contribution of USD 124.8 million (a part of which was used for Q4, 1387), as supplementary funds, which helped in meeting the requirements of the quarter. However, the overall shortfall would need to be kept in mind, particularly in context of prospects for future growth of the ANP tashkil during the next quarter, with corresponding funding implications for LOTFA. Moreover, unless earmarked funding in full for remuneration of CPD/MoJ uniformed personnel is finalized, LOTFA would not be in a position to meet its commitment in full with respect to this activity in 1388 (80% funding has been mobilized).
- 3. Insufficient ownership by Mol and ID:** This continued to remain a strategic challenge, resulting in insufficient sustainability of LOTFA implementation and management processes. Consequently, LOTFA continued to perform certain functions (i.e verification and adjustment of transactions; financial data correspondence between Mol/MoF/commercial banks) which, in ordinary course, should be routinely performed by Mol staff. LOTFA MSU, as a remedial action, fully involved Mol senior management, particularly the Minister, which resulted in some of the functions progressively being handed over to the Mol staff. The approach would have to be followed in future as well. Unless there is continuous encouragement of the relevant departments of Mol to work with LOTFA project staff for skills transfer, Mol institutional capacity/memory will remain weak. It is understandable that this will be medium-long term process.
- 4. Security:** Security constraints continued to remain a significant issue in some instances, for monitoring missions, EPS and EFT implementation teams, as well as for gender recruitment campaigns. For difficult provinces, reliance continued to rest on Mol/ PRTs/CSTC-A.
- 5. EPS:** Some of EPS data remained classified, which needed to be protected at all levels, by all operators. Clear communication nodal points were identified in each of the departments so that confidential information regarding personnel was not leaked out to unauthorized persons under

any circumstance. Other external constraining factors in EPS implementation which tended to erode EPS gains made so far were: non-receipt of EPS reports from some provinces (particularly Nuristan, Paktika, Khost, Ghazni), on regular basis; unceremonious transfer of trained EPS personnel to other departments, or resignations from jobs; inadequacy of national telecommunication infrastructure; and reluctance by officials to accept new age technology, perceived to erode their power base. Moreover, the discrepancies in some cases between the EPS and Mol tashkil /HR figures continued to be an assessment challenge. LOTFA liaised directly with the erring provinces for receipt of reports, as well as with relevant Mol departments for its assessments.

6. EFT: Further expansion of EFT remained dependent on further expansion of commercial banks. This was deemed vital not only in provincial HQs but also at the district level, as personnel from remote inaccessible districts had genuine difficulties in coming to the provincial capitals for collection of salaries, and at relatively high cost. Talks to resolve this zeroed-in on measures like mobile salary disbursement schemes i.e. helicopter service, mobile vans, hawala, etc but on some of these, Kabul Bank did not deliver. LOTFA undertook a series of meetings with Kabul Bank, and also brought the matter to notice of top Mol leadership.

7. Gender recruitment: Factors like reluctance of young women to join; reputation and image of the police; sexist work environment; family compulsion; misconception that gender equality will erode women-men's complementarity, etc – continued to pose a real risk to the project in not expanding the recruitment programme. To tackle this, the LOTFA gender recruitment plan was strategically reoriented to include process of wider coordination with MoWA, MoLSAMD as well as NGOs/women organizations. The newly structured Afghan National Police Women Association (ANPWA) was also involved, with some success. However, for the gender activities to continue, the second phase of funding plan needs to be approved by SDC.

A detailed Risk Log is at Annex II.

Project Issues and actions

1. Prioritised recruitment of MA: Understandably, there was a strongly articulated concern by all stakeholders, including the Minister of Interior, in the delays in the recruitment process of an independent MA as a means towards establishment of more transparent and accountable systems for auditing payments of salaries to physically serving police. A major donor even maintained that prolonged absence of the MA might even jeopardize the possibility of its support to LOTFA. There were hectic discussions during the quarter to address internal concerns about caliber of the recommended firm and an understanding reached that the contract be awarded with limited (6 month) scope in work. Donor expectations for quick recruitment without further loss of time, would need to be met by UNDP-LOTFA on top priority basis, to maintain credibility. The proposal has since been resubmitted, re-evaluated, re-approved, and put up to the Regional UNDP bureau for final approval.

