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Afghanistan**

**Law and Order Trust Fund for Afghanistan (Phase V)  
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**QUARTERLY PROJECT REPORT [3<sup>RD</sup> QUARTER, 1387]**



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**Component (MYFF): 2.7 Public Administration Reform and Anti-Corruption**

**Total Budget: USD 454, 500, 158**

**Unfunded: USD 289,119,317**

**Implementing Partners/Responsible parties: Ministry of Interior and Ministry of Finance**

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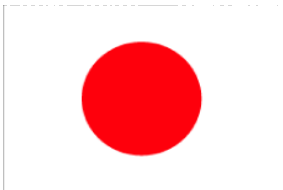
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## I. Implementation progress

The appointment of new Minister for Interior, Haneef Atmar, on October 22, 2008, sent out a strong reform signal in Ministry of Interior (MoI). This has resulted in reaffirmed international community support to MoI, which has also been productive for LOTFA's functioning, in terms of stronger national leadership.

A LOTFA Steering Committee (SC) meeting was held on November 18, 2008 with Minister Haneef Atmar in the chair. Important decisions were taken on some key MoI/Afghan National Police (ANP) proposals: (a) ANP pay raise; (b) 6-months pilot incentive pay for select ANP in high threat Focused District Developments (FDDs); (c) martyrs pay; (d) increase in food allowance; (e) membership of LOTFA SC for International Police Coordination Board (IPCB).

The LOTFA-V project document calls for the setting up of a Disbandment of Illegal Armed Groups (DIAG) unit in the MoI, consisting of three separate cells (DIAG operations, weapons registration, Private Security Companies' registration and licensing) to enable continuing DIAG operations under the Government of Afghanistan (GoA) leadership and ownership. This was officially opened within MoI on November 19, 2008 by Minister Atmar, Minister-Advisor Masoom Stanekzai and UNAMA Deputy SRSR Chris Alexander.

LOTFA-V also calls for LOTFA to pay salaries of uniformed personnel employed by the Central Prisons Department (CPD) through specially earmarked contributions. Limited development was recorded on this front, as it is dependent on finalisation and approval of government's justice sector Pay and Rank Reform (PRR) plan.

The implementation of the Electronic Payroll System (EPS), initiated since 2006 to meet the challenges regarding policy development and implementation in the payroll for police, and aimed at reducing the length of salary distribution process showed encouraging trends during the quarter. EPS reports from some security vulnerable provinces like Uruzgan, Helmand and Badghis, as well as Kandahar Brigade 4 were received for the first time (which earlier had been erring stations). Encouraging progress was also made in Electronic Fund Transfer (EFT) coverage, dependent on further expansion of commercial banks in the provinces.

There were considerable discussions during the quarter on the MoI proposal for increase in food allowance for ANP, with entailment of additional funding. Discussion issues related to fiscal sustainability, IMF conditionality on limit of government expenditure, inability of Ministry of Finance (MoF) to incorporate this in mid term review budget stage, merit of food versus in-kind cash allowance to root corruption and inefficiencies in procurement and distribution, as well as cognizance of discrepancy of proposed increase in food allowance on one hand and LOTFA-V govt-donor commitment for progressive phase out, commencing March 2009, on the other. MoF also categorically stated that it may not be in a position to engage in discussions on technical food allowance phase-out plan owing to its lower than expected revenue collection in 1387, and that at best, a clearer idea could emerge only around the next regular Steering Committee meeting in February, 2009, based on the proposed increase of ANP strength as well as its own fiscal position.

The planned evaluation of LOTFA phase-IV commenced during the period (Nov-Dec, 2008) with ATOS Consulting Company being based in LOTFA office for undertaking the evaluation. Based on inception report, field results and task deliverables, the final report is expected by mid- January, 2009. The much anticipated process of recruitment of a Monitoring Agent (MA) was somewhat steered off the planned timeline, on account of insufficient number of firms meeting the technical evaluation criteria necessitating the re-advertisement of Request for Proposals (RFPs) which has already been done.

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

**1.1. Ensuring of payment of salaries to police force**

The first priority of LOTFA is reimbursing remuneration of ANP to the 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 (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 MoF. The amount eligible for reimbursement is based on the actual expenditure derived from the Afghanistan Financial Management Information System (AFMIS) maintained by MoF, and verified by the LOTFA Management Support Unit (MSU).

In the quarter under review, the combined expenditure for police salaries and food allowance totaled **USD 63,949,052**. To meet this expenditure, the full amount was released to MoF. In addition, an expenditure of USD 10,683,480 was also incurred in Q3 but which related to Phase IV Q2 as this amount was not available in Q2. Furthermore, as per MoF request, a partial advance of US D 25 million was also released for Quarter 4 expenditure. The financial information on police remuneration is presented in the Financial Status and Utilization section of this report.

