



QUARTERLY PROJECT REPORT [1ST QUARTER, 1387]

United Nations Development Programme Afghanistan Law and Order Trust Fund for Afghanistan (Phase IV) [01-04-2008- 31-06-2008]



Project ID: 00052084
Duration: 2 years and 5 Months (Including Bridging Extension period)
Component (MYFF): 2.7 Public Administration Reform and Anti-Corruption
Total Budget: USD: 251,985,161
Unfunded: USD: 9,462,717 (The figure could be higher as utilization of some funds is restricted due to conditionalities)
Implementing Partners/Responsible parties: Ministry of Interior and Ministry of Finance

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I. Implementation progress

Phase IV of the Law and Order Trust Fund for Afghanistan (LOTFA) was to complete on 31 March 2008. Therefore, the project document for phase V was drafted and shared with the donors for their comments. Following a series of discussions with donors, the project document was shared with the Government counterparts i.e. Ministry of Interior and Ministry of Finance for their review and feedback. The feedback of the donors and Government of Afghanistan (GoA) was duly incorporated in the project document.

Since the signing of phase V project document was delayed for a longer period than expected, the Ministry of Interior (MoI) proposed a bridging extension of LOTFA IV. The proposal of MoI was accepted by UNDP to ensure timely disbursements to the project. Hence, LOTFA phase IV was extended till 31 August 2008.

During the first quarter of Fiscal Year (FY) 1387, the implementation of LOTFA project proceeded in accordance with the project document of phase IV. The details of the project progress towards the achievement of the outputs of phase IV are articulated below:

Output 1: Improved Integrity, reliability and image of police personnel and force

Activity 1.1: Reimbursement of expenses related to police remuneration to the Ministry of Finance

The first priority of LOTFA is reimbursing remuneration of Afghanistan National Police (ANP) to the Ministry of Finance (MoF) and ensuring that the payments to the police force in all 34 provinces are made in a timely and transparent manner. The police remuneration expenditure eligible for reimbursement comprises salaries in cash and payments for the provision of food for police (salaries in kind). The actual payment of police remuneration took place through the regular government payroll and non-salary payment system. The funds were channeled to provinces by the Treasury Department of Ministry of Finance (MoF).

The amount eligible for reimbursement was based on the actual expenditure derived from the Afghanistan Financial Management Information System (AFMIS) maintained by MoF, which has been verified by the LOTFA Management Support Unit (MSU). In the first quarter of FY 1387, the combined expenditure for police salaries and food allowance totaled **USD 37.4 million**. However, due to lack of availability of funds to LOTFA, only 21 million was reimbursed to MoF.

The project activities continued as per phase IV project document. A total of USD 14.2 million was contributed by the donors during the quarter. Concerns were raised by some donors regarding timely release of salaries to ANP by MoI especially in two southern provinces. UNDP wrote to MoF to investigate the matter and MoF indicated that while there were some initial difficulties, the salaries were released to ANP in the mentioned provinces.

Activity 1.2: Electronic Payroll System

The objective of Electronic Payroll System (EPS) is to ensure timely and accurate police salary payment to the legitimate police, through sustainable cost effective payroll payment procedures. The use of electronic payroll calculations would allow avoiding errors and police salary payments would be made within due time. Payables tracking would ensure subsequent salary disbursement to employees who do not get paid on time due to illness, absence, travel etc. In addition, EPS is proving to be a useful tool for updating a personnel data base to be used for HR information. EPS would cover the atomization of payrolls for all uniformed police paid by LOTFA.

EPS has now been implemented in all MoI financial stations around the country. In addition, the operators of EPS in all stations have been trained on its utilization. Additionally, refresher training for 66 provincial finance officers and computer operators of MoI was conducted in recently

established EPS training center in Mol. The training was conducted for 10 days in three different sessions. The training provided an opportunity to the training participants to further enhance their EPS skills and possess the ability to reconcile their provincial EPS reports with AFMIS reports. The reconciliation would enable the finance departments ensure consistency in salary payment records.

LOTFA continued to provide logistic support to the EPS operations at Mol. The logistic support included procurement of computers, printers and furniture for provincial police headquarters, border police and regional command sessions. The table below shows the equipments procured for the support of EPS during the quarter:

List of items distributed during the quarter

Items	Quantity
Desk computers	20 sets
Laptop	1 set
Printer	10 pieces
Memory sticks	20 pieces
UPS	10 pieces
Computer Desk	20 pieces
Revolving Chair	20 pieces
Power Generator (2.4kw)	5 sets

Following both technical and logistic support to EPS operations and as a result of the joint effort by Mol and LOTFA, EPS reporting has considerably improved. 28 provinces are now regularly submitting their EPS reports to Mol Headquarters. By the end of last quarter, a total of 57,683 police officers received their salaries based on the reports (M41) generated from EPS. Mol has been in close communication with remaining provinces to submit their monthly payroll reports generated from EPS to headquarter.

