

United Nations Development Programme
Afghanistan
Law and Order Trust Fund for Afghanistan (LOTFA)-Phase V
Annual Progress Report 2010



ANP Providing Security for 18 September Parliamentary Elections:
Making Operational Difference on the Ground (LOTFA Output 1)

Project ID:	00060964
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CPAP Component:	Stabilization and Peace Building
ANDS Component:	Security
Total Budget:	USD 862,936,931
Responsible Agency:	Ministry of Interior & Ministry of Finance

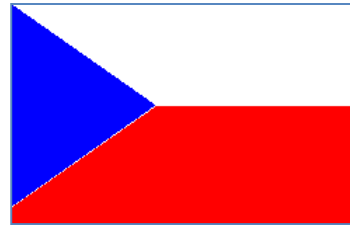
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Table of Contents

Acronyms	4
Executive Summary.....	5
I. Context.....	8
II. Results and Impact	9
Output 1: Police force supported to perform their job effectively and efficiently.....	9
Output 2: Financial and project management capacity built within Mol	13
Output 3: Police force equipped with required equipment for improvement of their mobility and responsiveness.	15
Output 4: Improved working and living conditions of police contributing to better efficiency and morale.	16
Output 5: Improved capacity in police force with enhanced gender balance.....	17
Output 6: Uniformed personnel of Central Prisons Department supported to perform their job effectively and efficiently.	20
III Implementation Arrangements	21
IV. Implementation Challenges/Risks/Issues.....	23
Project Risks and Actions	23
Project Issues and actions	25
V. Lessons Learnt.....	26
VI. Future Plans.....	27
VII. Financial Information	30
Annex I: Detailed Reporting on Results and Impact.....	35
Annex II: Policy and Knowledge Products	40
Annex III: Training and Capacity Building Outputs.....	41
AnnexIV: RISK LOG	43
Annex V: ISSUE LOG	45

Acronyms

ACT	Accountability and Transparency Project
AGO	Attorney General's Office
AFMIS	Afghanistan Financial Management Information System
ANCOP	Afghan National Civil Order Police
ANDS	Afghanistan National Development Strategy
ANP	Afghan National Police
APPF	Afghan Public Protection Force
ARTF	Afghanistan Reconstruction Trust Fund
CPAP	Country Programme Action Plan
CPD	Central Prisons Department
CSTC-A	Combined Security Transition Command – Afghanistan
DIAG	Disbandment of Illegal Armed Groups
EFT	Electronic Fund Transfer
EPS	Electronic Payroll System
EOD	Explosive Ordinance Disposal
EUPOL	European Police Mission in Afghanistan
FDD	Focused District Development
FRU	Family Response Unit
FY	Fiscal Year
GMS	General Management Support
GMU	Gender Mainstreaming Unit
HQs	Head Quarters
IMF	International Monetary Fund
IPCB	International Police Coordination Board
JCMB	Joint Coordination and Monitoring Board
LOTFA	Law and Order Trust Fund for Afghanistan
MA	Monitoring Agent
MoI	Ministry of Interior
MoF	Ministry of Finance
MoJ	Ministry of Justice
MoLSAMD	Ministry of Labour, Social Affairs, Martyrs and Disabled
MYFF	Multi Year Fiscal Framework
MTR	Mid Term Review
NIM	National Implementation Modality
NPP	National Police Plan
NPS	National Police Strategy
NTM-A	NATO Training Mission - Afghanistan
NOC	Network Operation Center
SC	Steering Committee
SDC	Swiss Agency for Development and Cooperation
ToTs	Training of Trainers
UNAMA	United Nations Assistance Mission to Afghanistan
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNIFEM	United Nations Development Fund for Women Activities
UNFPA	United Nations Fund for Population Activities

Executive Summary

At the request of stakeholders, current Phase-V of LOTFA was extended for four months from 01 September 2010 until 31 December 2010, to be able to complete the next Phase process in a qualitative manner. LOTFA-VI will be effective from 01 January 2011 through 31 March 2013. The LOTFA Phase VI-project document was finalized in full consultations with the GoA and all the donors. Strategic agreements were reached with the Ministry of Finance (MoF) with respect to police remunerations (both salary and food allowance components), as important first steps towards fiscal sustainability and sustainable development of LOTFA processes.



Towards the middle of the year, Minister Haneef Atmar resigned and General Bismillah Mohamaddi (former Chief of Army, Ministry of Defence) was appointed as the new Minister. He made some important top level structural re-assignments within the Ministry of Interior (MoI) and the provinces, in furtherance of his reform agenda. The Deputy Minister for Administration and Support, General Haidar Basir - who was also the National Director of LOTFA - was also replaced by General Ghulam Ali Wahdat, former Head of Counter-Narcotics Department.

Four project Steering Committee (SC) meetings were held on 10 February, 23 March, 28 July and 11 November, at which project implementation progress was reviewed and strategic decisions taken on key MoI proposals including professional pay for Afghan National Civil Order Police (ANCOP); MoF progressive responsibility for Afghan National Police (ANP) remunerations; and pay parity of prisons uniformed personnel with ANP.

At the policy level, LOTFA engaged intensively at the International Police Coordination Board (IPCB) forum in discussions relating to the police growth (decision reached to grow the force to 109,000 by October 2010 and 134,000 by October 2011); contributed to MoI strategic policy documents (National Police Strategy [NPS] and National Police Plan [NPP]); as well as provided inputs for MoI reform agenda (institutional reform, local police, disbandment of private security companies, etc).

Considerable resource mobilization work was undertaken for meeting the budgetary requirement of USD 553 million for FY 2010 (**103.7% increase** over 2009). The full requirement was met.

During the third Quarter, it was reported widely that Kabul Bank (where most ANP accounts are maintained), had suffered heavy losses because of irregularities in its financial transactions. This was a cause of concern for LOTFA, but MoF quickly made structural arrangements for the bank's refundable debts and assured that the situation was under control. *Ultimately, it is the MoF who is the guarantor of LOTFA funds, not Kabul Bank.*

During the year, enhanced focus was placed on communications and advocacy for LOTFA. A LOTFA Photo and Painting Exhibition, together with allied events, was organized on 08-10 June, with objective to showcase the progress, while highlighting the key issues of monitoring, accountability and transparency, as well as the cross-cutting components of capacity development and gender mainstreaming.

With respect to the main project activity of disbursement of police remunerations, during 2010, LOTFA paid remunerations of maximum 116,524 Afghan National Police (ANP) personnel (this strength reached in December) in all 34 provinces, on a regular basis. It transferred a total of USD 493.8 million to the MoF to cover the expenditure of police remunerations for 2010 (**105.4% increase** over 2009) as well as USD 120 million as advance for first Quarter of 2011 (subject to quarterly reconciliation). The regular payment of police ensured, in general, an efficiently functioning police on the ground. In particular, the police received a good performance rating for effective law and order maintenance during the important September parliamentary elections.

As part of the ANP growth, **19,724 new** police were recruited during the year, based on the 1389 ANP tashkil strength of 122,000 ANP (**20.4 % increase** over 2009).

The continued implementation of the Electronic Payroll System (EPS), aimed at introducing transparency in payrolls and reducing the length of salary process, showed further encouraging progress with **99.4%** representation of the total police by end of 2010 (**27% increase** in police numbers over 2009). Encouraging progress was also recorded in the Electronic Fund Transfer (EFT), with **80%** coverage of total police (**32% increase** in police numbers over 2009). Further expansion remains dependent on opening of commercial banks at the sub-national level.

Progress was recorded in the web-based EPS system with objective of centralizing all payroll systems at one nodal server in MoI for generation of "clean" payroll reports. Parwan, Kapisa, Panjsher, Herat and some police units in Kabul Police HQ and MoI were covered under the web-based EPS during the year. Ongoing initiatives in alternate payroll technologies i.e. M-Paisa mobile salary disbursement in inaccessible regions (as complementary to EFT) were continued, with encouraging results, with expansion in 5 districts of Wardak and Khost provinces.

During the year, the institutional development (ID) of the MoI was pursued in a more robust manner, with prioritization on Training of Trainers (ToTs), especially at the sub-national level, for building a sustainable local resource base. Over 230 police officials were provided on-the-job, refresher and advanced training in computerization of payroll, new-age financial management, accountancy, human resource (HR), administrative systems, personnel data entry and computer concepts. As a new initiative, the proposal of leadership development of 500 ANP cadets in Turkey was pursued (modalities finalized).

With respect to police infrastructure, new projects for 2010-11 were identified for enhancing police mobility and responsiveness, contributing to police efficiency and morale. These included construction of a Police Training Centre in Ghor, up-gradation of a MoI Drug Rehabilitation Centre in Kabul, construction of housing for families of ANP martyrs, as well as supply of equipment for Police Training Centres in Ghor, Herat, Adraskan and Kabul. LOTFA also continued to be engaged with the procurement of equipment for Disarmament of Illegal Armed Groups (DIAG) unit in the MoI, in collaboration with the Afghanistan New Beginnings Programme (ANBP) of UNDP, for the independent functioning of the provincial DIAG cells.

310 new police women were inducted into the police force during the year, bringing the total to 1001 (**45% increase** over 2009). This was complemented with gender awareness and mainstreaming programmes, towards gender enhancement in MoI.

LOTFA made salary payments to 5,055 uniformed personnel (as per tashkil strength) of the Central Prisons Department (CPD) of the Ministry of Justice (MoJ) through specially earmarked contributions. In parallel, for greater accountability in the disbursement process, finance and HR officers from Kabul and provinces were trained in financial management, HR/EPS/ computerization systems. ToTs were also organized for developing capacity for conduct of independent trainings.

With respect to monitoring and evaluation (M&E), systematic monitoring missions to 11 identified provinces were conducted jointly with the representatives of Mol and UNDP programme unit for financial monitoring of police remunerations, gender recruitment and EPS/EFT/ web-based implementation. Findings were shared with the government as well as the project SC. The contract of the Monitoring Agent (MA) firm Joshi and Bhandari was extended from 10 February 2010 to 09 February 2011.

The project activities were advanced in accordance with the 2010 Annual Work Plan (AWP), HR Plan and Procurement Plan. Moreover, the project built synergies with other donor initiatives being implemented at Mol (particularly in M-paisa, web-based EPS and gender projects) for improving effectiveness of operations. Partnership with the IPCB was strengthened through effective consultation in areas impacting on LOTFA priorities, including administrative reform of Mol (as mentioned above). To give credence to the principle of national ownership, LOTFA Management Support Unit (MSU) remained extensively engaged with Mol on strategic police growth and development issues impacting on LOTFA funding, particularly budget and HR.

It was endeavored to align the project goals towards the achievement of the Afghanistan National Development Strategy (ANDS) benchmark by way of contribution to the building of a professionalized police force; that of the United Nations Development Assistance Framework (UNDAF) outcome by way of improving the presence and availability of the police force for the local populace, contributing to stability and security; as well as the expected outcome and output of the UNDP Country Programme Action Plan (CPAP) by way of empowering police institutions at the national and sub-national level, contributing to the rule of law, more effective service delivery and long-term sustainability. This was done through efficient salary payments, police capacity development initiatives, improvement in police infrastructure, and support to women recruitment.

The main risks, challenges and issues during 2010 with potential for impacting on project outputs related to unpredictability of donor funding; insufficient ownership by Mol of ID process risking long-term sustainability; security constraints for monitoring/recruitment and EPS implementation missions; non-regularity in receipt of EPS reports by some provinces (Nuristan, Uruzgan and Daikundi), thereby risking erosion of EPS gains; further expansion of EFT dependent on the banking infrastructure at the sub-national level; negative perceptions of the police, risking gender recruitment programmes; continuous difficulty in finding qualified staff for strategic vacant positions in the project MSU; and need for strengthened M&E activities. These issues were taken up appropriately at various levels.

Future plans for 2011, building on the progress achieved during 2010 and taking into account the lessons learnt, will include - continued resource mobilization for 2011; implementation of the more substantive phase of LOTFA-VI with new components of capacity development and community policing; focus on 2011 Capacity Development Plan with prioritization on ToTs, for sustainability of knowledge and capacity base; strengthened M&E activities, particularly at sub-national (provincial and district) level, for greater accountability of financial processes; expansion of the centralized web-based EPS and M-paisa alternate technology mobile salary disbursement scheme, for covering inaccessible regions; follow-up on time-bound implementation of procurement and construction activities, for improved police mobility; enhanced prioritization of gender activities for strengthened gender empowerment; continued engagement with Mol/IPCB on police development and reform agenda; building on stakeholder partnerships; progression of HR plan to fill strategic MSU positions; conduct of annual Police Perception Survey-2011, as a benchmark of police performance and evaluation; participation in the UNDP-Rule of Law Cluster for joint development outputs; greater synergies with Afghanistan Reconstruction Trust Fund (ARTF), particularly on issues of fiscal sustainability; and further advocacy for LOTFA.