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

**1.2. Completion of computerization of the payroll system**

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

EPS was implemented in all 34 provinces, covering **76,343** police personnel, of which 7,966 police were newly added to the EPS during the quarter. This reflected 11.6% increase of police personnel in EPS over the last quarter, with overall representation of 97% of the total existing police force.

LOTFA received EPS monthly reports from 34 provinces. During the quarter, 3 additional provinces of Uruzgan, Helmand, Badghis as well as Kandahar Brigade 4 station, where LOTFA had encountered serious problems earlier in receipt of reports because of various reasons, including security, began sending the EPS reports. However, some provinces like Zabul, Kandahar, Khost, Nuristan, Ghazni, Paktia and Faryab are not sending reports on regular basis. The LOTFA team is closely coordinating the issue with Mol.

65 client payroll stations in Kabul zone and Mol central departments, bound to the EPS centralized database, continuously received regular weekly database updates from LOTFA EPS team.

**1.3. Establishment of bank accounts for police force**

During the reporting quarter, the LOTFA EPS team facilitated opening of **2,308** new bank accounts, with the total number reaching **62,008** (covering 78% of existing police force). However, in provinces where the commercial banks are not operative, the bank accounts are not activated. The process of opening bank accounts for police personnel is ongoing in the provinces where commercial banks are to expand branches. The process of opening bank accounts will expedite the process of transferring the salary payment process from manual to EFT.

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

EFT (payment of police salaries through individual bank accounts) was made functional in 22 provinces (Daikundi, Logar and Panjsher were added during the quarter). The number of

uniformed police personnel receiving salaries by EFT reached 45,229 (increase of 7.3% over the last quarter, and representing 57% of total existing police force). The EPS team is liaising with Kabul Bank for expansion of the branches to other provinces too, so that the remaining 16,779 inactive bank accounts can also be activated so that all 62,008 police having bank accounts can receive their salaries through EFT. In furtherance of the latest initiatives, Kabul Bank opened branches in 16 more provinces in December. LOTFA in coordination with Mol, MoF, Kabul Bank and Combined Security Transition Command-Afghanistan (CSTC-A) has established an implementation plan for enforcement of EFT in these provinces during January-June, 2009.

### **1.5. Exploration of alternative fund transfer mechanism including new technologies**

To overcome the challenge of bringing greater number of police personnel into transparent systems of salary disbursements, in collaboration with Mol, MoF, and CSTS-A, LOTFA is working on a new-age technology initiative of M-paisa launched by Roshan mobile company in collaboration with First Micro Finance Bank (FMFB) to affect salary payments through mobile cell phones. This will serve as a supplement to the EFT system. Progress was made in discussions to do a pilot launch of the M-Paisa system in one remote district of Kapisa province. Based on this, Roshan opened an agency in Kohistan-1 of Kapisa and registration of police personnel has commenced. If the new system passes the test and is deemed to be promising, then Mol may expand it to other provinces where there are no functional commercial banks. Consequently, the salary payment process would be individualized and as such there would be increased transparency in the police salary payment process.

## *Output 2: Financial and project management capacity built within Mol*

### **2.1 Conduct of financial, computer and project management training sessions**

Routine on-the-job financial training sessions - with focus on transition from current manual systems to computerization of all financial management systems - were conducted for Mol Finance Department staff. The objective was institutionalization of the capacity development of Mol.

### **2.2 Conduct of EPS training sessions**

During the reporting quarter, EPS team conducted two 10-day refresher training sessions for 51 finance officers/EPS operators from Kabul police HQ and the provinces (Herat region provinces and border police brigades), for generation of accurate electronic payroll reports and use of internet for systematic reporting. The training was found helpful in ensuring EPS operationalization.

### **2.3 Provision of technical support on EPS on regular basis**

The LOTFA EPS help desk provided routine technical advice and support to all EPS stations nationwide as well as for introduction of banking culture to police account holders. Weekly updates were also provided regularly to the 65 client databases in Mol central departments, Kabul zonal command, 14 Kabul districts, 22 police stations and 2 border police HQs. Additionally, facilitation was also provided for opening of bank accounts for regular and Afghan National Civil Order police as well as trainees of Kabul Police Academy after reconciliation of personnel data with DynCorps IDs.

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

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

Procurement of equipment for Mol is dependent on Mol request. During the period, Mol did not submit any request for the procurement of equipment. Hence, there was not any progress towards the output.