Electronic Funds Transfer (EFT) is also implemented as part of EPS activities. A total of 2,344 new individual bank accounts were established during the quarter. With the addition of these new accounts the total number of individual bank accounts has now increased to 30,666. However, due to the limitations to issue the licenses by DAB, the commercial banks are not expanded as planned, effecting implementation of EPS.

Breakdown of EFT Achievements

Province	Total Number of Police in EFT
Kabul Zone	5,839
Mol Central Departments+ Battalions	4,253
Afghanistan National Community Order Police	1,490
Sub total For Kabul Region	11,582
Regional Command Center HQs	306
Nangarhar	2,190
Parwan	1,099
Kunar	1,246
Laghman	833
Bamyan	254
Sub Total For Central Region	5,928
Ghazni	300
Khost	818
Sub Total for Gardiz Region	1,118
Regional Command North HQs	252
Balkh	1,571

Province	Total Number of Police in EFT
Kunduz	746
Badakhshan	176
Takhar	351
Jawzjan	269
Faryab	832
Baghlan	1,242
Sub Total for Northern Region	5,439
Herat	2,999
Sub Total for Herat Region	2,999
Regional Command Kandahar HQs	84
Kandahar	559
Sub Total for Kandahar Region	643
Kabul Border Police	645
Brigade 1	762
Brigade 2	560
Brigade 6	380
Brigade 7	610
Sub Total for Border Police	2957
Grand Total	30,666

As a control measure, LOTFA also conducted reconciliation of financial reports submitted by provincial finance departments of Mol. Upon receipt of the financial report of last quarter of 1386, LOTFA finance section reconciled the EPS report with AFMIS reports of Balkh, Samangan, Herat, Baghlan, Kunduz, Sari Pul, Kunar, Laghman, Parwan, Kapisa and North Zone. It is to be noted that reconciliation revealed that the data was consistent across all reports.

In addition to internal control, LOTFA team, in collaboration with Mol finance department and MoF representative, conducted monitoring missions to the provinces. The provinces that were visited during the quarter were Herat, Baghlan, Kunduz and Takhar. The findings and recommendations of monitoring missions were shared with the National Director of LOTFA as well as relevant departments were provided feedback for improvement.

Output 4: Higher standards, a more competent and representative police force promoted

Activity 4.1: Enhancement of ethnic and gender composition

The gender mainstreaming component of LOTFA is financially supported by SDC. The component was reviewed and the work-plan for the activity was revised accordingly during the quarter. Revised work plan along with a request for one year no-cost extension was submitted to SDC for approval. The request was approved in May 2008 and as such the project activities were conducted according to the new plan. The gender mainstreaming component then has two sub-components i.e. recruitment campaign and gender mainstreaming in Mol. The details of progress made on the activity are as follows:

4.1.1 Recruitment campaign

The activity focuses on recruitment of female in police force. The campaign was launched in Kunduz, Takhar, Balkh, Jawzjan and Sar-e-Pul provinces during the quarter. Significant success of the initiative was observed in Balkh, Jawzjan and Sar-e-Pul provinces. However, the campaign did not meet the expectations in Sar-e-Pul and Takhan province as only two women could be recruited in Sar-e-Pul as patrolwomen.

As a result of the recruitment campaign, 9 female in each Kunduz and Jowzjan are waiting for enrollment in police force (a training class is organized for 15 people, therefore; they are on standby for enrollment. In case no more women apply for enrollment, the class would be

commenced for the already registered women). The recruitment campaign resulted in new recruitments in Balkh province of which a total of 19 female are under sergeant training while 8 other are on patrolwomen training. Moreover, 22 women, recruited during the quarter, completed sergeant training in Herat province. While a total of 28 female were initially recruited in Herat, due to security concerns, six of them dropped out of the training programme. New recruits also continued in Kabul Police academy as 8 female were recruited during the quarter. With the addition of new recruits, the total number of female police was increased to 486 that included 63 new recruits. However, the number is now 480 due to the drop out of six females in Herat. Besides, 12 women initially recruited as patrolwomen, completed sergeant training in Bamyan province.