Summarized Key Results for 2010

- ANP and CPD supported to perform effectively through timely, accurate and transparent salary payments in all 34 provinces, with 99.4% coverage under EPS and 80% under EFT;
- Development of sustainable capacity and institutional reform of Mol through capacity programmes for 230 officials in financial management, accountancy and new-age payrolls;
- Improvement in police mobility, responsiveness and morale through needs-assessed police infrastructure at the national and sub national level;
- Gender enhancement in Mol through recruitment of 310 new police women in ANP as well as gender awareness activities;
- Enhancement of GoA ownership and long-term sustainability through progressive hand-over of 35% of core LOTFA functions to Mol.

I. Context

Rebuilding the national civilian police force for national security and recovery represents one of the highest priorities for the Afghan Government. In recognition of this, in May 2002, at the request of the Afghan Government and the 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 of covering police salaries as well as undertaking other police activities, including capacity development, infrastructure building and gender activities. Since then, LOTFA has completed V Phases (as of 31 December 2010).



However, despite the past achievements, it is clear that IC support to the police development will continue to be required, at least in the medium-term. The Joint Coordination and Monitoring Board (JCMB), in its various assessments, has underlined that lack of further substantive improvement in the security situation, particularly in the south and south-east, will continue to prevent medium-long term sustainable development and divert attention and resources from comprehensive security sector reform. The ANDS too, has envisioned a professional, disciplined and reinvigorated police force that is responsible and loyal to Mol, widely visible to and respected by the public, capable of protecting human rights, as well as fighting insurgency and drug trafficking – which continues to be work in progress.

Despite the need for an effective, well equipped and trained police force, currently the national police operates under significant constraints due in part to limited human and material resources, but also because of the non-traditional role of fighting insurgency. The ANP has continued to expand (as per the London [January 2010] and Kabul [June 2010] Conference decisions), but the quality of the police has remained questionable. There is conviction that the quantitative aspects of the police growth should be accompanied with proper training and education, leadership, vetting and accountability, as well as strengthening of Mol institutional systems. Some of these issues will be taken up in Phase-VI of LOTFA with more substantive capacity development at the policy, organizational and individual level, and a new democratic policing component, for more effective decentralized service delivery.

The intended outcome of the project is a better capacitated, gender balanced and appropriately resourced ANP, as well as institutionally strengthened Mol contributing to the strengthening of law

and order across the country, and in turn contributing to promotion of national, regional, and global security. In addition, more efficient payment of CPD uniformed personnel will help to improve the management infrastructure of the prisons, increase professionalism and lead to overall better conditions for CPD and the inmates.

The beneficiaries of the project are (a) the ANP and CPD uniformed personnel, directly benefiting from timely and accountable salary payment, individual capacity development, as well as police infrastructure activities, contributing to improvement in mobility, responsiveness and working conditions. In particular, the female recruitment campaigns render Afghan policewomen as a special set of direct beneficiaries; (b) MoI as a state organ, directly benefiting through systematized institution building at the policy, organizational and enabling environment level; and (c) Afghan nation as a whole, benefiting as an indirect beneficiary from improved law and order situation and service delivery at the national and sub-national levels. In particular, the Afghan women on the ground benefit from the visibility of more female police in the ANP, with higher comfort level in access and reporting of women-related crimes.

LOTFA is nationally managed as per National Implementation Modality (NIM) through the MoI, and is governed by UNDP's financial rules and regulations. The MoF is the other responsible party to which all police remunerations are made on a quarterly basis.

During 2010, members that contributed to the Fund were: Canada, Czech Republic, Denmark, European Union (EU), Finland, Germany, Italy, Japan, Netherlands, Norway, Switzerland, United Kingdom (UK), United States of America (USA) and UNDP. These members were also the key stakeholders that provided strategic direction to LOTFA during the reporting period.

II. Results and Impact

LOTFA effectively supported the MoI and MoF during 2010 to ensure that it was able to meet the commitments under the Trust Fund. Measurable progress towards various development outcomes was made. An overview of the performance and progress is provided below, in full recognition of fact that the results were the products of effective partnerships with all stakeholders, who jointly contributed to the achievements:



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

1.1. Ensuring payment of police salaries

The first priority of LOTFA is reimbursing remunerations (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 2010, the combined expenditure for police salaries and food allowance totalled USD 493.4 million (105.4% increase over 2009). There was also release of appropriate advances to MoF for all quarters during 2010 to ensure continuity in payment of ANP remunerations. The regular release of funds to MoF contributed to the overall efficiency and effectiveness of police functions.



Police performance was rated positively, particularly at the time of major political events like the Kabul Conference in June and parliamentary elections in September, with minimal law and order disturbance. According to European Police Mission for Afghanistan (EUPOL) police appraisal report on elections security, the key finding was that 80% of the police had performed "excellent to very good." Police performance was also endorsed by the results of the second independent annual **Police Perception Survey-2010**, contracted out by UNDP-LOTFA, building on the baselines established by the 2009 survey. 79% of Afghans throughout the country expressed favorable opinion of the police in their area (steady since 2009), peaking in urban areas – especially Central Kabul, where 91% viewed the local police favorably (10-point increase over 2009). However, favorable ratings dropped substantially in the south west (48%), where international military operations are centered, security and stability are low and the ANP has less of a presence. Additionally, 73% of Afghans said that they respected the police and 71% had confidence in its abilities. At the same time, the survey pointed to areas that were challenged and required renewed effort like police training, equipment, and education. The main message was that much progress had been achieved towards police development and empowerment (contributing to security), and that it needed to be sustained, even accelerated.

Disbursement of food allowance: With a view to cutting down corruption in the food contracting and disbursement systems, Mol had, over the course of 2009 and first half of 2010, implemented the cash versus in-kind food allowance programme in Parwan, Wardak, Panjsher, Logar, Bamiyan, Takhar, Badakhshan, Saripul, Ghor, Laghman, Uruzgan and Farah. However, in July 2010, based on technical assessment in the targeted provinces, it was found that this was affecting police operational efficiency and discipline on the ground, the trend was reversed by Mol through a SC decision. At the same time, Mol has undertaken to streamline the food procurement, contracting and disbursement systems to root out administrative deficiencies.

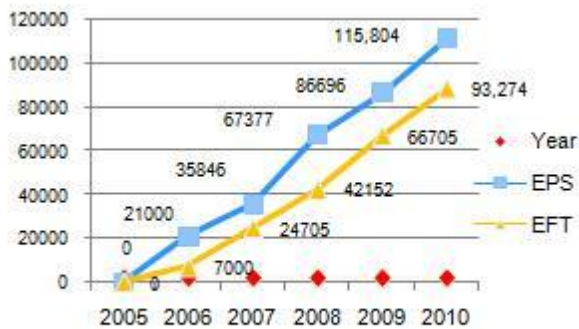
Sustainability of expenditures: LOTFA was intended to fund recurrent costs of Mol during the transition and consolidation period, until the costs could be sustained from domestic revenues. The issue of fiscal sustainability of LOTFA payments remains complex, given the fluid security situation and limited MoF revenue collection. During 2010, some strategic agreements were reached with MoF in relation to police remunerations over the next two years. MoF committed to taking over 3% of police salary budget and food allowance of 82,000 ANP in 1391 [March 2011] and 7.5% of salary budget and food allowance of 98,239 ANP in 1391 [March 2012]. These are important first steps towards fiscal sustainability of LOTFA expenditures.

Results of the survey of past ANP pay and incentives on ANP functioning: At the 28 July SC, Combined Security Transition Command for Afghanistan (CSTC-A/US military) presented the results of the ground survey of past ANP pay and incentives through LOTFA, on ANP recruitment, retention, attrition as well as operational efficiency. The survey revealed that while pay was a factor in ANP development and retention, it was not the only driving factor, and that leadership, equipment, training and police reputation were equally important. Mol undertook to address all of these.

Detailed financial information is presented in the Financial Information Section of the report (Total Income and Expenditure: Table 1; Expenditure by Major Outputs: Table 2; Expenditure by Donors: Table 3).

1.2. a Computerization of police payroll system (EPS)

EPS continued to serve as a fairly efficient and transparent financial and HR tool, with the objective of ensuring timely and accurate police salary payments to the legitimate police staff, through sustainable and cost effective payroll payment procedures.



During 2010, EPS continued to remain operational in all 34 provinces, including 65 client payroll stations in Kabul zone and Mol central departments, covering around 115,804 police personnel. Of this, **24,831 new police** were added during the year, constituting **99.4%** of the total existing police force (**27% increase** of police numbers over 2009).

LOTFA received EPS monthly reports from all 34 provinces, although regularity of receipt of reports continued to be a challenge from security vulnerable provinces like Uruzgan, Kandahar and Nuristan. In some other provinces like Daikundi, a different set of challenges were encountered, like non-fulfilment of position of EPS operators. The LOTFA team closely coordinated the issue with Mol as well as directly with provincial HQ. Independent preparation of reports in the provinces by Mol institutions was an encouraging sign of progressive sustainability of the established payroll processes, particularly at the sub-national level.

1.2.b Expansion of centralized web-based EPS

Work was considerably advanced during the year by the LOTFA- EPS team on the expansion and monitoring of the web-based database application system for centralizing payroll and personnel information at one central server (ongoing work). The objective is to link all Mol data sources (Mol with provincial systems) as well as to link the Mol EPS database with other existing applications, i.e. the DynCorp ID card database, Personnel Asset Inventory (PAI) system and the Mol HR database. *This will help in generation of "clean" (transparent) records with full payroll details of serving personnel.*

During 2010, the on-line payroll system was implemented in Parwan, Panjsher, Kapisa, Kabul Police HQ, Mol Training and Education Department as well as Herat Police HQ. Work was also continued for expansion of the plan in the first quarter of 2011 to other Mol HQ and Kabul units, the Afghan Border Police (ABP) and Mazar Police HQ.

The growth plan remains contingent on the Mol Network Operations Center (NOC) expansion system as well as the data reconciliation process. The accuracy of the data fed into the system will also depend on the full realization of the DynCorp ID registration as well as the PAI updates. These are not to be one-time snap shots but to be updated periodically in an institutional manner, for serving as a sustainable resource base. This was regularly coordinated with Mol and CSTC-A/ DynCorp in the forum of weekly meetings organized by LOTFA. *It needs to be pointed out that the work is laborious and although Mol is taking the lead in undertaking this, LOTFA and other partners will need to be strategically involved until the requisite technical capacities are developed in the government.*

1.3.a Expediting the EFT to the police force

EFT, introduced by LOTFA as a mechanism for payment of police salaries through individual bank accounts, thereby cutting middlemen and contributing to greater transparency and accountability in salary disbursements, continued to be functional in all 34 provinces (although not all districts). The number of uniformed police personnel who received salaries by EFT in 2010 reached 93,274 (**22,815 new police**), constituting **80%** of the total existing police force (**32% increase** of police numbers over 2009). The EPS team liaised with commercial banks for expansion of the branches to cover more districts, but the instability in the Kabul Bank situation (having the largest infrastructure at the district level) reported during mid-year somewhat offset the process. In parallel, alternative

salary transfer mechanism was explored, as given below, particularly for inaccessible regions, for timely and efficient disbursement of police salaries.

1.3.b Exploration of alternative fund transfer mechanisms, including new age technologies

To overcome the challenge of bringing greater number of police personnel into transparent salary disbursement systems, in collaboration with Mol, MoF, and CSTC-A, LOTFA pursued new-age technology initiatives i.e. M-paisa (launched by Roshan mobile company in collaboration with First Micro Finance Bank [FMFB]) to make salary payments through mobile phones. This is to serve as a supplement to the EFT system. The scheme showed encouraging results: the police received their salaries in full and on time, did not have to travel unsecured distances to banking facilities, and all transactions were logged and fully traceable. The scheme was expanded to 3 districts in Wardak and to 2 in Khost province for a total of 255 police personnel. Constraints to this have been ownership of this process, supply of mobile phones to the police and adequate training in the requisite technology. At the 11 November SC meeting, the Minister was strongly encouraged to advance the M-paisa scheme to 25 new districts not covered by commercial bank coverage, for around 4,700 police personnel, after overcoming the above mentioned challenges.