2. Early recruitment of 8 international HR Controllers: This is considered crucial to enhance the capacity of Mol HR directorate and to facilitate accurate and transparent human resource information. Progress in recruitment is dependent on the recruitment of MA. The ToRs will be floated as soon as the MA has been contracted out. It may be cautioned though, that there may be limited response in view of nature of job for qualified internationals to be based in the provinces; but UNDP-LOTFA will give the proposal its best shot.

3. Monitoring of progress on project activities relating to procurement of non- lethal police equipment and rehabilitation of police facilities: These activities, falling under priorities 3 and 4, are mainly funded from Japanese sources and are subject to condition that these be contracted out by end-July, which is an extremely challenging dead-line - otherwise the finding will lapse. LOTFA will provide strict oversight on progress with the relevant Mol departments. A detailed Issues Log is at Annex III.

Lessons Learned

- 1. Need for strengthened monitoring processes:** As mentioned above, throughout the period, there was unrelenting demand for early placement of an independent MA to give greater credibility to police remunerations disbursement processes, as well as confidence to donors that money was being spent in an effective manner. There was also considerable focus on need for strict verification of actual police numbers on the ground. In this context, both the interlinked proposals of recruitment of MA as well as recruitment of 8 international HR controllers require effective and speedy follow-up. Inherent in this would be the challenge of having qualified HR personnel apply for these positions.
- 2. EPS and EFT:** EPS/EFT processes have gained a significant degree of reliability and credence amongst Mol and donor stakeholders, and further efficiencies would need to be built. In parallel, LOTFA needs to continuously mobilize Mol top management about the importance of EPS application. Moreover, periodic follow-up will be required with government to keep a tight grip on the defaulting provinces to deliver EPS reports on a regular basis for greater accuracy in police numbers. Inadequacy of current national telecommunication infrastructure should gradually prove a less daunting challenge as the Network Operating Systems Centre (NOC) facility becomes functional in regional commands and provincial police HQs. LOTFA will have to deliver on Mol priority of the implementation of web-based EPS system in prioritized provinces. In the coming months, implementation of EFT in the 34 new district branches planned to be opened by Kabul Bank will need to be pursued. Regular meetings also need to be conducted with Kabul Bank at topmost policy level to probe mechanisms for payment of police personnel through EFT at inaccessible district level. In parallel, the M-paisa cell phone salary disbursement pilot scheme would need to be taken further, as complementary to EFT.
- 3. Gender recruitment and mainstreaming:** Relationship with MoWA and MoLSAMD will need to be sustained. Strategizing of a clear-cut, province-wise recruitment plan, based on good and badly – performing provinces is recommended. In gender mainstreaming and training, all the developed projects will need continuous vigor in implementation stage, which has potential of building a sound local capacity base. The GMU needs to continue to be nurtured to full potential to be able to gradually take over all the oversight and implementation roles with respect to overall female police issues. The informal platform of the newly proposed APWA can accord tangible complementary support, and there needs to be follow-up for opening regional chapters in some of the provinces i.e. Balk and Herat.
- 4. Institution and capacity development:** Insufficient focus on this will tend to rapidly erode the gains offered by LOTFA so far. Priority must be continued to be accorded to ID and capacity building in the Mol. Continuous refresher and advance trainings, on-the-job training, help desk office and telephone calls training will be essential - to build sustainable capacity. In the next phase, LOTFA-EPS team would need to focus on ToTs in EPS/EFT/financial management systems, who can branch out into the provinces - for institutionalization of the capacity base. At the same time, it is widely recognized, that there are multiple capacity development programmes supporting ANP as well as Mol, and there would be need to affect greater synergies among these various initiatives.
- 5. Inter-Agency programmatic coordination:** This has worked well in respect of certain key programmatic initiatives: CSTC-A for M-paisa scheme, reconciliation of ID card data, enforcement of EFT; ToTs for enforcement of rule of law against domestic violence with IPCB; gender projects with UNDP Gender Equity project, UNIFEM and UNFPA - and the sense of cooperation and support needs to be maintained for maximizing common impacts.