#### ***Procurement of Equipment for DIAG Cell***

Procurement of equipment and supplies for establishment of DIAG cell both in the center and provinces is to be done through LOTFA using specifically earmarked funds. During the quarter, a number of items were procured for the DIAG cell central unit established in the premises of Mol.

The procurement of the equipment resulted in operationalisation of DIAG cell in the center. However, procurement for the DIAG cells in the provinces was constrained as earmarked funds were not released by MoF on account of internal procedural errors.

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

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

Mol designated a site for the construction of police gymnasium at the Central Region Command Centre (CRCC). Following the completion of feasibility study and architectural design, the construction work of the gymnasium has now been commenced. The contract was granted to a national construction company that has already started the construction work. LOTFA team made monthly visits to the project site that would continue until the completion of the project. The construction of the gym would provide a much needed facility for police in Kabul for improvement of their physical fitness.

In addition, in consideration of Mol proposal for construction of approximately 1,000 police check posts throughout the country, agreement was reached with Germany to fund the project through LOTFA at cost of USD 2 million (Euro 1.6 million).

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

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

##### **5.1 Undertaking of recruitment campaign**

Due to the security constraint, limited progress was made in recruitment campaign of policewomen in the provinces. The killing of 1 policewoman and failed attempt on another in Herat province, as well as killing of 2 other women in Ghazni accused of working with the police, broadcasted prominently on different TV channels throughout the country - had a negative impact on the recruitment campaign of female police. Possibly, the slaying of the role model policewoman, Malalai Kakar, earlier in September in Kandahar, also continued to have repercussions on women aspirants.

Currently, there are 487 female police as part of the ANP (67 officers, 262 Sergeants and 158 patrolwomen). Additionally, 14 female policewomen are enrolled for courses in the Kabul Police Academy, bringing the total to 501. During the quarter, 51 female trainees graduated from the Kabul, Herat and Balkh training centers to join the national police force. However, around 10 trainees did not join. The addition of new female recruits has continued to fill the glaring gap of lack of females in ANP.

Coordination with Ministry of Woman Affairs (MoWA) and Ministry of Labor, Social Affairs, Martyrs and Disabled (MoLSAMD) had potential of opening new avenues towards policewomen recruitment through publicity measures among all women organizations working for women development, registered with MoWA at central and provincial levels. The Employment Service Centers of MoLSAMD, having branches in MoWA and Ministry of Refugees and Repatriation (MRR), supported by International Labor Organization (ILO) were also assessed to be good launch platforms for the recruitment campaign, since they have registration of more than 4,000 women seeking job opportunities throughout the country. The various orphanages under MoLSAMD also have a number of qualified girls who could be potentially interested in joining the police. Coordination with the mentioned ministries would help in recruitment of women in police.

To provide an informal platform for women already recruited to share their experiences and concerns, the *Afghan National Policewomen Association* was proposed in Mol, and the first meeting of the association was held in December, with participation of around 120 policewomen from Mol, Kabul Police Academy, Family Response Units and district commands. It was proposed that the Association have its own Chairman and office bearers to plan activities. The Association will be encouraged to have synergies with the existent women Shura in Mol, which has not been very active. In phase 2, opening of regional chapters of the Association will be considered.

### **5.2 Conduct of on-the-job and theoretical training**

(a) The project to conduct Training of Trainers (ToTs) for regional commands was progressed, with focus to train 300 trainers for illiterate police personnel to prevent family violence and to improve responsiveness to victims of family violence, particularly women and girls. A Memorandum of Understanding (MoU) was signed between three agencies i.e. Training and Education Department of Mol, IPCB and UNDP/LOTFA to proceed with the project. The selection of qualified police personnel from 34 provinces has also been finalized.

Continuous and close coordination was progressed with Mol and UNDP/Gender Equality Project for integration of standardized Gender and Security Course in the Afghan Police Academy's curriculum. The translation and technical review of the existent curriculum is under process with view to further enrichment and introduction of new modules, as required. The modules will be launched after entering into a MoU by all parties.

### **5.3 Conduct of gender awareness and mainstreaming activities**

During the period, gender based concepts for posters, brochures, handbooks, and pocket-size ready reference material were completed. All deliverables are in Dari. The concepts were targeted at behavioral change in the police force, self-role modeling for the protection of women, prevention of sexual abuse of women at workplace and prevention of child sexual abuse.

A manual on "Equal Rights Equal Duties- Inclusion of Women in Afghan National Police" was finalized, with Dari version. It has been prepared to enable senior managers within Mol to improve their policies and procedures for hiring and retaining women. The manual is proposed to be designed and printed in 1,000 copies.