1.4 Monitoring and Evaluation (M&E)

UNDP accords top priority to M&E work for all its projects, to ensure efficient and accountable deliverables. In pursuance of this, the services of the independent LOTFA MA were continued throughout the year, for better oversight on the project expenditure, as well as capacity development in financial management, fiduciary reviews and accounting systems. The MA team was positioned in all the police zones and was provided robust LOTFA oversight. Monthly and quarterly reports were regularly shared with all stakeholders. A follow-up action plan was developed for implementation of findings by the relevant Mol departments.

During 2010, independent joint monitoring missions by Mol, UNDP and LOTFA were conducted in 11 identified provinces of Mazar-e-Sharif, Herat, Jowzjan, Baghlan, Samangan, Nangarhar, Kunar, Laghman, Parwan, Panjsher and Kapisa. Key recommendations included: need for timely allotments by Mol/mostufiats to provincial HQs; institutionalization of positions of EPS operators for sustainability of the capacities built; regular reconciliation of EPS and HR data; regularization of EPS/EFT refresher/advanced trainings; need for more female positions in the ANP tashkil; technical feasibility of expansion of centralized EPS to Balkh and Mazar regions; as well as timely finalization of food contracts by Mol. Action points arising from the missions were appropriately followed-up with Mol and MoF leadership.

Additionally, monitoring of project activities was also undertaken through the established reporting systems, as well as internal UNDP management oversight and support procedures for quality assurance. In this regard, monthly /quarterly/ special project review management meetings were held and recommendations arising from these implemented appropriately for greater efficiencies of project activities. There was also an internal UNDP audit conducted in March, which gave LOTFA a clean chit. The project also hosted a US Special Inspector General for Afghanistan Reconstruction Mission (SIGAR) on LOTFA financial operations.

Summary matrix of activities:

Activity result	Description of results/achievement	% of target progress rate / delivery
1.1 Efficiency of police functions enhanced for contribution to	Timely and accurate payment of police remunerations (including incentives to female trainees) in all 34 provinces - contributing to	100%

overall stabilization and security	more effective law and order maintenance throughout the country	
1.2 Greater accuracy, verification and accessibility of police payroll	Computerized EPS reports produced timely and accurately in most provinces (with exceptions of Uruzgan, Nuristan); and expansion of centralized web-based EPS - for greater accuracy in police payrolls	99.4% (affected by increase in police tashkil; work in progress)
1.3 Transparency in individualized police payments	Systematic implementation of individualized EFT payments through commercial banks and utilization of alternative, new-age salary transfer mechanism (i.e. M-paisa) in inaccessible areas— for efficient and transparent salary payments	80% of coverage (full realization constrained by external factor of non-expansion of commercial banks at sub-national level)
1.4 Quality assurance for effective ground delivery of Outputs	Implementation of established project monitoring, evaluation and reporting systems; as well as coverage of all 34 provinces by MA services - for efficient and accountable deliverables	100%

Output 2: Financial and project management capacity built within Mol

2.1 Focus on ToTs at central and regional level

During 2010, the focus was on the Training of Trainers (ToTs) of the police, particularly at the sub-national level, for creation of a sustainable local resource base - in alignment with the UNDP CPAP Output of empowerment of government institutions responsible for security in the country, for long term sustainability. 41 top officials from 13 provinces were trained in modern payroll systems and are qualified to conduct independent training programmes in their respective regions, with oversight from LOTFA-EPS team.



2.2 Conduct of financial management/HR/admin/EPS-EFT/IT training

The 2010 (1389) Capacity Development (CD) plan was continuously assessed for greater effectiveness towards Mol institutional capacity enhancement in financial, accountancy, HR and administrative systems. An outsourced firm, Beacon Consultancy, together with LOTFA-EPS team, conducted 10 customized training capsules of 20 days each for over 230 finance/HR/administrative/EPS officials from Mol HQ, all provincial police zones, border police and ANCOP in the above disciplines. However, this is a medium-term results based management process and will need to be followed-up for longer term sustainability.

Additionally, 15 capacity development training programmes were conducted independently by the MA teams on "Payroll & Tax Deduction on Salary Income," "Inventory Management" and "Store Keeping and Maintenance of Store Records" held at the provincial and central level. Trainings were

imparted to 118 police officials from Finance, Procurement/ Logistics and HR Departments. This is ongoing MA work towards development of sustainable capacities in the areas of their monitoring work at the sub-national level.

As a new initiative, the proposal of leadership development for 500 ANP cadets in Turkey was advanced in discussions with the Japanese Embassy, the Turkish Embassy and NATO Training Mission in Afghanistan, [NTM-A]. The specific modalities are being finalized. This is aimed towards the development of requisite skills of ANP officer-level cadre for becoming multi-faceted leaders of the new century.

2.3.a Provision of technical EPS support for strengthening MoI institutional capacity

During 2010, the LOTFA-EPS help desk continued to provide regular technical advice and support to all 115 EPS stations nationwide (additional 5 opened for VIP Security; Cultural Sites; Kabul Gates Security; Ministries; and Recruitment High Command), as well as for the enforcement of a banking culture to police account holders. Weekly updates were provided to the 65 client databases in MoI departments, Kabul zonal command, 14 Kabul districts, 22 police stations and 5 border police HQs.

2.3.b Strengthening of specialized units in MoI

MoI specialized capacities were strengthened through the work of 18 National Advisors in specialized units in the Minister’s office (policy planning, gender, legal, parliamentary affairs and security disciplines), as well as MoI independent departments of procurement/HR/finance. This was done through provision of strategic policy support and on-the-job mentorship. Additionally, specific areas were also followed up in the context of UNDP cross-project collaboration for maximizing ground impact of results, i.e. strengthening of LOTFA linkages with the anti-corruption, justice and gender projects. Some progress was made in the areas of anti-corruption (setting up of a Vulnerability to Corruption Assessment (VCA) unit in MoI and an Anti-Corruption Unit funded by LOTFA), and justice (strengthening of human rights units in MoI and MoJ).

2.4 Progressive transfer of EPS/EFT processes and core functions to MoI

As per the AWP, progressively, around 35% of the core EPS /EFT functions were handed over to MoI relevant departments (i.e. production of EPS reports at sub-national level, commercial bank liaison, tracking of bank accounts, data back-up), for long-term institutionalization of processes and systems. This resulted in increased independence in functioning and management of daily technical jobs. The progression will need to be reinforced in the next Phase of LOTFA.

Summary matrix of activities:

Activity result	Description of results/achievement	% of target progress rate / delivery
2.1 Resource pool of qualified trainers established in MoI for long term sustainability of institutions	Prioritization of ToTs at sub-national level (41 police officials including female police from 13 provinces trained) - for sustainability of capacity at grassroots level.	80% (non-availability of officials during elections and Ramadan period)
2.2 Financial management/HR/admin /EPS-EFT/IT skills of MoI improved at national and sub-national level	Training of 230 finance/HR/administrative/EP S operators from MoI HQ, provincial police HQs, border police and ANCOP – for improvement of on-the-job skills in these disciplines	98% (as per availability of officials)

2.3 Technical/institutional capacity of Mol strengthened	Provision of regular technical support to all 115 EPS stations nationwide for conduct of independent operations as well as specialized support for Mol identified units (including GMU) through national mentors – for strengthening institutional systems management capacity	100%
2.4 Sustainability and ownership of Mol enhanced with progressive hand-over of core project functions	Prioritization of Mol ownership /progressive hand-over of core work-for sustainability of institutional systems and independence in functioning	100% (in keeping with target of 30-40% handover of overall tasks by end 2010)

Output 3: Police force equipped with required equipment for improvement of their mobility and responsiveness

3.1 Procurement of non-lethal equipment

Activities under this Output had the potential of contributing to the achievement of the UNDP-CPAP Outcome of increasing the capacity of state institutions for overall security and peace building. These were also as per the perceptions of the Afghan populace across the country, projected in the Police Perception Survey-2010, about the need for the police to be better equipped for more efficient discharge of functions.



During 2010, LOTFA followed-up, on priority basis, on the carry-forward projects of 2009 relating to supply of non-lethal equipment for the Mol departments of traffic (pollution test/traffic signals/fork lifts/breath tester/zebra crossing, etc) and health (28 items in health fields). **100%** procurement of equipment for health department and **81%** for traffic department was completed and the balance fund transferred to Output 1 (police remuneration). The health equipment is being used in the police hospital, which is visited by around 150 patients on a daily basis. The traffic equipment is being used in Kabul, Nangarhar, Herat and Mazar, empowering the police to provide more effective service delivery to the people in these provinces.

3.2 New procurement projects

New procurement projects were finalized and implementation commenced under the Japanese 2010 contribution: (i) medical equipment and supplies for the Mol Drug Rehabilitation Centre, and (ii) training equipment for Police Training Centres in Adrsakan, Herat, Kabul and Ghor. The initial delays in finalization of the projects had to be made up by faster than normal implementation process to meet the project completion time-lines. By end 2010, 90% of procurement for Drug Rehabilitation Centre was completed and most of the equipment for the Police Training Centres was contracted out. More than 1,000 police have so far been treated and successfully rehabilitated at the Drug Rehabilitation Centre.

3.3 Procurement of Equipment for DIAG Cell

Procurement of equipment for the Disarmament of Illegal Armed Groups (DIAG) cell in Mol was further progressed, with finalization of tenders for furniture, office equipment and supplies (stationery, generators, fuels). With this, **87%** of procurement was completed. The remaining sum,

earmarked for institutional development, is proposed to be utilized during the first Quarter of 2011. This will facilitate effective functioning of the DIAG offices in the Mol HQ and the provinces.

Summary matrix of activities:

Activity result	Description of results/achievement	% of progress rate / delivery
3.1 Overall police mobility and responsiveness improved for better service delivery	Procurement of non-lethal eqpt for identified Mol Depts of traffic and health; as well as for Drug Rehab centre and police training centres – for greater police operational capacity and service delivery (including for female police)	100% of health eqpt; 81% of traffic eqpt (remaining fund transferred to Output 1)
3.2 Police efficiency improved	3.2 Admin process commenced for new projects of Drug Rehab centre and police training centres in Ghor, Kabul, Heart and Adraskan – for greater police responsiveness	90% of Drug Rehab centre; 100% targeted admin process underway for police training centres
3.2 Functional capacity of DIAG cells in Mol and provinces strengthened	Procurement of equipment for DIAG cells at central and provincial level (furniture, office equipment and supplies) - for independent and effective functioning	87%

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

4.1 Assistance to Mol for construction activities

The construction of the police gymnasium at the Central Region Command Centre (CRCC) was 100% completed (**36%** over course of 2010) which will provide opportunity to the police for physical fitness, and thereby contribute to better efficiency.



Strict follow-up was undertaken for completion of carry-forward construction/refurbishment projects of 2009 for police facilities relating to health, fire brigade, check-posts, police colonies, traffic and border police departments. **83.2%** of police facilities were completed and the balance fund transferred to Output 1 (police remuneration). As in case of Output 3 above, these police facilities will also contribute to the achievement of the UNDP-CPAP Outcome of increasing the capacity of state institutions for overall stabilization and security, through creation of infrastructure for better police performance.

4.2 Implementation of new infrastructure projects

New construction projects were finalized under Japanese contribution for 2010-2011, in alignment with the NPS priorities, and in discussion with all involved stakeholders i.e. Mol, Japanese Embassy, Italian Embassy and carabinieri as well as NTM-A. These were: (i) construction of a new Police Training Centre in Ghor; and (ii) construction of housing for families of ANP martyrs and disabled. By the end of 2010, contract was awarded for the design of the Ghor Training Centre and that for construction of the martyrs housing complex technically evaluated. These projects will improve the living and training conditions of the police, leading to better operational efficiency.

Based on the assessed Mol priority, work was also progressed on construction of additional 160 phase-II check points under German funding (628 completed in phase-I in 13 provinces in the north, central and eastern police zones). The check points will help the police to execute their functions more effectively.