Future Plans

In the coming quarter, the following would be the focus of planned activities, building upon the progress made during this quarter, and taking into account the lessons learnt:

- 1. Follow up on contracting out of the MA and 8 HR Controllers at the earliest:** This would be topmost priority of the next quarter, given the extreme importance of the matter and the already delayed associated processes.
- 2. Focus on 1388 ID Plan implementation:** This will build on LOTFA's core strengths in financial management HR, administration, accountancy, gender mainstreaming, apart from working on new age technologies, and progressive hand-over of institutional functions to Mol.
- 3. Pilot implementation of web-based EPS in Parwan and Kabul (Mol central departments):** This has been indicated by the Minister as a priority issue and would also need to be reported upon at the next SC meeting in September.
- 4. Follow-up on non-lethal procurement and construction activities:** This will be both for DIAG cell as well as other projects funded through Japanese funding, which have a strict contractual deadline (July).
- 5. Continuation of project gender activities:** This will largely be dependent on SDC phase-II funding, which it is hoped, will be approved soon.
- 6. Building on stakeholder partnerships:** these will be developed further with other police sector institutions, including IPCB/EUPOL/UNAMA/CSTC-A/bilateral police projects - to maximize outputs and strengthen donor leverage.
- 7. Recruitment of 1 Police Advisor for LOTFA:** This will strengthen LOTFA MSU's technical policing skills. This will be warranted, considering that LOTFA has an expanding mandate to engage in police reform and development issues, which also requires liaison with various police organizations.
- 8. Follow-up/ exploration of potential new issues:** This will help LOTFA move beyond its traditional role - and gain greater relevance in the current climate of competing police sector institutions. The community policing concept report is expected to be presented to donors in July-August. The police perception survey has been contracted out and results are expected in mid-August. Monthly seminars on police issues are proposed to be commenced from July.
- 9. Follow-up on last LOTFA SC (14 June) decisions:** LOTFA will follow-up on the important ones of taking forward discussion regarding MoF meeting additional food allowance responsibility for enhanced police numbers (since the last SC meeting), from 1389 onwards; expansion of cash food allowance in identified provinces; transfer of all martyrs and permanently disabled in MoLSAMD Pension Fund; as well as setting of eligibility criteria and evaluation matrix for hazardous duty pay.
- 10. Greater synergies with ARTF:** To strategizing on larger government reform issues like fiscal sustainability of expenditures, donor exit strategy (even if medium term), etc. –even in full consciousness that the orientation, structure and scope of the two trust funds is vitally different
- 11. Advocacy for LOTFA:** To ensure visibility for UNDP-LOTFA's work, both for publicizing its activities and the difference it is making for stabilization of the country in the security sector. In the advocacy programme, visibility of individual donors and areas of their support would be a key

component. LOTFA has initiated process for recruitment of a communications and reporting officer, which it hopes to have in position by beginning August.