The female recruitment strategy is currently being reviewed and modified so that based on recent field experiences, new dimensions could be added to the strategy. Once the revised strategy is developed, the draft would be shared with key stakeholders for their feedback

Female willing to join police force is faced with many social and cultural problems. Consequently, even the willing female, due to the problems, can not join. During the quarter, one of the recruits house was attacked by unknown people while another one was killed in Herat province. Consequently, 6 under training female police dropped out of police force.

4.1.2 Gender Mainstreaming

Gender mainstreaming team continued lobbying and advocacy for inclusion of gender mainstreaming unit in new Tashkil. Although the new Tashkil contains gender mainstreaming unit, the functionaries of the unit are not fully deployed by the Ministry. In addition, in coordination and cooperation with various stakeholders working on gender in Mol, an action plan for Gender Mainstreaming Unit and a Terms of Reference (ToR) for the gender mainstreaming unit members were developed during the quarter.

Currently, together with other stakeholders working on gender mainstreaming in Mol, active lobbying is in progress to ensure that gender mainstreaming unit remain functional and all of its staff are fully deployed. A list of potential members who should be deployed in the unit is prepared based on practical experiences of stakeholders working with women police in Mol.

Two female officers from the Human Rights Department who have been assigned to oversee Gender Mainstreaming issues at the Mol continued to receive on the job training. Meanwhile, during the quarter, the two female officers received trainings on UN Security Council Resolution 1325, language skills in English and computer literacy, gender budgeting with assistance of GTZ, Sustainment Training by International Police Coordination Body (IPCB) and report writing by GTZ.

Awareness-raising and training material were also developed and published by LOTFA gender mainstreaming team. A policy brief named Gender Sensitive Police Reform in Post-conflict Societies was translated in Dari language. 5,000 copies of the document were published and distributed with financial assistance of Bureau of Crises Prevention and Reorganization (BCPR) of UNDP. In addition, UN Security Council resolution 1325 was translated and being published for distribution. Moreover, a document containing gender terminologies based on consultation with ANP personnel was developed and is currently being printed.

LOTFA conducted a training, which for tactical reasons was called a brainstorming session, on UN Security Council Resolution 1325. The training was attended by 25 people including deputy ministers, directors of the departments and deputy directors. The session aimed at raising awareness of the participants about women, war, peace and security using the UN Security Council Resolution 1325. The training was inaugurated by Minister of Women's Affairs, 1st Deputy of the Mol, and the Senior Deputy Country Director of UNDP. Representatives of the international security sector actors, Mol and LOTFA staff also attended the session.

II. Project implementation challenges

Updated project risks and actions

Cash Flow

Due to lack of access to new contributions to LOTFA relating in part to the below extension issue, the project faced a cash flow shortfall in the second quarter. Available resources permitted the release of USD 21 million out of the USD 37.9 million requested by the MoF for expenditures incurred during the quarter. While European Commission funds are available, utilization of them is subject to certain obligations such as the reconciliation of EPS reports with AFMIS and MOI provincial financial reports.

Significant donor interest exists in LOTFA; therefore the full mitigation of this risk is anticipated with the signature of the LOTFA phase V project document. This will allow new donor contributions to be accepted.

Updated project issues and actions

Extension of LOTFA IV

LOTFA phase IV was completed on 31 March 2008; however, as a result of ongoing negotiations on the contents of the project document, phase V could not be initiated. In order to ensure that project payments are made on timely basis, discussions were held among Mol, MoF and UNDP for a bridging extension of LOTFA phase IV until end August 2008. As a result of discussions, phase IV was extended until end August 2008.

EPS & EFT utilization

Although significant improvement in regard to EPS reporting has been made, there were still 6 provinces that were not delivering their EPS reports. It is to be noted that these are the most volatile provinces of Afghanistan. Mol leadership has regularly been informed about the issue. Consequently, Mol has been rigorous in regard to follow up to ensure that these provinces submit their EPS reports.

Some of the provinces are not utilizing EFT for payment of salaries and are still using the old procedures. The issue was communicated to Mol leadership to enforce the implementation of EFT for all police personnel in the areas with commercial bank branch.

Gender Mainstreaming

Each activity of gender mainstreaming component of LOTFA required approval of H.E. Minister of Interior. Due to his busy schedule, the project activities were consistently faced with delays. To deal with the problem, issue was shared with H.E. Minister's office. Based on discussions, it was decided that an official directive should be signed by the Minister approving the project activities on behalf of the Minister. Following the signature of the directive, the issue was resolved and now LOTFA activities are proceeding as per plan. The directive also demanded the Mol, ANP and international supporters to familiarize themselves with the UN Security Council Resolution 1325.