Summary matrix of activities:

Activity result	Description of results/achievement	% of progress rate / delivery
4.1 Working and living conditions of ANP improved, resulting in better police performance	Completion of construction of gym and up-gradation of police infrastructure in fire-brigade, health and traffic Depts – for greater police efficiency and morale	100% for police gym; 83.2% for fire-brigade, health and traffic Depts (remaining funds transferred to Output 1)
4.2 Police morale and confidence increased	Commencement of admin process for construction of new police infrastructure projects relating to Ghor Training Centre and housing for families of ANP martyrs – for police (also female police) – for morale and capacity strengthening	Ongoing

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

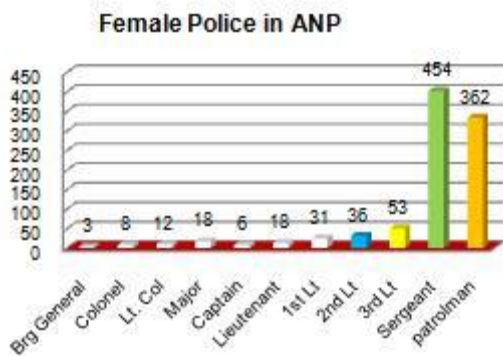
Activities were carried out in accordance with the 2 sub-components of the gender unit of LOTFA i.e. female recruitment and gender mainstreaming in Mol. These contributed to the UNDP-CPAP Output of better empowerment and long term sustainability of state security and rule of law institutions.

5.1 Undertaking of female recruitment campaign

In the Police Perception Survey 2010, positive contributions of female police officers were noted, in particular in areas related to family issues and domestic violence. 45% of Afghans favoured female police officers in their community versus 42% against. Support was highest in urban areas at 59%; it fell to 41% in rural areas, and further, to 32% in the south-west. There is an imperative to expand female membership of ANP, particularly in rural areas and in the south-west, which will have positive benefits for all members of Afghan society, particularly for the female populace.



In furtherance of the above, and in keeping with Mol's strategy for recruitment of 5,000 female police by 2014 (1393), 310 **new female police** were recruited during 2010 despite the challenges of police reputation, and reluctance of families to allow female members to join the force. Currently, the total number of Afghan police women stands at 1001 (**45% increase** over 2009). Recruitment missions were undertaken to Herat, Parwan, Mazar, Samangan, Baghlan, Jalalabad, Kunar and Laghman. Key recommendation from provincial authorities was the need for establishment of training centers in the provinces, which would encourage more families to allow female members to join the training courses, rather than having to travel to Kabul or other regional centres.



Training incentives were provided for patrolwomen @ USD 40 per month; sergeants @ USD 50 per month; and commissars @ USD 70 per month. There is a proposal by Mol to increase these incentives to attract more female trainees, which is being assessed.

Media continued to be used as a vital tool for women recruitment with telecast of Dari and Pashto spots on select local television channels. A documentary film on female police was contracted out to a renowned policewoman, director and actor in the last Quarter and shown on leading national TV channels and

mobile cinemas, both for advocacy and as part of the recruitment strategy. The telephone info-line continued, with operations delegated to the Mol Gender Mainstreaming Unit (GMU) as part of the sustainability plan, under continuous supervision of LOTFA. However, there were not too many callers on this line, reflecting the need for better publicity of this tool. LOTFA, in consultation with Mol GMU, has been working to promote this.

A major workshop was organized on gender recruitment and mainstreaming for 150 police officials from all Mol Departments, police HQs and provincial GMUs in August, expected to have a positive impact on gender recruitment of female police. Topics included systems and criteria for female recruitment, gender justice and equality, as well as women's and children's rights. Principle recommendations included enhancement in tashkil numbers for the female police, particularly in the provinces, and greater involvement of civil society in broadening the targeted recruitment base of Mol-LOTFA campaigns through reaching out to girls' schools and women organizations.

Regular monthly meetings of the Afghan National Police Women Association (ANPWA), an informal platform for recruited women police to share experiences and concerns, were facilitated during the year, both in Mol and targeted regional zones. The forum is also being used as a valuable tool for recruiting new female recruits into the police through advocacy of their personal experiences. Regional chapters of ANPWA were opened in Herat and Nangarhar in 2010.

Coordination with the Ministry of Women Affairs (MoWA) and the Ministry of Labor Social Affairs Martyrs and Disabled (MoLSAMD) was strengthened for exploring new avenues for policewomen recruitment, through the women development organizations registered with these Ministries at the central and provincial levels. Civil society organizations like Afghan Women's Network (AWN) were also involved in the gender enhancement work through technical support as well as women enhancement proposals. Contacts were also maintained with prominent female Members of Parliament for publicizing female recruitment opportunities in their constituencies.

During the last Quarter of 2010, LOTFA launched an impact field study on role of women in ANP and impact of female recruitment on gender enhancement in ANP and increased access of Afghan women to policing services. The study found that recruitment of policewomen is a positive and

necessary development, yet not fully sufficient to achieve gender equality in the police force, nor to ensure that women have access to police services. A number of other factors still played a significant role in hindering the positive development, including understanding of the police role as auxiliary military rather than preventing crimes and ensuring rule of law; institutional inertia; and still prevalent view of domestic violence as a private matter.

5.2 Conduct of on-the-job and theoretical training

On-the-job training towards formulation of project proposals and liaison with outsider stakeholders was provided to the ANPWA, as a capacity building measure.

A key proposal of organization of a 2-month outsourced theoretical training capsule for senior ANP female officers of the level of Colonel and above at the Kabul Police Academy was finalized, based on needs analysis of leadership development. Some other proposals were also followed up, and need Mol guidance: (i) undertaking of a study to determine specific literacy levels of Afghan police women for devising appropriate training capsules (in conjunction with EUPOL); (ii) devising of training campaigns on HIV awareness for ANP, including police women, after authorization by Mol leadership (in collaboration with United Nations Office on Drugs and Crime, UNODC (action resting with UNODC).

5.3 Conduct of gender awareness and mainstreaming activities

During the period, supplementary gender awareness material including posters, brochures, flipcharts, stickers and guide books were printed and distributed to the provincial police Education Departments.

LOTFA participated actively in the Elimination of Violence Against Women (EVAW) campaign led by UNAMA, thorough organization of two seminars on the subject in November-December, publicizing of the theme through billboards in all 34 provinces, distribution of illustrative notebooks and talks by senior female police officials in girls’ schools for building awareness.

In coordination with Mol, LOTFA worked towards establishing a gender coordination and mainstreaming committee with objective of bringing further synergies among various gender activities within Mol. LOTFA, EUPOL, Norwegian police, CSTC-A, AWN, UN Women, DynCorp and other agencies working for gender and human rights are member of this committee. One of the issues worked upon was that of development of a comprehensive strategy for Family Response Units-(FRUs), which was signed off officially at the end of 2010. LOTFA has supported FRUs in the past in 6 zones.

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

Capacity development and logistic support was provided to Mol GMU to further enhance its day-to-day functional capability. During the current quarter, office and IT equipment was procured for provincial GMUs, for regional gender enhancements. The support is proposed to be expanded to cover all female police in Mol in 2011.

Summary matrix of activities:

Activity result	Description of results/achievement	% of progress rate / delivery
5.1 Gender balance in Mol improved	Recruitment of 309 new female police through targeted recruitment campaigns, particularly at sub-national level – for	100%

	increased representation of female police	
5.2 On-job and leadership capacity of female police strengthened	Needs-assessed on-job training for female police – for independent functioning and leadership development	100%
5.3 Gender awareness across all levels of police increased	Conduct of gender awareness and mainstreaming activities in MoI and provinces – for increased gender awareness and publicity	100%
5.4 Capacity of MoI-GMU strengthened	Provision of logistics, funding and administrative support to GMU – for enhancement of operational capability	85% (ongoing)

Output 6: Uniformed personnel of Central Prisons Department supported to perform their job effectively and efficiently

6.1 Remuneration of uniformed prison guards

Activities under this Output also contributed to UNDP-CPAP Output relating to better empowerment of state institutions (CPD) responsible for maintenance of rule of law through efficient payment of salaries and capacity initiatives in payroll management.

LOTFA paid regular salaries of 5,055 CPD uniformed personnel under the MoJ (as per tashkil strength) through specially earmarked contributions. The food allowance was covered by MoF’s internal resources. There was somewhat of a budgetary crisis in the middle of the year, which was ultimately resolved through contributions from the US, EU, Canada, UK and Germany.



Towards the end of the year, there was also a decision for enhancing the CPD pay scales to bring parity with ANP/ANA, for better synergies between the justice and the police sectors, contributing to the overall strengthening of the rule of law sector.

6.2 Establishment of EPS

Transparency and accountability in the disbursement of CPD salaries, as in the case of ANP salaries, was LOTFA's priority, for the most effective use of the available funds. The LOTFA team provided training to Finance and HR Officers in Kabul and the provinces in EPS systems, on the same lines as those undertaken for MoI. Two ToTs programmes were also conducted for CPD representatives in Kabul, who then further trained CPD finance officers in EPS technology in Nangarhar, Logar, Wardak and Parwan provinces. LOTFA also provided logistic (IT equipment) support to functionalize the EPS in these provinces.

Currently, 75% of CPD personnel are covered under EPS, and work is in progress for covering the remaining personnel, as management capacity is further developed (75% increase over 2009 zero base line).

6.3 Establishment of EFT

As in the case of ANP, EFT system was established for individualized salary payments through the commercial banks, thereby cutting out middlemen and administrative inefficiencies. Currently, 75% of CPD personnel are covered under EFT (75% increase over 2009).

Summary matrix of activities:

Activity result	Description of results/achievement	% of progress rate / delivery
6.1 Efficiency of CPD functions enhanced	Timely and efficient payment of CPD remunerations – fro improved management of prisons infrastructure and increase in increase professionalism	100%
6.2 Greater accuracy and , verification of CPD payrolls	Timely and accurate production of computerized EPS reports - for greater accuracy in police payrolls	75% coverage (work in progress)
6.3 Individualized CPD payments	Systematic implementation of individualized EFT through commercial banks - for efficient and transparent salary payments	75% coverage (work in progress)

A Results and Impact Tracking Matrix for 2010 for all Outputs is at Annex I.

III Implementation Arrangements

LOTFA functioned as per the NIM modality. The project MSU operated under the supervision of the MoI to carry out the tasks that could not currently be handled through the existing GoA mechanisms, even while remaining engaged in capacity development and transfer of necessary skills to the MoI (and MoJ). UNDP supported the resource mobilization for the project, provided quality assurance and ensured that the necessary staff and other inputs were available through its Country Office.



National ownership: Under the NIM implementation modality, the GoA retained overall responsibility for the nationally managed project, through the MoI. MoI was responsible for the overall achievements of the results, outcomes and outputs relating to police personnel verification, project fund flow, payroll management, gender mainstreaming, as well as police construction and procurement activities (undertaken through government procedures). The National Director, Deputy Minister for Support, served as the focal point on the part of the MoI. The MoF was the responsible party for the purpose of reimbursement of national budget expenditures and the individualized police payments. The actual payments took place through the regular government payroll and non-salary payment system. The amount eligible for reimbursement was based on the

expenditure derived from the Afghanistan Financial Management Information System (AFMIS) maintained by MoF.

SC forum: The institutional apparatus of the project SC, co-chaired by the MoI and UNDP and with representation from MoF, MoJ and all LOTFA donors, made executive management decisions for the project when guidance was required, oversaw the project implementation, approved administrative procedures, operational strategy and standards, and ensured broad participation and transparency in decision-making. In 2010, four SC meetings were held on 10 February, 23 March, 28 July and 11 November, at which strategic decisions were taken on some key MoI proposals i.e. professional pay for ANCOF towards increasing recruitment / retention, and reducing attrition, MoF progressive responsibility for ANP remunerations, as well as pay parity of CPD uniformed personnel with ANP. At the SC meetings, it was ensured that the GoA took the lead in presentation of policy and funding proposals.

Quality of partnerships: The project collaborated with other stakeholder initiatives being implemented at MoI so that synergies could be built and effectiveness of deliveries improved. Partnerships with the government and international community were strengthened through effective consultation in areas impacting on LOTFA priorities, including police growth and MoI rank and reform restructuring. In particular, extensive consultations were held with all LOTFA stakeholders for the finalization of the Phase-VI project document, resulting in a substantive, consensus document, with clearly enumerated responsibilities for all parties.

Partnerships with the government: In particular, LOTFA remained intensely engaged with MoI in full cognizance of principle of government lead and ownership of all LOTFA processes and outputs. Effective liaison was also maintained with MoF, for quarterly reimbursements of the national budget expenditures. Extensive talks, in particular, were undertaken for progressive phasing-out of ANP remunerations, a key LOTFA-V conditionality. In relation to CPD, regular discussions were institutionalized with the MoJ for efficient payment of remunerations. For gender activities, partnerships were forged with the MoWA, MoLSAMD as well as with female members of parliament (as mentioned above).