Financial Section

Table 1. Funding Overview

Donor	Commitment		Received (Local Currency)		Received (USD)	UNORE	Balance	
AUSTRALIA	USD	1,919,386	USD	1,919,386	1,919,386	1.000		-
CANADA	CAD	10,000,000	CAD	9,999,999	8,084,074	1.237		1
CANADA	CAD	9,000,000	CAD	9,000,000	7,188,498	1.252		-
CANADA	CAD	1,000,000	CAD	1,000,000	897,666	1.114		
EC	EUR	35,000,000	EUR	33,250,000	43,069,948	0.772	EUR	1,750,000
EC	EUR	2,000,000	EUR	-	-	-	EUR	2,000,000
FINLAND	EUR	1,500,000	EUR	1,500,000	1,943,005	0.772		-
GERMANY	EUR	10,000,000	EUR	10,000,000	12,936,611	0.773		-
GERMANY	EUR	3,000,000	EUR	3,000,000	3,886,010	0.772		-
ITALY	EUR	1,000,000	EUR	1,000,000	1,295,337	0.772		-
JAPAN	USD	124,800,000	USD	124,800,000	124,800,000	1.000		-
JAPAN	USD	10,000,000	USD	10,000,000	10,000,000	1.000		-
JAPAN - DIAG	USD	3,822,896	USD	3,822,896	3,822,896	1.000		-
NETHERLANDS	EUR	20,000,000	EUR	20,000,000	25,575,448	0.782		-
Norway	USD	281,821	USD	281,821	281,821	1.000		-
SDC	USD	371,724	USD	371,724	371,724	1.000		-
UNDP - Interest	USD	1,681,951	USD	1,681,951	1,681,951	1.000		-
UNDP - Core fund	USD	250,000	USD	250,000	250,000	1.000		-
UK	USD	6,689,171	USD	6,689,171	6,689,171	1.000		-
UK	USD	2,000,000	USD	2,000,000	2,000,000	1.000		-
UK	GBP	2,000,000	GBP	2,000,000	2,873,563	0.696		-
USA	USD	50,000,000	USD	50,000,000	50,000,000	1.000		-
USA	USD	28,100,000	USD	28,100,000	28,100,000	1.000		-
USA	USD	5,000,000	USD	5,000,000	5,000,000	1.000		-
Total					342,667,109			3,750,001

Table 2. Expenditure Status (by activity)

Activity	Budget 1388	Donor	Expenditure in Reporting Quarter Q1, 1388		Quarter Expenditure (Com + Disb)	Balance	Delivery Q1, 1388
			Commitment	Disbursement			
Police Remuneration	6,829,073	Canada - DFIAT			-	6,829,073	0.00%
	2,152,233	EC			-	2,152,233	0.00%
	101,034,984	Japan		59,925,841	59,925,841	41,109,143	59.31%
	10,984,597	UK			-	10,984,597	0.00%
	64,220,000	USA			-	64,220,000	0.00%
GMS	9,748,468			3,153,992	3,153,992	6,594,476	32.35%
Total Police Remuneration	194,969,355			63,079,833	63,079,833	131,889,522	32.35%
Institutional Development	492,228	Germany		51,122.00	51,122.00	441,106.00	10.39%
	320,000	Interest (Earned)		66,689.00	66,689.00	253,311.00	20.84%
	47,500	Japan			-	47,500.00	0.00%
	126,493	UNDP - Core fund		82,970	82,970.00	43,523.00	65.59%
GMS	28,407			2,691	2,691	25,716	9.47%
Total Institutional Development	1,014,628			203,472	203,472	811,156	20.05%
Procurement of Equipments	12,345,689	Japan	5,000,000		5,000,000	7,345,689	40.50%
	3,561,466	Japan - DIAG	250,000	3,041	253,041	3,308,425	0.09%
GMS	837,219		276,316	160	276,476	560,743	31.45%

Total Procurement of Equipments	16,744,374		5,526,316	3,201	5,529,517	11,214,857	31.45%
Construction	451160	EC			-	451,160	0.00%
	1968912	Germany	1,968,912		1,968,912	-	100.00%
	5131826	Japan	5,131,000		5,131,000	826	99.98%
	267730	Norway			-	267,730	0.00%
GMS	411,559		373,680		373,680	37,880	90.80%
Total Construction	8,231,187		7,473,592		7,473,592	757,596	90.80%
Gender Mainstreaming	120853	Interest (Earned)			0	120853	0.00%
	353137.8	SDC	233,164	119,974	353,138	(0)	33.97%
GMS	18,586		12,272	6,314	6,314	12,272	33.97%
Total Gender Mainstreaming	492,577		245,436	126,288	371,724	120,853	32.15%
Project Support and Staff cost	912000	Interest (Earned)		199,513	199,513	712,487	21.88%
GMS	-			-	-	-	
Total Project Support and Staff cost	912,000			199,513	199,513	712,487	21.88%
Grand Total	222,364,120		13,245,343	63,612,306	76,857,650	145,506,471	34.56%