III. Financial status and utilization

Financial status

Table 1: Contribution overview [1 April 2006 – 31 August 2008]

Donor Name	Contributions		Contribution Balance
	Committed	Received	
Australia	1,550,388	1,550,388	-
Canada	38,945,598	38,945,598	-
European Commission	92,092,529	80,661,851	11,430,678
Finland	3,623,157	2,885,694	737,463
Germany	9,537,467	9,537,467	-
Japan	6,000,000	6,000,000	-
Iceland	100,000	100,000	-
Italy	1,474,926	1,474,926	-
Latvia	20,000	20,000	-
The Netherlands	25,111,712	25,111,682	30
Switzerland	1,030,000	1,030,000	-
UNDP	63,380	63,380	-
United Kingdom	8,907,250	8,907,250	-
USA	120,000,000	120,000,000	-
DFID	1,577,909	1,577,909	-
Total	310,034,316	297,866,145	12,168,171

Financial utilization

Table 2: Quarterly expenditure by activity [1 April – 30 June 2008]

Activity	Budget	Expenditure	Balance	Delivery %
Acrtivity01 [Police Remuneration]	56,750,089.42	19,228,692.06	37,521,397.36	33.88%
Acrtivity02 [Procurement]	0	0	0.00	0.00%
Acrtivity03 [Construction]	870,796.18	0.00	870,796.18	0.00%
Acrtivity04 [Gender Mainstreaming]	749,584.00	94,313.07	655,270.93	12.58%
Acrtivity05 [Project Staff & Support]	780,596.00	97,502.74	683,093.26	12.49%
Acrtivity06 [Electronic Payroll System]	175,209.00	74,769.57	100,439.43	42.67%
Acrtivity07 [Audit & Evaluation]	60,534.00	56,466.98	4,067.02	93.28%
GMS @ 3%	1,836,705.42	604,693.13	1,232,012.29	32.92%
Total	61,223,514.02	20,156,437.55	41,067,076.48	32.92%

Table 3: Quarterly expenditure by donor [1 April – 30 June 2008]

Donor	Activity	Budget	Expenditure	Balance	Delivery %
Finland	Project staff & Support	196,618.00	1,560.00	195,058.00	0.79%
	Audit & Evaluation	60,534.00	56,466.98	4,067.02	93.28%
	Construction	451,493.00	0.00	451,493.00	0.00%
GMS @ 3%		21,916.86	1,794.65	20,122.21	8.19%
Total Finland		730,561.86	59,821.63	670,740.23	8.19%
SDC	Gender Mainstreaming	749,584.00	94,313.07	655,270.93	12.58%
	Electronic Payroll System	175,209.00	74,769.57	100,439.43	42.67%
GMS @ 3%		28,601.85	5,229.36	23,372.49	18.28%
Total SDC		953,394.85	174,312.00	779,082.85	18.28%
USA	Police Remuneration	3,509,280.38	3,358,061.62	151,218.76	95.69%
	Project staff & Support	583,978.00	95,942.74	488,035.26	16.43%
GMS @ 3%		126,595.62	106,824.88	19,770.74	84.38%
Total USA		4,219,854.00	3,560,829.24	659,024.76	84.38%
EC	Police Remuneration	42,191,100.60	4,820,922.00	37,370,178.60	11.43%
	Construction	147,515.00	0.00	147,515.00	0.00%
GMS @ 3%		1,309,441.72	149,100.68	1,160,341.04	11.39%
Total EC		43,648,057.32	4,970,022.68	38,678,034.64	22.81%
DFID	Police Remuneration	1,530,571.73	1,530,571.73	0.00	100.00%
GMS @ 3%		47,337.27	47,337.27	0.00	100.00%
Total DFID		1,577,909.00	1,577,909.00	0.00	100.00%
Canada	Police Remuneration	9,519,136.71	9,519,136.71	0.00	100.00%
GMS @ 3%		294,406.29	294,406.29	0.00	100.00%
Total Canada		9,813,543.00	9,813,543.00	0.00	100.00%
Norway	Construction	271,788.18	0.00	271,788.18	0.00%
GMS @ 3%		8,405.82	0.00	8,405.82	0.00%
Total Norway		280,194.00	0.00	280,194.00	0.00%
Grand Total		61,223,514.02	20,156,437.55	41,067,076.48	32.92%