Partnerships with international stakeholders/ UNAMA/UNDP projects: Contacts were broadened with outside-LOTFA police sector organizations i.e. EUPOL, CSTC-A/ NTM-A /DynCorp / bilateral police projects (US, UK, Norway, Canada, Italy, Germany, France, Netherlands), civil society organizations and policy think tanks to take LOTFA issues forward. At the demand of stakeholders, a more structured and institutional working partnership was established with IPCB for greater coherence in police development effort, bringing together the policy and funding components. Collaboration with UNAMA was improved on key issues impacting on the larger security sector, having a bearing on LOTFA activities. Effective synergies were developed in the "rule of law" cluster forum bringing together UNDP's police, justice, anti-corruption, peace and reintegration as well as gender equality projects - for achieving substantive programmatic collaboration and cost effectiveness in the implementation of identified programmes.

Quality of monitoring: UNDP Country Office monitored the project in line with its Results Based Management (RBM) principles on a periodic basis. Robust oversight was provided to ensure the quality and timeliness of progress towards delivery on benchmarks identified in the project document and the AWP. At the quarterly management review meetings, the government and donor counterparts were invited to provide their assessment. All project implementation issues were recorded in the narrative quarterly progress reports, and critical issues brought to the attention of the SC members. The current annual project report has also been oriented towards greater focus on progress recorded against measurable results.

Field monitoring by joint MoI-UNDP-LOTFA missions, with objective of salary payment verification, review of financial procedures, progress on implementation of EPS/EFT as well as gender recruitment remained an essential component of LOTFA activities. Additionally, to address the need of more in-depth monitoring of financial management, accountability and HR systems in MoI, the services of an independent MA were continuously engaged.

Resource allocation: For 2010, the total budget of LOTFA covering all priorities was around USD 553 million. This was a **103.7 % increase** over 2009.

Cost-effective use of inputs: The available project inputs – staff, transport, equipment, etc were utilized in the most efficient and cost-effective manner. It is important to note that the number of international staff was limited to one in the project and national capacities were instead, utilized to the fullest.

IV. Implementation Challenges/Risks/Issues

Project Risks and Actions

Although there were no major risks that could seriously risk progress on the project activities, some key elements remained vital. It was endeavored to turn these challenges into opportunities for finding creative and innovative ways to deal with the issues at hand, for optimum delivery on the Outputs:



1. Non predictability of donor contributions (general): As in the previous year, uncertain cash flow of funds during the year tended to somewhat constrain the scheduling of police reimbursement to MoF and **risk** full delivery on project Priority¹. A somewhat longer-term predictability of donor funds, besides helping to plan prioritized project activities, would provide greater certainty in affecting timely reimbursements to MoI, even whilst strategizing on schedule for advance fund transfers to MoF. Additionally, remunerations related to ANP growth as well as the pay and incentive increase proposals approved during the year will need to be continuously sustained. In general, timely finalization of contribution agreements at the beginning of the year would certainly help in better cash flow and planning projections (as also recommended in previous reports). LOTFA liaised on the issue with the donors at various fora (even while recognizing the limitations in national contribution mandates).

2. Funding requirement for 2010/1389 (specific): Based on LOTFA-V/MoI priorities, the funding requirement of USD 553 million for 2010/1389 was fully mobilized, but the shortfall at various evaluation stages during the year remained a concern, **risking** timely payment of salaries. In particular, at one point there was extreme urgency in mobilizing resources for meeting shortfall for CPD salaries, but this was finally met. The funding position also needed to be taken into account in the context of the growth proposals of the ANP, with corresponding fiscal implications for LOTFA. These issues were raised by LOTFA management with MoI and donors, even while showing full understanding of donors' own constraints in making multi-year commitments in the fluid security sector.

3. Reported irregularities in Kabul Bank, with potential implications for LOTFA funds:

There were reports in early August about misappropriations and large losses in Kabul Bank, which was of concern to LOTFA as most ANP accounts are maintained there (having the largest infrastructure in the provinces and districts), with potential for **risking** LOTFA payments. However, the MoF moved swiftly to control the situation by appointing its own Chief Operations Officer at the Bank, and ensuring the liquidity through debt repayments and other fiscal arrangements. LOTFA management, together with donor partners, monitored the situation continuously in meetings with MoF, DA Afghanistan Bank, Kabul Bank and fiscal policy experts. The need for diversification of bank resource base was strongly stressed to MoF, for stability of the banking system in the country. However, it should continue to be stressed that it is the MoF which is the guarantor of the LOTFA funds, not Kabul Bank; and it is to MoF that LOTFA makes quarterly advances and with whom the project undertakes full financial reconciliations. The Kabul Bank is only used as a tool by the Central Bank for transferring salaries directly to the individual bank accounts of ANP rather than manual "pay by list" process. MoF's backing of the Bank and certification of all its claims and transactions provided further assurances.

4. Insufficient ownership by Mol of ID process:

While there continued to be definite and progressive advancement on this, this remained a strategic challenge (as also in 2009), based on the understanding that this is a medium-long term process - **risking** full sustainability of LOTFA implementation and management processes. Consequently, during the year, despite phased hand-over of some day-to-day functions (**35% increase** over 2009), LOTFA continued to perform certain functions (i.e. verification of transactions and financial data; correspondence with Mol/ MoF/ commercial banks) which should be routinely performed by Mol officials. The LOTFA MSU, in its periodic assessments during the year, took up the matter with the Mol senior management, resulting in a greater degree of acceptance by the various Department Heads in taking over the core functions. This approach will have to be followed in 2011 as well. Unless there is sustained encouragement of the relevant Mol departments to work with LOTFA project staff for skills transfer, Mol institutional capacity and memory will not be developed to its full potential.

5. Security:

In view of the security situation during the year, which remained tense at various points, particularly in lead up to the Kabul Conference in June and parliamentary elections in September, security constraints continued to prove somewhat challenging in implementation of some key LOTFA activities and **risking** full delivery on Outputs - including monitoring missions, EPS and EFT implementation, ID programmes, as well as gender recruitment campaigns. For difficult provinces, greater reliance was placed on the MA, with Mol support, and in some cases, even on LOTFA donors like CSTC-A and EUPOL (for web-based EPS missions and joint gender campaigns).

6. EPS:

As in 2009, external constraining factors in EPS implementation **risking** erosion of EPS gains included irregularity in receipt of EPS reports from some provinces (particularly Uruzgan and Nuristan; although far fewer than during last year); transfer of trained EPS personnel to other departments; and continued inadequacy of the national telecommunication infrastructure. Moreover, the discrepancies in some cases between the EPS and Mol tashkil/ HR figures/ Dyncorp/ PAI data continued to be an assessment challenge. LOTFA liaised directly with the defaulting provinces for receipt of reports, as well as with relevant Mol departments for periodic data assessments. In conjunction, work on the centralized web-based payroll system was fast tracked, although expansion remained dependent on the availability and security of the network. Weekly coordination meetings were organized for reconciliation of all payroll data. It was also proposed to the Mol leadership that the positions of the EPS operators be brought under the regular ANP tashkil (*there is assurance that this will happen for 1390*).

7. EFT:

Further expansion of EFT remained linked to further expansion of commercial banks at the sub-national level, which was in turn dependent on MoF and DAB authorizations. This

continued to be vital at the remote and inaccessible district level, as police personnel had genuine difficulties coming to the provincial capitals for collection of salaries, and at relatively high costs. There had been a positive trend towards opening of more commercial bank branches in the provinces and districts in the first two Quarters of 2010, but the changed Kabul Bank situation, which has the largest banking infrastructure at the sub-national level, impacted negatively on this trend, and **risked** further advancements in this field. The LOTFA management encouraged MoF to support the smaller banks (i.e Azizi, Maiwand, Bakhtar) in establishing branches at the provincial level for diversification of the banking infrastructure. In parallel, MoI was encouraged to take forward the M-paisa mobile salary transfer scheme, which showed considerable potential.

8. Female police recruitment: Systemic factors such as the reluctance of young women to join the force because of the reputation and image of the police, sexist work environment and family compulsions continued to pose a recruitment **risk** (as in 2009, although to a lesser extent in view of invigorated gender awareness and recruitment drive in 2010). One feed-back that came out sharply from provincial and district police commanders was the, need for more female positions in the ANP tashkil, and the matter was liaised with the top MoI leadership. Consequently, in the 1390 tashkil, there are 1,000 more positions for female police. Gender activities were also constrained somewhat for a couple of months in the third quarter of 2010 for reason of elections security, when police officials were not available for ongoing programmes.

9. Non-fulfilment of some strategic project MSU positions: These included those of EPS Manger, Gender Coordinator, Reporting and Communications Officer, as well as Budget Analyst (the position of M&E Specialist was filled during the last Quarter of 2010). In some cases, despite re-advertisements, it was found extremely difficult to recruit qualified personnel, as per UNDP guidelines. Although these jobs were taken over by other project staff to prevent disruptions in programmes, prolonged non-fulfilment of these positions **risked** full delivery on the project outputs. The recruitment process was reinvigorated. Donor stakeholders were also approached to assist in the head-hunting process.

A detailed Risks Log is at Annex IV.

Project Issues and actions

1. Strengthened oversight of monitoring processes: There continued to be the need for robust oversight of the MA performance by LOTFA as well as MoI during the course of the year. In 2009, there had been difficulty in recruitment of qualified personnel in the Kandahar zone, but in 2010, there was dull deployment of the MA team in all regional police zones. The work relating to actual physical verification of sample police force in the provinces as per the nationwide monitoring plan; capacity development programmes in financial, HR and asset management systems; as well as submission of timely monthly reports, in particular, required vigorous assessments. Without this scrutiny, the overall efficiency of the project would have been seriously affected. This would have also negatively impacted on MoI and donor expectations, and jeopardized UNDP credibility. This oversight was provided.

2. Monitoring of progress on police infrastructure activities: These activities, falling under priorities 3 and 4, and mandated to be undertaken through national procurement and contractual modalities, were subject to stringent delivery time-lines. LOTFA provided strict oversight on implementation progress with the relevant MoI departments throughout the reporting period in order to adhere to these timelines. However, despite best efforts, there were slippages in construction activities for some projects (mainly because of weak national capacities), for which the timelines were extended in consultation with the stakeholders. Thereafter, the projects were closed and remaining amounts transferred to the remunerations component. *At the same time, it must be*

reiterated that the ultimate delivery responsibility lies with Mol, as government procurement procedures are required to be followed, and LOTFA can only play a facilitation rather than decision-making role in this.

A detailed Issues Log is at Annex V.

V. Lessons Learnt

1. EPS and EFT: EPS/ EFT processes have gained increasing reliability among government and donor stakeholders, and further efficiencies will need to be integrated into the system – towards greater accuracy of the payroll and HR data. The Network Operating Systems Centre (NOC) facility will need to be expanded to larger number of regional commands and provincial police HQs. Most importantly, LOTFA will have to deliver on the Mol priority of



further expansion of the web-based EPS system in prioritized units in 2011 (which could not happen adequately in 2010 because of limitations of the network and data reconciliation process). For this, the support of the key resource partner, CSTC-A will remain vital. In the immediate period, opening of new bank accounts for newly recruited personnel will need to be continued (ongoing process, as every month new personnel join the police force). In parallel, the M-paisa mobile salary disbursement scheme will need to be advanced by Mol (as per 11 November 2010 SC decision) after overcoming challenges of training, start-up fees and ownership of process.

2. Gender recruitment and mainstreaming: The partnership with all stakeholders, consolidated during 2010, will need continued sustainment. Further strategizing on province-wide recruitment plan, based on strongly and poorly performing provinces is recommended. The liaison with girls' schools and civil society should also prove useful. The Mol GMU will need further technical support to be able to gradually take over all the oversight and implementation roles with respect to female police (also being supported through bilateral initiatives). The informal platform of the ANPWA can accord tangible complementary support, and the new regional chapters opened during 2010 will need further capacity support.