Table 3. Expenditure Status (by donor)

Donor	Budget 1388	Activity	Expenditure in Reporting Quarter Q1, 1388		Quarter Expenditure (Com + Disb)	Balance	Delivery Q1, 1388
			Commitment	Disbursement			
Canada	6,829,073	Police Remuneration			-	6,829,073	0.00%
GMS	359,425				-	359,425	0.00%
Total Canada	7,188,498			-	-	7,188,498	0.00%
EC	2,152,233	Police Remuneration			-	2,152,233	0.00%
GMS	113,275				-	113,275	0.00%
Total EC	2,265,509			-	-	2,265,509	0.00%
	451,160	Construction			-	451,160	0.00%
GMS	23,745				-	23,745	0.00%
Total Finland	474,905			-	-	474,905	0.00%
Germany		Police Remuneration			-	-	0.00%
	492,228	Institutional Development		51,122	51,122	441,106	10.39%
	1,968,912	Construction	1,968,912		1,968,912	-	100.00%
GMS	129,534		103,627	2,691	106,318	23,216	82.08%
Total Germany	2,590,674		2,072,539	53,813	2,126,352	464,322	82.08%
Japan	101,034,984	Police Remuneration		59,925,841	59,925,841	41,109,143	59.31%
	47,500	Institutional Development			-	47,500	0.00%
	12,345,689	Procurement of Equipments	5,000,000		5,000,000	7,345,689	40.50%
	5,131,826	Construction	5,131,000		5,131,000	826	99.98%
GMS	6,240,000		533,211	3,153,992	3,687,202	2,552,798	59.09%
Total Japan	124,799,999		10,664,211	63,079,832	73,744,043	51,055,956	59.09%
Japan - DIAG	3,561,466	Procurement of Equipments	250,000	3,041	253,041	3,308,425	7.10%
GMS	187,446		13,158	160	13,318	174,128	7.10%
Total Japan - DIAG	3,748,912		263,158	3,201	266,359	3,482,553	7.10%

SDC	353,138	Gender Mainstreaming	233,164	119,974	353,138	(0)	100.00%
GMS	18,586		12,272	6,314	18,586	(0)	100.00%
Total SDC	371,724		245,436	126,288	371,724	(0)	100.00%
UK	10,984,597				-	10,984,597	0.00%
GMS	578,137				-	578,137	0.00%
Total UK	11,562,734				-	11,562,734	0.00%
Norway	267,730	Construction			-	267,730	0.00%
GMS	14,091				-	14,091	0.00%
Total Norway	281,821				-	281,821	0.00%
UNDP - Core fund	126,493	Institutional Development		82,970	82,970	43,523	65.59%
Interest (Earned)	320,000	Institutional Development		66,689	66,689	253,311	20.84%
	120,853	Gender Mainstreaming			-	120,853	0.00%
	912,000	Project Support and Staff cost		199,513	199,513	712,487	21.88%
Total Interest	1,352,853		-	266,202	266,202	1,086,651	19.68%
USA	64,220,000	Police Remuneration			-	64,220,000	0.00%
					-	-	0.00%
GMS	3,380,000				-	3,380,000	0.00%
Total USA	67,600,000			-	-	67,600,000	0.00%
Grand Total	222,364,120		13,245,343	63,612,306	76,857,649	145,506,471	34.56%