LOTFA gender unit followed up pending matter of dissemination of 4 gender themed publications to all of the provincial police Education Departments with MOI/ Training and Education Department. A half-day seminar is planned to be conducted in January 2009 in parallel on the introduction and usage of the publications. The provision of the publications would help in gender awareness raising among police.

To facilitate awareness of police issues among Afghan women parliamentarians, an Interface between ANP regional commanders and women Members of Parliament (MPs) was organized by LOTFA under the auspices of Mol in October. This aimed to discuss implementation of an action plan on UNSC Resolution 1325 within the ANP. The interface also put the idea of creation of a civilian oversight body with members of civil society and MPs for better coordination and support to Mol.

LOTFA continued liaison work, as follow up to last quarter, with CSTC-A and Afghan Women's Network (AWN-network of 72 women's organizations) for developing a community outreach project focused around protection of women survivors of violence and setting up an Afghan Women's Network Resource Centre during the quarter. It was reported that AWN had received land for the resource center. CSTC-A is currently engaged in having the building structure designed.

Inspection of Family Response Units (FRUs) in Kabul Police HQ and District 10, where LOTFA has supplied logistic support in the past, was made, in conjunction with the DynCorp team, which has

overall responsibility for development of FRUs throughout the country. LOTFA also participated in discussions together with DynCorps and CANDEM for bringing the oversight mandate of FRUs under an institutionalized command in MoI.

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

After hectic LOTFA/CANDEM interventions, a Gender Mainstreaming Unit (GMU) of MoI was provided space for four offices. Logistic support to GMU was provided for effective operation of the unit. This included provision of office furniture, IT equipments, heating system, etc. As such, the GMU has now become operational.

A 4-day Gender Analysis Training programme was organized for the GMU, in coordination with MoWA. Additionally, a 2-day planning session was conducted by LOTFA/CANDAM for the Unit, to enable the GMU to prepare its operational work plan, based on its priorities. The hiring/ contracting of English and computer instructors for the GMU staff is under process. Also, to technically support the GMU, draft job descriptions for all 9 positions of the GMU were developed and translated. All the above mentioned activities were undertaken in coordination with CANADEM, as an example of inter-agency partnership.

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

#### **6.1 Payment of remuneration of uniformed prison guards**

This is Priority No. 6 in LOTFA-V project document and only earmarked donor funding could be utilized for the activity. The commencement of the activity will be dependent on the completion of the justice sector PRR processes, being facilitated by Corrections Services Support project (US Embassy INL program). The PRR documents were approved by the Civil Service Commission Chairman, reviewed by Ministry of Justice (MoJ) and sent to Presidential Justice and Defense Committee during December. The approval process is expected to be completed by mid January, 2009.

According to PRR documentation, currently there are 4,000 uniformed prison officials, which would be raised to 6,089 after end of year 1 and to 6,309 by end of year 2. Financial expenditure for year-1 would be USD 10.7m and for year-2 USD 12.9m. As per discussions, LOTFA could be expected to start affecting payments at the implementation stage, which may be only from Mar 22, 2009 onwards -depending on outcome of talks between MoJ and MoF.

Payment modalities will be the same as for remunerations of the ANP, at the MoI - which is an ongoing LOTFA activity. It will affect advances/ reimbursements based on MoF AFMIS reports.

#### **6.2 Establishment of electronic payroll system**

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

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

#### **Monitoring and evaluation**

(i) A monitoring mission was conducted to Badakhshan, combined with EPS/EFT enforcement mission to Kunduz, Takhar and Baglan from 24 to 29 Oct, 2008. Detailed mission report has been shared widely with all stakeholders. The objective was to verify the payment of salaries to police,

review of financial procedures, as well as review of progress on implementation of EPS and EFT. Key recommendations arising from the mission included – Mol/mostufiats to make timely allotments to provincial HQs for timely police salary payments; institutionalisation of position of EPS operators for sustainability of the capacities built; regularization of EPS/EFT refresher/advanced trainings; need for allocation of cost of printer cartridge, paper and generator fuel in provincial budgets; efforts to be initiated for facilitation of EFT system for Sher Khan Bander; Kabul Bank to take immediate measures with respect to promises about mobile banking and helicopter services in the inaccessible districts; issue of enhance food allowance to be sorted out by Mol/MoF as LOTFA had no mandate to pay more than Afs 100 per person per day; food contracts to be finalized on time by Mol; provincial police commanders to set up food quality control committees; martyrs to be removed from tashkil and moved to separate pension fund. Action points arising from the mission were appropriately followed-up. Issues of food allowance and martyrs pay were also taken up at various government-donor meetings, including at November 18 Steering Committee meeting.