3. Capacity and institutional development: Priority must undoubtedly continue for capacity and institutional development in the Mol, for medium-long term sustainability of LOTFA gains. Continuous refresher, advanced and on-the-job specialized mentorship, as well as an outsourced help desk office (established during 2010) will be essential to develop sustainable capacity. At the same time, there continue to be multiple training and mentorship programmes supporting ANP/ Mol, and LOTFA will need to work closely with the Mol Coordination Cell (MICC), established in the third Quarter of 2010 for mapping of the various donor initiatives. LOTFA can play a substantive role towards consolidated capacity development in Mol in Phase-VI (under Pillar-2), in which capacity development has been accorded a more substantive thrust at all levels.

4. Inter-Agency programmatic coordination: In 2010, this worked well with respect to certain key programmatic initiatives i.e. with CSTC-A for the M-paisa scheme, reconciliation of ID card data, enforcement of EFT, and advancement of PAI process; with IPCB for ANP growth and reform discussions; and with EUPOL and Norwegian police project for gender activities. This sense of cooperation needs to be strengthened for maximizing common impacts. At the same time, new partners should be identified (particularly at civil society level) for taking forward the capacity development, gender, police infrastructure and community policing projects more productively.

VI. Future Plans

In 2011, the following will be the focus of planned activities, building upon the progress made during 2010, and taking into account the project risks, issues and lessons learnt. The thrust will be to implement the activities in a more results-oriented and innovative manner, with greater outreach at the sub-national level:



- 1. Monitoring of commercial banking situation:** The banking situation will be continuously monitored in view of implications for ANP accounts maintained at Kabul Bank. It is reiterated that there can be absolutely no compromise with the security of LOTFA funds. MoF will also continuously be encouraged to diversify the bank base, and provide incentives to banks for expansion at the sub-national level (new banking contracts to be awarded by the end of 1389/ beginning of 1390).
- 2. Fiscal sustainability of LOTFA expenditures:** Fiscal sustainability issues would need to be rigorously pursued during 2011, particularly to ensure that historic agreements reached with the MoF regarding progressive take-over of ANP remunerations during 2010 (embodied in LOTFA-VI project document) are followed through. This will be vital for long-term sustainability of LOTFA expenditures and processes.
- 3. Implementation of LOTFA-VI:** While the LOTFA-VI project still needs to be formally signed off after decision on the key pending issue of UNDP General Management Service (GMS), LOTFA-VI will technically be operationalized with effect from 01 January, 2011. In the new Phase, LOTFA-VI will move beyond its traditional trust fund management role into a more substantive 3-Pillar platform with Pillar 1 covering police and CPD remunerations and infrastructure; Pillar 2 having an expanded capacity development component at the policy, organizational and individual level; and Pillar 3 having a new democratic policing component for decentralized support to the police for more effective service delivery. This will require robust implementing strategies and plans.
- 4. Expansion of web-based EPS and M-paisa technologies:** The web-based programme will be further expanded during 2011, including to identified police units in Kabul, Afghan Border Police (ABP) and remaining provincial police HQs - for which considerable reconciliation of EPS-MoI-PAI financial and HR data work will need to be undertaken (after expanding and securing the requisite network). In conjunction, current progress on the M-paisa mobile salary disbursement scheme will be advanced with MoI, MoF and CSTC-A. These initiatives will greatly complement the EPS/EFT payroll and HR transparency systems, and mitigate some of the risks mentioned in the preceding sections.
- 5. MA oversight:** Considering that monitoring, review and verification of LOTA expenditures constitute a vital component of the accountability and transparency process, the work of the MA will require continued strict performance appraisal. This assumes greater criticality in the context of vastly increased financial commitments of LOTFA under Phase-VI. The MA has been asked to increase its monitoring sample ANP size, strengthen the ID initiatives and accord more focus to procurement issues, which will require further attention. The CPD remunerations will also be brought under the scope of MA work in the next contractual phase.
- 6. Follow-up on police infrastructure activities:** The ongoing procurement and construction projects (i.e. Police Training Centres, housing for families of martyrs, Drug Rehabilitation Centre) have strict time-lines and will require continuous follow-up. Additionally, new projects will need to be identified, to match the possible new funding commitments for 2011.

7. Progression of gender activities: The new proposals under discussion will allow LOTFA management to take forward some key gender deliverables, both for recruitment and more advanced gender mainstreaming in Mol. Future gender work will also be informed by the results of the survey on impact of female police in the ANP contracted out in the last Quarter of 2010, for increasing access of Afghan women to policing services. Additionally, LOTFA will provide more strategic support to Mol in achievement of its target of recruitment of 5000 female police by 2014 (as per its strategic plan).

9. Continuous engagement in Mol/IPCBA fora on ANP reform and development: Extensive discussions are expected to continue in 2011, covering key areas of police reform and development, in implementation of NPS, NPP, Mol administrative reform, etc. LOTFA will be participating strongly, particularly on issues relating to fiscal aspects, capacity development and institutional reform, as well as civilian policing. This will also be in alignment with greater stakeholder insistence in 2010 on more structured collaboration between LOTFA and IPCBA.

10. Building on stakeholder partnerships: Building on the results of 2010, these will be developed further with all police sector institutions, including IPCBA/ EUPOL/ NTM-A/UNAMA/ other UN bodies/ and bilateral police projects - to maximize ground outputs and strengthen donor leverage. Civil society partnerships and informal groupings (i.e with MPs and community groups) will be further strengthened.

11. Prioritized follow-up on recruitment of vacant and new positions: Urgent recruitments under LOTFA-VI will strengthen LOTFA MSU's technical skills, provide leverage to ongoing projects and maximize outputs. This will be warranted on priority basis, considering LOTFA's expanded mandate, both in terms of management of enhanced financial resources as well as deepened engagement at policy level on police reform and development issues, requiring liaison with diverse police sector organizations. LOTFA members' facilitation in head-hunting for these positions will continue to be welcomed.

12. Conduct of Annual Police Perception Survey 2011: This will build on the baseline perceptions of the public on police performance and evaluation, established by the 2009 and 2010 surveys. It has been found that these surveys have proved useful in providing strategic guidance to the Mol leadership in making adjustments to its strategies on police reform and development, drawing from the findings and recommendations of the surveys. UNDP-LOTFA will continue to support Mol on this.

13. Participation in UNDP- Rule of Law Cluster: UNDP constituted a Rule of Law (RoL) cluster during the last Quarter of 2010 bringing together the police, justice, gender and anti-corruption UNDP projects for building enhanced substantive programmatic synergies and collaboration among these projects. This complements the GoA and donors' RoL cluster approach. LOTFA will participate in this cluster effectively for the attainment of joint development outcomes.

14. Advocacy for LOTFA and partner stakeholders: It will be an imperative to continue to ensure greater visibility for LOTFA's work, both in publicizing its activities as well as the difference it is making for the stabilization of the country in the security sector. In the advocacy programme, visibility for individual donors and areas of their support will continue to be a key component. A consolidated publicity package, including project success stories has been developed, which will be used for publicizing LOTFA's work widely. The LOTFA Photo cum Painting Exhibition held in June 2010 provided good publicity to LOTFA's achievements and challenges, and the momentum built would need to be sustained through new cutting-edge advocacy initiatives. Advocacy proposals for 2011 include recruitment of a Communications Officer, continued quarterly newsletters on LOTFA

activities; as well as formation of a “Friends of LOTFA” forum bringing together people from different walks of life, having a stake in the police sector.

VII. Financial Information

Table 1. Total Income and Expenditure of LOTFA Phase V (Sep 2008 to Dec 2010)

Donor	INCOME			EXPENDITURES		BALANCE	
	Total Commitment (approx US\$)	Total Received (approx US\$)	Total Receivable (approx US\$)	Total Cumulative Expenditures as of Dec 2009	Total Cumulative Expenditures as of Dec 2010		
Australia	1,919,386	1,919,386		1,919,385		1,919,385	1
Canada	8,084,074	8,084,074		8,084,074		8,084,074	-
	7,188,498	7,188,498		7,188,498		7,188,498	-
	11,560,694	11,560,694			11,560,694	11,560,694	-
	5,901,126	5,901,126	-	-	5,901,126	5,901,126	-
CIDA	820,345	820,345		606,706	213,639	820,345	(0)
Czech	150,602	150,602			150,602	150,602	0
Denmark	1,999,966	1,999,966			1,999,966	1,999,966	-
	1,359,265	1,359,265			1,359,223	1,359,223	42
EU	45,705,490	45,705,490		45,705,490		45,705,490	(0)
	2,794,570	2,794,570	-		2,794,570	2,794,570	-
	214,794	214,794			214,794	214,794	-
	56,288,474	56,288,474			56,288,474	56,288,474	-
Finland	1,943,005	1,943,005		1,837,742		1,837,742	105,263
	514,102	514,102			356,795	356,795	157,307
Germany	12,936,611	12,936,611		12,936,611	-	12,936,611	-
	3,886,010	3,886,010		3,127,071	144,472	3,271,543	614,468
	19,578,313	19,578,313		19,578,313		19,578,313	-
	18,000,000	18,000,000			18,000,000	18,000,000	
Italy	1,295,337	1,295,337		1,295,337		1,295,337	-
	1,125,176	1,125,176			1,125,176	1,125,176	0
	4,013	4,013					
	1,221,001	1,221,001			-	-	1,221,001
Japan	10,000,000	10,000,000		10,000,000		10,000,000	-
	124,800,000	124,800,000		115,939,224	8,860,776	124,800,000	-

	180,000,000	180,000,000		-	171,656,084	171,656,084	8,343,916
Japan DIAG	3,822,896	3,822,896		1,977,009	814,380	2,791,388	1,031,508
Netherlands	25,575,448	25,575,448		25,575,448	-	25,575,448	-
	13,106,160	13,106,160	-	-	13,106,160	13,106,160	-
Norway	281,821	281,821			281,821	281,821	-
	14,608,331	14,608,331	-		14,584,763	14,584,763	23,567
SDC	371,724	371,724		371,724		371,724	-
	679,592	679,592		19,708	656,553	676,261	3,331
USA	50,000,000	50,000,000		50,000,000		50,000,000	-
	28,100,000	28,100,000		7,659,879	20,440,121	28,100,000	-
	5,000,000	5,000,000			5,000,000	5,000,000	-
	60,000,000	60,000,000			60,000,000	60,000,000	-
	75,000,000	75,000,000			75,000,000	75,000,000	-
	29,300,000	29,300,000			29,300,000	29,300,000	-
	2,300,000	2,300,000			2,300,000	2,300,000	-
	6,300,000	6,300,000		-	6,300,000	6,300,000	-
	5,000,000	5,000,000		-	5,000,000	5,000,000	-
	105,293,734	105,293,734	-	-	9,556,299	9,556,299	95,737,435
UK	2,873,563	2,873,563		2,873,563		2,873,563	-
	6,689,171	6,689,171		6,689,171		6,689,171	-
	2,000,000	2,000,000		2,000,000		2,000,000	-
	13,293,051	13,293,051			13,293,051	13,293,051	0
	1,592,357	1,592,357			78,030	78,030	1,514,327
UNDP	600,000	600,000		220,771	305,834	526,605	73,395
Interest	1,681,951	1,681,951		977,505	749,098	1,726,603	(44,652)
Total	972,760,649	972,760,649	-	326,583,228	537,392,499	863,975,727	108,780,909

Table 2. Expenditure by Major Outputs (2010)

Project Output	Budget (AWP 2010)	2010 Expenditure (provisional)	Delivery Rate
Output 1: Police Remuneration	486,075,986	480,327,561	98.82%
<i>GMS</i>	25,142,326	24,839,742	98.80%
Sub-total Output 1	511,218,312	505,167,303	98.82%
Output 2: Institutional Development	1,284,251	985,077	76.70%
<i>GMS</i>	54,997	42,203	76.74%
Sub-total Output 2	1,339,248	1,027,280	76.71%
Output 3: Procurement of Non-Lethal Equipment	11,067,229	6,919,639	62.52%
<i>GMS</i>	536,623	348,381	64.92%
Sub-total Output 3	11,603,853	7,268,021	62.63%
Output 4 : Construction of Police Facilities	10,908,463	6,540,990	59.96%
<i>GMS</i>	556,463	332,844	59.81%
Sub-total Output 4	11,464,926	6,873,834	59.96%
Output 5 : Gender Mainstreaming	626,889	623,784	99.50%
<i>GMS</i>	32,994	32,831	99.50%
Sub-total Output 5	659,883	656,615	99.50%
Output 6 : Remuneration of CPD	14,340,297	14,345,494	100.04%
<i>GMS</i>	754,752	755,026	100.04%
Sub-total Output 6	15,095,050	15,100,520	100.04%
Output 7 : Project Staff & Support	1,568,563	1,279,205	81.55%
<i>GMS</i>	35,263	19,721	55.93%
Sub-total Output 7	1,603,827	1,298,926	80.99%
Grand Total	552,985,098	537,392,499	97.18%