Annexes

Annex I. Performance Tracking Matrix

Outputs	Performance Indicator	Baseline Information	Performance Benchmark and Target	Implementation Progress in Reporting Quarter
Output 1: Police force is supported to perform their job effectively and efficiently (Project Priority 1)	(a) Police personnel are continued to be paid in all 34 provinces in efficient and transparent manner; (b) Monthly police payroll is produced from EPS; (c) Police force are paid through EFT;	(a) Payment of police salaries in all 34 provinces; (b) 65,899 police covered under EPS; (c) 37,969 police covered under EFT;	(a) Payment of police salaries in all 34 provinces transparently; (b) Coverage of all police force under EPS; (c) Coverage of all police force under EFT (dependent on expansion of commercial banks or using alternative technologies introduced in the country at district level);	(a) Police salaries paid in all 34 provinces (b)EPS implemented in all 34 provinces including border police, covering 99.5% of police personnel [increase of 2.5% over last quarter;] (c) EFT implemented in 30 provinces (8 new provinces added during quarter), covering 60,165 police personnel, representing 73% of total force (increase of 8% over last quarter). Complementary to EFT, work on alternative technologies i.e. M-pasia scheme advanced.
Output 2: Financial and project management capacity built within Mol (Project Priority 2)	(a) Conduct of ToTs; (b) Conduct of financial management/ admin/HR/EPS and computer trainings; (c) Provision of technical support;	(a) 54 Mol/provincial trainers (ToTs); (b) 110 on-job finance officers; (c) Limited technical capacity support;	(a) 110 Mol finance/EPS personnel are trained in ToTs; (b) Conduct of financial management/admin/HR/ EPS refresher and computer trainings for 150 officers ; (c) Provision of enhanced technical support;	(a) ToTs for Mol finance/EPS officials expected to be started during Q-2-88; (b) EPS refresher/computer/financial management/ admin training conducted for 138 officials from Mol and provincial PHQ; (c) Provision of regular technical support continued during quarter to all 65 police payroll stations in Kabul /Mol /as well as provincial HQs . Work also commenced on development of web-based database application system for centralizing payroll and personnel information;
Output 3: Police force is equipped with required equipment for improvement of their mobility and responsiveness (Project Priority 3)	(a) Amount of \$ equipment procured for Mol Departments; (b) Amount of \$ equipment procured for Mol DIAG cell;	Zero	(a) Equipment worth US\$ 12.9 M for Mol traffic, fire-brigade and health departments is procured; (b) Equipment worth \$ 3 M is procured for DIAG cell (center and provinces);	(a) All equipment for Mol traffic, fire-brigade and health departments under administrative process; contracts to be awarded by end July; (b) Equipment for DIAG cell contracted out worth \$0.6 M. Others under administrative process;
Output 4: Improved working and living conditions of	(a) % of construction work of sports facility and check posts completed. (b) # of	(a) 25% construction work of gymnasium is	(a1) 100% work on police gymnasium is completed;	(a) 35% of construction work of gymnasium completed; (b) 628 check