Table 3. Expenditure by Donors (2010)

Donor	Project Output	Budget (AWP 2010)	2010 Expenditure (provisional)	Delivery Rate
Canada	Police Remuneration	1,350	1,350	100.00%
	<i>GMS</i>	71	71	99.93%
Canada Total		1,421	1,421	100.00%
Canada-DFAIT	Police Remuneration	16,587,379	16,587,379	100.00%
	<i>GMS</i>	873,020	873,020	100.00%
Canada-DFAIT Total		17,460,399	17,460,399	100.00%
CIDA	CPD Remuneration	202,957	202,957	100.00%
	<i>GMS</i>	10,682	10,682	100.00%
CIDA Total		213,639	213,639	100.00%
Czech Rep	Police Remuneration	143,072	143,072	100.00%
	<i>GMS</i>	7,530	7,530	100.00%
Czech Rep Total		150,602	150,602	100.00%
Demark	Police Remuneration	3,191,262	3,191,270	100.00%
	<i>GMS</i>	167,961	167,920	99.98%

Demark Total		3,359,223	3,359,189	100.00%
EU	Police Remuneration	53,473,268	53,456,598	99.97%
	CPD Remuneration	2,672,293	2,672,293	100.00%
	Construction	204,054	204,054	100.00%
	GMS	2,965,769	2,964,892	99.97%
EU Total		59,315,384	59,297,837	99.97%
Finland	Construction	588,397	338,955	57.61%
	GMS	30,968	17,840	57.61%
Finland Total		619,365	356,795	57.61%
Germany	Police Remuneration	17,100,000	17,100,000	100.00%
	Construction	720,992	137,248	19.04%
	GMS	937,947	907,224	96.72%
Germany Total		18,758,939	18,144,472	96.72%
Italy	Police Remuneration	1,068,917	1,068,917	100.00%
	Construction	1,159,951		0.00%
	GMS	117,309	56,259	47.96%
Italy Total		2,346,177	1,125,176	47.96%
Japan	Police Remuneration	163,798,691	163,798,691	100.00%
	ID	891,500	629,397	70.60%
	Procurement	6,297,718	3,153,652	50.08%
	Construction	6,713,417	4,339,075	64.63%
	GMS	8,885,066	8,596,045	96.75%
Japan Total		186,586,393	180,516,860	96.75%
Japan- DIAG	Police Remuneration	441,000	441,000	100.00%
	Procurement	1,349,511	348,948	25.86%
	GMS	55,377	24,431	44.12%
Japan- DIAG Total		1,845,888	814,380	44.12%
Netherlands	Police Remuneration	12,450,852	12,450,852	100.00%
	GMS	655,308	655,308	100.00%
Netherlands Total		13,106,160	13,106,160	100.00%
Norway	Police Remuneration	9,005,970	8,989,693	99.82%
	ID	198,022	192,002	96.96%
	Procurement	3,420,000	3,419,912	100.00%
	Construction	1,521,652	1,521,652	100.00%
	GMS	744,508	743,325	99.84%
Norway Total		14,890,152	14,866,584	99.84%
SDC	Gender Mainstreaming	626,889	623,725	99.50%
	GMS	32,994	32,828	99.50%
SDC Total		659,883	656,553	99.50%
UK	Police Remuneration	12,692,133	12,697,330	100.04%
	CPD Remuneration	5,197	5,197	100.00%
	GMS	668,281	668,554	100.04%
UK Total		13,365,611	13,371,081	100.04%
UNDP	ID	114,729	70,563	61.50%

	Project Staff & Support	235,271	235,271	100.00%
UNDP Total		350,000	305,834	87.38%
Interest	ID	80,000	80,000	100.00%
	CPD Remuneration			
	Project Staff & Support	663,292	669,098	100.88%
Interest Total		743,292	749,098	100.78%
USA	Police Remuneration	196,122,092	190,401,548	97.08%
	CPD Remuneration	11,459,850	11,465,106	100.05%
	Project Staff & Support	670,000	384,945	57.45%
	GMS	10,960,629	10,644,821	97.12%
USA Total		219,212,570	212,896,420	97.12%
Grand Total		552,985,098	537,392,499	97.18%

Note:

Additionally, USD 120 million was transferred to MoF from US and German funding as advance for police remunerations for Quarter 1 of 2011. This will be reflected in the Quarterly Progress Report (Jan to Mar 2011).

Annex I: Detailed Reporting on Results and Impact

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

Indicators: 1.1 Police personnel continued to be paid in 34 provinces in efficient and transparent manner;
1.2 Increased # of police force covered under EPS;
1.3 Increased # of police force paid through EFT and M-Paisa;
1.4 # of provinces covered by MA for monitoring and verification.

Target 2010: 1.1 Payment of all ANP salaries in 34 provinces transparently;
1.2 Coverage of all police force under EPS;
1.3 Coverage of 90-95% of police force under EFT and enhanced number through m-paisa;
1.4 Coverage of 34 provinces by MA for monitoring and verification.

Gender Rating of the Output: (0-3)=2

Activity Result	Baseline information	Performance Target	Description of results/achievement	% of progress rate/delivery
<p>Activity Results: 1.1 Efficiency of police functions enhanced for contribution to overall stabilization and security; 1.2 Greater accuracy, verification and accessibility of police payroll; 1.3 Transparency in individualized police payments; 1.4 Quality assurance for effective ground delivery of Outputs.</p>	<p>1.1 Payment of police salaries in all 34 provinces; 1.2 86,696 police covered under EPS; 1.3 66,705 police covered under EFT; 1.4 Commencement of monitoring and verification work of MA.</p>	<p>1.1 Payment of all ANP salaries in 34 provinces transparently; 1.2 Coverage of all police force under EPS 1.3 Coverage of 90-95% of police force under EFT and enhanced number through M=paisa; 1.4 Coverage of 34 provinces by MA for monitoring and verification.</p>	<p>1.1 Timely and accurate payment of police remunerations in all 34 provinces; 1.2 Computerized EPS reports produced timely and accurately in most provinces (with exceptions of Uruzgan, Nuristan) including border police covering 115,804 personnel; and expansion of centralized web-based EPS - for greater accuracy in police payrolls; 1.3 Systematic implementation of individualized EFT payments through commercial banks and utilization of alternative, new-age salary transfer mechanism (i.e. M-paisa) in inaccessible areas– for efficient and transparent salary payments 34 provinces, covering 93,274 police personnel. Complementary to EFT, mobile salary M-paisa scheme expanded to 5 districts in Khost and Wardak (to be expanded to additional 25 outreach districts in 2011); 1.4 Implementation of established project monitoring, evaluation and reporting systems; as well as coverage of all 34 provinces by MA services - for efficient and accountable deliverables.</p>	<p>1.1 100% of Mol approved tashkil. 1.2 99.4% (27% increase in police numbers over 2009). 1.3 80% (against target of 90-95%; 32% increase in police numbers over 2009). 1.4 100%</p>

Output 2: Financial and project management capacity built within Mol

Indicators: 2.1 # of ToTs conducted and # of people;
2.2 # of technical/refresher/on -job trainings and # of people;
2.3 Amount of technical support;
2.4 # of on job EPS/EFT tasks transferred to Mol.

Target 2010: 2.1 110 Mol/provincial trainers (ToTs);
2.2 250 additional finance /IT/EPS/admin/HR officers trained through basic/advanced on-the-job training;
2.3 Provision of high level technical support;
2.4 30-40% of on-job EPS/EFT tasks transferred to Mol.

Gender Rating of the Output: (0-3)=2

Activity Result	Baseline information	Performance Target	Description of results/achievement	% of progress rate/delivery
<p>Activity Result: 2.1 Resource pool of qualified trainers established in Mol for sustainability of processes; 2.2 Financial management/HR/admin/EPS-EFT/IT skills of Mol improved at national and sub-national level; 2.3 Technical/institutional capacity of Mol strengthened; 2.4 Sustainability and ownership of Mol enhanced with progressive hand-over of core project function.</p>	<p>2.1 41 Mol/provincial trainers (ToTs); 2.2 Resource pool of 450 finance/HR/admin/EPS and IT officers; 2.3 Limited provision of technical support; 2.4 Limited transfer of on-job EPS/EFT process to Mol.</p>	<p>2.1 110 Mol/ provincial trainers under ToTs; 2.2 250 additional finance /IT/EPS/admin/HR officers trained through basic/advanced on-the-job training; 2.3 Provision of high level technical support; 2.4 30-40% on-job EPS/EFT tasks transferred to Mol.</p>	<p>2.1) Prioritization of ToTs at sub-national level, with total 101 Mol provincial trainers (60 new police officials including female police from 13 provinces trained) - for sustainability of capacity at grassroots level; 2.2 Training of 230 finance/HR/administrative/EPS operators from Mol HQ, provincial police HQs, border police and ANCOP – for improvement of on-the-job skills in these disciplines; 2.3 Provision of regular technical support to all 115 EPS stations nationwide for conduct of independent operations as well as specialized support for Mol identified units (including GMU) through national mentors – for strengthening institutional systems management capacity; 2.4 Prioritization of Mol ownership /progressive hand-over of core work-for sustainability of institutional systems and independence in functioning.</p>	<p>2.1 92% 2.2 92% 2.3 100% 2.4 100% (in keeping with target of 30-40% handover of overall tasks by end 2010)</p>

Output 3: Police force equipped with required equipment for improvement of their mobility and responsiveness

- Indicators:
- 3.1 % of procurement for Mol departments;
 - 2.2 # of new procurements identified for Mol
 - 3.2 % of equipment for DIAG cells

- Target 2010:
- 3.1 100% procurement for Mol traffic and health Depts;
 - 3.2 New projects identified at Mol/provincial level;
 - 3.2 100% procurement for DIAG Cells.

Gender Rating of the Output: (0 to 3)=2

Activity Result	Baseline information	Performance Target	Description of results/achievement	% of progress rate/delivery
Activity Result: 3.1 Overall police mobility and responsiveness improved for better service delivery; 3.2 Police efficiency Improved; 3.3 Functional capacity of DIAG cells in Mol and provinces strengthened.	3.1 60% Procurement for Mol traffic and health Depts; 3.2 No other identified projects; 3.3 53% procurement for DIAG Cells.	3.1 100% procurement for Mol traffic and health Depts; 3.2 New projects identified at Mol/provincial level; 3.3 100% procurement for DIAG Cells.	3.1 Procurement of non-lethal eqpt for Mol Depts of traffic and health; – for greater police operational capacity and service delivery (including for female police); 3.2 Admin process commenced for new projects of Drug Rehab centre and police training centres in Ghor, Kabul, Heart and Adraskan – for greater police responsiveness; 3.3 Procurement of eqpt for DIAG cells at central and provincial level (furniture, office equipment and supplies) -for independent and effective functioning.	3.1) 100% of health eqpt; 81% of traffic eqpt; 3.2 90% of Drug Rehab centre; 100% targeted admin process undertaken for eqpt for Drug Rehab Centre and police training centers; 3.3 87%

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

Indicators: 4.1 % of construction of gym; % of construction of traffic, fire-brigade and health Depts; % of construction of check-posts;
 4.2 # of facilities for Mol identified/constructed.

Target 2010: 4.1 100% construction of gym; 100% construction of traffic, fire brigade, health and border police Depts; 75% construction of check-posts;
 4.2 New projects identified at Mol/provincial level.

Gender Rating of the Output: (0 to 3)=2

Activity Result	Baseline information	Performance Target	Description of results/achievement	% of progress rate/delivery
Activity Result: 4.1 Working and living conditions of ANP improved; 4.2 Police morale and confidence improved.	4.1 45% construction of gym; 64% construction of traffic, fire-brigade and health Depts; 29% construction of check-posts; 4.2 No other identified projects.	4.1. 100% construction of gym; 100% construction of traffic, fire brigade, health and border police Depts; 75% of construction of check-posts; 4.2 New projects identified at Mol/provincial level.	4.1 Completion of construction of gym and up-gradation of police infrastructure in fire-brigade, health and traffic Depts; 658 check-posts completed out of 760 contracted; – for greater police efficiency and morale; 4.2 Expediting of admin process for construction of new police infrastructure projects relating to Ghor Training Centre and housing for families of ANP martyrs – for police (also female police) morale and capacity strengthening.	4.1) 100% of gym; 83.2% for fire-brigade, health and traffic Depts (remaining funds transferred to Output 1; 87% check-posts 4.2 Ongoing

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

- Indicators:**
- 5.1 Increased # of female in police;
 - 5.2 # of training for female police;
 - 5.3 # of gender awareness activities undertaken
 - 5.4 amount of capacity support for GMU staff

- Target 2010:**
- 5.1 900 women in police (209 new recruits);
 - 5.2 recruitment campaign missions; (b) 10 FRUs in provinces;
 - 5.3 Enhanced gender awareness in police
 - 5.4 Strengthened capacity Mol-GMU

Gender Rating of the Output: (0-3)=2.9

Activity Result	Baseline information	Performance Target	Description of results/achievement	% of progress rate/delivery
<p>Activity Result: 5.1 Activity Result: Gender balance in Mol improved; 5.2 On-job and leadership capacity of female police strengthened; 5.3 Gender awareness in police increased; 5.4 Capacity of Mol-GMU strengthened.</p>	<p>5.1 691 women in police; 5.2 Recruitment missions on annual basis 5.3 Limited gender awareness activities; 5.4 Limited capacity of Mol/GMU.</p>	<p>5.1 900 women in police (209 new recruits); 5.2 Needs-assessed training for female police; 5.3 Enhanced gender awareness in police; 5.4 Strengthened capacity of Mol-GMU</p>	<p>5.1. 1,001 women in police; 310 new female police through targeted recruitment campaigns, particularly at sub-national level – for increased representation of female police; 5.2 Needs-assessed on-job training for female police, including ToTs – for independent functioning and leadership development; 5.3 Conduct of gender awareness and mainstreaming activities in Mol and provinces – for increased gender awareness and publicity; 5.4 Provision of logistics, funding and administrative support to GMU – for enhancement of operational capability.</p>	<p>5.1 111% 5.2 90% 5.3 100% 5.4 85% (ongoing)</p>

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

- Indicators:**
- 6.1 CPD uniformed personnel paid in 34 provinces in efficient and transparent manner;

- 6.2 Increased # of CPD uniformed staff covered under EPS
- 6.3 Increased # of CPD uniformed staff paid through EFT;

Target 2010: 6.1 Payment of all CPD salaries in 34 provinces transparently;
 6.2 Coverage of all CPD uniformed staff under EPS;
 6.3 Coverage of 95% CDP uniformed staff under EFT;

Gender Rating of the Output: (0 to 3)=2

Activity Result	Baseline information	Performance Target	Description of results/achievement	% of progress rate/delivery
<p>Activity Result: 6.1 Efficiency of CPD functions enhanced; 6.2 Greater accuracy and , verification of CPD payrolls; 6.3 Individualized CPD payments.</p>	6.1 Commencement of payments to CPD personnel; 6.2 Zero uniformed CPD covered under EPS; 6.3 Zero uniformed CPD covered under EFT.	6.1) Payment of all CPD salaries in 34 provinces transparently; 6.2 Coverage of all CPD uniformed staff under EPS; 6.3 Coverage of 95% CDP uniformed staff under EFT.	6.1) Timely and efficient payment of all CPD remunerations – for improved management of prisons infrastructure and increase in professionalism; 6.2 Timely and accurate production of computerized EPS reports - for greater accuracy in police payrolls; 6.3 Systematic implementation of individualized EFT through commercial banks - for efficient and transparent salary payments.	6.1 100% 6.2 75% 6.3 75%

Notes:

1. Provide clear concise measureable results in quantitative and qualitative terms including information disaggregated by gender as far as possible.
2. Report on the contribution of the activity result to the CPAP outcomes. Describe if any transformational changes that the project has contributed.
3. Gender Rating of the Output will be based on the following criteria:

Gender Ratings:

0= Output is not expected to contribute to gender equality in a noticeable way

1= Gender equality is not one of the reasons for having this output. Nevertheless, some aspects of the output- perhaps one of the activities- is expected to promote gender equality.

2= Gender equality is not the main objective of the output, but the output is expected to promote gender equality in a significant way.

3= The achievement of the gender equality is an explicit objective of the output and the main reason that this output was planned.

Annex II: Policy and Knowledge Products

Year: 2010

SN.	Policy/Knowledge Products	Authors	Stakeholders Consultations	Date of Completion	Total Budget or Cost in USD
1	Police Perception Survey 2010	UNDP-LOTFA	Mol/Local Communities	December 2010	\$ 115,950
2	Impact Study on Women recruitment in Afghan National Police	LOTFA	Mol/Local Communities/Identified LOTFA donors	November 2010	\$ 52,380
3	LOTFA Project Document Phase VI	LOTFA	Mol-MoF-MoJ and donors	August 2010	
4	Strategic Plan (2011-2013)	LOTFA	Mol-MoF-MoJ		
5	My Police "the child's eye view"	LOTFA	Mol/Aschiana children	June 2010	\$ 3,775

Policy/Knowledge Products: these are in the form of legislations, regulations, strategies, policy papers, publications, workshop reports, manual etc.

Annex III: Training and Capacity Building Outputs

Year: 2010

SN	Training or Capacity Development Outputs/Event	Date and Location	Beneficiary Organizations	Number Trained/participated	Impact	Total Cost or Budget in USD
1	Basic IT	03 Jan- 20 Mar- Gender Dept- Mol, Kabul	Mol-GMU	15	Basic Skills Improvement	\$ 18,151
2	Web-based EPS	03-26 Apr- LOTFA Office	202 Shamshad Police Zone	20	Independent Technical Skills Development	\$ 17,710
3	Computer & EPS	29 May-14 Jun- LOTFA Office	101 Asmayee Police Zone	25	Independent Technical Skills Development	\$ 5,128
4	Accountancy, Fin & Payroll Mgt	20-30 Jun- LOTFA Office	202 Shamshad Police Zone	19	Institutional Capacity Development	\$ 9,572
5	Accountancy, Fin & Payroll Mgt	17 July-8 Aug- Mazar	303 Pamir Police Zone	21	Institutional Capacity Development	\$ 14,424
6	On-job English language training	20 Jul- 30 Oct- Mol-GMU Dept, Kabul	Gender Dept, Mol	20	On-job skills development	\$ 2,653
7	Leadership & Mgt Workshop	02-05 Aug Kabul	All 6 Police Zones and HQs	150	Leadership Development/Gender Awareness	\$ 32,190
8	HR	21 Sep-13Oct- Mazar	303 Pamir Police Zone	26	Systems Development	\$ 29,552
9	Accountancy & Financial Management	21 Sep-13Oct- Herat	606 Ansar Police Zone	9	Institutional Capacity Development	\$ 15,056

10	Joint Instructional & Methods Workshop	31 Oct-04 Nov-Kabul	All Mol Depts, central & regional Police Zones	300	Management Skills Improvement	\$ 58,738
11	HR	25 Oct- 10 Nov-Herat	606 Ansar Police Zone	15	Systems Development	\$ 13,030
12	Workshop on Elimination of Violence Against Women & Children	04 & 08 Dec-Kabul	Mol and civil society	400	Gender Awareness	\$ 3,700
13	Accountancy, Fin Mgt & Payroll	27 Nov-19 Dec-Kandahar	404 Maiwand Police Zone	11	Institutional Capacity Development	\$ 17,256
14	HR	27 Nov-19 Dec-Jalalabad	202 Shamshad Police Zone	18	Systems Development	\$ 12,756
15	Mid-level Management	10 Dec-10 Jan 2011- Kabul	Gender Dept- Mol	21	Management Capacity Development	\$ 2,044

Training/Capacity Building Outputs are trainings, workshops, study tours, on-the Job Training etc. Provide information disaggregated by gender as far as possible.

Annex IV: RISK LOG

#	Description	Type	Impact & Probability	Mitigation measure / comments	Owner	Submitted/ updated by	Current Status
1	Security constraints for LOTFA monitoring missions / EPS - EFT implementation teams/ gender recruitment campaigns. LOTFA project staffs were considered as direct supporters of police, thereby becoming potential targets.	Security	High	1. Continuous follow-up on UNDP modified security measures and instructions. 2. Assistance from Mol/CSTC-A/PRTs, to extent practical. 3. MA taking over some monitoring tasks, with oversight by LOTFA.	LOTFA	Ubaidullah	Continuous
2	Unmet funding requirement for 1389. Was assessed to have impact on ability of project to make cash flow/planning projections, and thereby affect established outputs.	Economic / Financial/ Political	Medium	Issue undertaken with donors at all fora, including SC.	CO	Sandeep/ Salim Shah	On-going
3	LOTFA Prodoc contemplates that UNDP will provide funds in advance to MoF on quarterly basis. Non receipt of timely donor funds tended to risk transfer of advance to MoF and its cash balance position.	Economic / Financial/	Medium	Effective liaison maintained with donors for affecting sufficient quarterly advances to MoF to meet expenditure of Mol.	LOTFA	Salim Shah	On-going
4	Insufficient ownership and institutional development of Mol. Tended to result in lack of sustainability/ results of LOTFA processes.	Technical /Operational	Medium	1. Specialized on-job and advanced training provided to central and provincial Mol finance/HR/Electronic Payroll System (EPS) officers, which also increased commitment to remain with Mol. 2. Focus on training of trainers (ToTs). 3. Continued interventions with Mol. 4. EPS technical team stationed at Mol finance directorate.	Mol / LOTFA	Bawar/ Sandeep	Decreased
5	Resignation of qualified project staff for other job opportunities; and inability to find qualified replacements	Organizational/Mgt	Medium	1, Endeavored to retain staff through training opportunities, promotions, etc. 2.Re-advertisement of some positions to attract qualified staff. 3. Head-	LOTFA	Ubaidullah/ Sandeep	On-going

				hunting process pursued. 4. LOTFA stakeholder support solicited.			
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ID	Type	Date	Status/Priority		Status Change Date	Author	
		Identified					Description and Comments
6	Security of classified EPS data, needed to be protected at all levels, by all operators. Otherwise potential of leak of information, having political/security implications.	Technical/ Operational/ Security	Medium	1. Clear communication nodal points identified in each department so that confidential information regarding personnel was not leaked out or available to unauthorized persons under any circumstance. 2. Web-based (secure) EPS payroll progressed.	Mol / LOTFA	Abdul Sattar	Decreased
7	Exit Strategy for payment of food allowance to ANP during LOTFA-V – as per MoF commitment under prodoc. Non compliance would tend to have serious implications for ANP funding sustainability. MoF maintained, was dependent on internal revenues of GoA.	Economic / Financial	Medium	Based on Mar 23 SC decision, MoF committed to take over food allowance expenditure for 41,000 ANP in 1389 and at least 82,000 ANP in 1390.	Mol/ MoF	Sandeep/ Salim Shah	Continuous
8	Lack of full progress in Electronic Fund Transfer (EFT) implementation. Dependent on expansion of commercial banks in inaccessible districts. Otherwise, risk of not fully meeting key project output.	Technical / Operational	Medium	1. Issue followed-up with Kabul Bank strenuously. 12 new district branches opened in quarter. 2. EFT coverage increased, with 3,441 new police added. 3. Alternatively, M-paisa mobile salary transfer scheme piloted in Jalrez further expanded to 3 other districts in Wardak and 2 districts in Khost provinces. Mol to progress further.	Mol/ LOTFA	Abdul Sattar	Decreased

1	Strengthened management oversight for performance appraisal of Monitoring agent (MA) over contractual period.	10.02..2010	Work of Monitoring Agent (MA) continued in all police zones, and was provided robust oversight	Robust oversight was provided. Priority was accorded to oversight in institutional set up of zonal Kandahar office by MA team. Donor PRT support was also solicited.	10.08.2010	Sandeep/Ubaidullah
2	Operational/Regulatory	1. 01.02.2010 2. 01.02.2010	1. Monitoring of timely procurement of eqpt for Mol traffic and health departments, having very definitive time -lines; otherwise funding would have lapsed. Was under continuous administrative oversight; 2. Monitoring of timely procurement of eqpt for DIAG cell.	1. Equipment for traffic dept not fully supplied by contractor. Construction deadline modified for third week of August.. 2. 85% eqpt for DIAG procured. Mol will affect the balance through MoF funding channels.	21.08.2010 30.08.2010	Ubaidullah/Salim Shah

Annex V: ISSUES LOG