<p>police contributing to better efficiency and morale. (Project Priority 4)</p>	<p>contracts issued by Mol for other facilities;</p>	<p>completed; (b) Zero;</p>	<p>(a2) 100% work on 1000 police check posts is completed; b) 100% work on construction of fire-brigades, highway check posts, walls and inside road of police colony, reconstruction of 200 beds hospital (police), perimeters walls of traffic building, construction of residential building and construction of border police HQ are completed;</p>	<p>posts constructed; others stalled because of admin issues, which have now been resolved ; (c) Administrative work related to all 10 construction projects in progress; contracts expected to be awarded by end July;</p>
<p>Output 5: Improved capacity in police force with enhanced gender balance (Project Priority 5)</p>	<p>a 1) Recruitment campaign (a2) # of recruitment campaign missions undertaken (b) FRUs in # of provinces receive logistic support (c) # of GMU staff trained (d) # of people trained as part of ToTs</p>	<p>(a1) 541 women in police (a2) On annual basis; (b) FRUs received logistic support in 5 provinces(c) 9 GMU staff (d) No Gender trainer;</p>	<p>a1) 600 women in police (59 new recruits) (a2) 6 recruitment campaign missions (b) FRUs in 10 provinces (5 new provinces) receive logistics support; (c) 9 GMU staff are provided further trainings (d) 300 Gender Trainers are trained;</p>	<p>(a1) 677 women in police, (127 new recruits); (a2) 2 recruitment campaign missions in quarter, covering 4 provinces; (b) No progress on this as Dyncorps not able to come up with proposals; (c) All 9 GMU staff continuously trained; (d) 300 Gender trainers from all regional HQs trained under ToTs programme;</p>
<p>Output 6: Uniformed personnel of Central Prisons Department (CPD) are supported to perform their job effectively and efficiently. (Project Priority 6)</p>	<p>(a) CPD uniformed personnel are paid in all provinces in efficient and transparent manner (b) Monthly CDP uniformed payroll is produced from EPS (c) CPD uniformed personnel are paid through EFT</p>	<p>(a) No Payment to CPD personnel through LOTFA(b) Payroll reports are produced manually(c) Payments are made by Trustees;</p>	<p>(a) Payment of CPD salaries in all provinces transparently; (b) Coverage of all CPD uniformed personnel under EPS; (c) Coverage of all CPD uniformed personnel under EFT (dependent on expansion of commercial banks or using alternative technologies introduced in the country at district level);</p>	<p>(a) Dependent on Pres approval of CPD PRR documents. MoF and MoJ have now agreed on tashkil size of CPD for 1388 and forwarded to President’s office for final approval; (b) and (c) Dependent on commencement of (a);</p>

Annex II. Risk Log

#	Description	Type	Impact & Probability	Mitigation measure / comments	Owner	Submitted, updated by	Current Status
1	Security constraints for LOTFA monitoring missions / EPS and EFT implementation teams/gender recruitment campaigns. LOTFA project staff are considered as direct supporters of police, thereby becoming potential targets.	Security	High	1. Follow-up on UNDP security measures and instructions. 2. Assistance from MoI/CSTC-A/PRTs, to extent practical. 3. In future, outsourcing to monitoring agent once contracted.	LOTFA	Ubaidullah	No change
2	Unmet funding requirement for 1388. Current shortfall is USD 109m. Would impact on ability of project to make cash flow/planning projections, and thereby affect required output.	Economic / Financial/ Political	Medium	Informal discussions held with donors, particularly with major ones i.e. EC & US who are yet to finalize their contributions for 1388. According to informal indications, this shortfall should be met.	CO	Salim Shah/Ubaidullah	Decreasing
3	LOTFA Prodoc contemplates that UNDP will provide funds in advance to MoF on quarterly basis. However, in practice MoF spends the funds and UNDP reimburses once in quarter/4 months. Non transfer of advance will affect MoF cash balance position.	Economic / Financial/	Medium	Only on -time donor contributions will enable LOTFA to provide funds in advance to MoF.	LOTFA	Salim Shah/Ubaidullah	Decreasing
4	Insufficient ownership and institutional development of Mol. Will result in lack of sustainability/ results of LOTFA processes.	Technical /Operational	Medium	1. Specialised on-job and advanced training of central and provincial Mol finance/HR / Electronic Payroll System (EPS) officers, which will also increase commitment to remain with Mol. 2. Focus on training of trainers (ToTs). 3.Continued interventions with Mol.	Mol / LOTFA	Shafiq/Ubaidullah	Decreasing
5	Resignation of qualified project staff for other job opportunities	Organizational/Mgt	Medium	Endeavor to retain staff through training opportunities, promotions, etc.	LOTFA	Ubaidullah	Decreasing
6	Security of EPS data, which is classified and needs to be protected at all levels, by all operators. Otherwise potential of leak of information, havign political/security implications.	Technical/ Operational/ Security	Medium	1. Clear communication nodal points identified in each of the departments so that confidential information regarding personnel is not leaked out or available to unauthorized persons under any circumstances. 2. Web-based (secure) EPS payroll being devel	Mol / LOTFA	Shafiq	Decreasing
7	Exit Strategy for payment of food allowance to ANP during LOTFA-V. Is dependent on internal revenues of GoA.	Economic / Financial	Medium	As per Mar. 12, 09 SC decision, MoF will take full responsibility after 1388. However, there have been proposals for enhancement of ANP growth since then. Talks to be undertaken with MoF w.r.t. additional numbers, since SC meet.	MoI/MoF	Sandeep/Ubaidullah	Decreasing
8	Lack of full progress in Electronic Fund Transfer (EFT) process. Dependent on expansion of commercial banks in provinces/ inaccessible districts. Otherwise, risk of not fully meeting key project output.	Technical / Operational	Medium	1. Issue being followed-up with Kabul Bank strenuously. 2. Mol leadership and donor stakeholders kept inofmed. 3. To facilitate meeting of Minister of Interior with CEO, Kabul Bank.	MoI - LOTFA	Shafiq/Ubaidullah	Decreasing
9	Approval of second phase of funding plan for gender activities by Swiss Development Corporation (first phase came to an end, end-July). Otherwise, risk for gender activities to be halted.	Political/ Financial	Medium	Proposal for extension of gender activities submitted to SDC and is in final stages of approval.	LOTFA/SDC	Gender Team/Ubaidullah	Decreasing
10	Delays in GoA approval for justice/Central Prison Department (CPD) PRR docs, thereby affecting project output of reimbursement of remunerations to CPD uniformed personnel. If not implemented, will risk operational efficiency of CPD.	Political/ Financial/ Security	Medium	Continous talks with MoJ/MoF/Donors stakeholders undertaken. Docs signed by MoF, and resting with Pres. Office for final approval	MoF/MoJ/LOTFA	Sandeep/Ubaidullah	Decreasing

Annex III. Issues Log

ID	Type	Date	Description and Comments	Status/Priority	Status Change Date	Author
		Identified				
1	Strategic/Operational	15.02.2009	Delay in Recruitment of Monitoring Agent : Initial delay on account of insufficient no. of firms meeting technical criteria; subsequently, case rejected at ACP UNDP HQ level on account of annual turn-over of proposed firm, Joshi & Bhandary being less	Proposal has since been resubmitted, re-evaluated, re-approved by UNDP CO, and put up to the Regional UNDP bureau for final approval.	07.08.2009	Sandeep/Ubaidullah
2	Strategic/Operational	30.04.2009	Recruitment of 8 international HR Controllers: To develop institutional HR directorate systems and to facilitate accurate and transparent human resource information. Proposal linked to MA recruitment as 8 Controllers to operate from same regional zones. De	Progress dependent on recruitment of MA. ToRs will be floated once MA contracted out. <i>Word of caution: may not get qualified personnel willing to be positioned in provinces on account of security reasons, but LOTFA will make best effort.</i>	07.08.2009	Sandeep/Ubaidullah
3	Organizational/ Management	30.10.2008	Ban in entry of vehicles in MoI, including some LOTFA vehicles: Negative impact on LOTFA operations.	Matter continuously taken up with MoI. 2 LOTFA vehicles parked outside the Ministry.	30.07.2009	Sandeep/Ubaidullah
4	Operational/Regulatory	1. 30.05.2009 2. 30.05.2009	(1) Monitoring of timely procurement of equipment for MoI traffic, fire-brigade and health departments from Japanese funding, having very definitive time-line of end July; otherwise funding will lapse. Under administrative processes. (2) Monitoring of f	So far only USD 0.6m of total of USD 3.7m for 2009 spent. To receive proposals from ANBP project	1. 31.07.2009 2. 15.12.2009	Ubaidullah/Salim Shah