(ii) Planned evaluation of LOTFA phase-IV was commenced by ATOS Consulting during the period Nov-Dec, 2008 with conduct of field visits to Parwan and Jalalabad (latter facilitated by CSTC-A) and meetings with Mol, LOTFA, donors and other government and international stakeholders. Based on inception report, field results and task deliverables, the draft report is expected, mid-Jan, 2009 and final report by beg-Feb 2009 (somewhat delayed because of illness of team leader).

(ii) A time-line was finalized for recruitment of MA which should have seen the conclusion of the process by end December 2008. As per schedule, the Request for Proposals (RFPs) was floated on October 18 and was closed on Nov 18, 2008. 5 bids were received (from international and local companies: 1-US-based, 1-UK, 1-India, 1-Dubai and 1-Afghanistan/Nepal). However, of these, only 2 companies were found to be technically sound to be able to qualify for financial evaluation round. (UNDP procurement rules require minimum of 3). As such, the RFPs necessarily had to be re-advertised, which was done accordingly.

(iv) For all monitoring purposes, once the CPD/MoJ remuneration reimbursements become operational after clearance of the PRR procedures, the MoJ processes will need to be included in all assessments - through the proposed Monitoring Agent, independent evaluation teams as well as LOTFA's own monitoring missions.

### **Steering Committee meeting**

A LOTFA Steering Committee (SC) meeting was held, Nov 18, 2008 with new Minister Haneef Atmar at the chair. Key MOI/ANP proposals of: (1) The ANP pay raise @ USD 20/month/person and (2) 6-month pilot incentive pay for high threat FDD @USD2 /day/person were approved. (3) With respect to martyrs pay, it was decided that the 3,000 martyrs and seriously wounded would be moved to a pension fund from regular Mol salary payroll, and LOTFA would continue to pay for their pensions for the remaining of the FY 1387 (until Mar, 2009). Concurrently, Mol will begin process of recruitment of new personnel against these 3,000 posts, also to be funded by LOTFA, and in keeping within the overall tashkeel figures. For the period of FY1388 (Apr 2009-Mar 2010), the donors would pay for the currently identified martyrs, while payment of wounded would be undertaken by the MoF. However, payment of any new martyrs would be the responsibility of MoF. After FY1388 (Mar 2010), the responsibility of payment of martyrs and wounded would be fully taken over by the MoF. A study was also commissioned for Mol to determine the exact number of wounded in the ANP, falling in different categories, and report to SC within 3 months; (4) On increase in food allowance proposal, decision was for a LOTFA small group committee to be established to work out a food allowance phase-out plan, and report back to SC in 1 month's time.

## II. Project implementation challenges

### *Updated project risks and actions*

1. *Non predictability of donor contribution:* Less than certain cash flows of LOTFA funds tend to hamper scheduling of the police reimbursement to MoF. Longer-term reliability of donor funds, besides helping to plan prioritized project activities, will provide greater certainty in affecting timely reimbursements to Mol, whilst even strategizing on schedule for advance fund transfers. Moreover, unless earmarked funding in full for remuneration of CPD/MoJ uniformed personnel is forthcoming, LOTFA would not be in a position to meet its commitment with respect to this activity (some donors have made commitments).

2. *Insufficient ownership by Mol and institutional development:* This continues to remain a strategic challenge, resulting in insufficient sustainability of LOTFA implementation and management processes. Unless there is continuous encouragement of the relevant departments of Mol to work with LOTFA project staff for skills transfer, Mol institutional capacity/memory will remain weak. The Mol leadership should take the lead in creating a sense of ownership at all levels of the Ministry.

3. *Security:* Security constraints continue to remain a significant issue, in some instances, for monitoring missions, EPS and EFT implementation teams as well as for gender recruitment campaigns.

4. *EPS:* Constraining factors in EPS implementation which will tend to erode EPS gains made so far is non-receipt of EPS reports from all provinces on regular and timely basis. This has delayed the regular utilization of EPS. Unless Mol leadership strictly follows up with the provinces, discrepancies will remain between the EPS and HR/tashkil figures. Currently, in some cases, the EPS figures are actually higher than the tashkil as patrolmen are hired/dismissed sometimes in excess of tashkil numbers on security needs-basis; or regional Hqs are required to process salaries of ad-hoc police teams (Salama dam and Shindand garrison in Heart; or highway police in Samangan). Although the latter is still in keeping within the overall national tashkil, this poses confusion and challenge in reconciliation purposes and determining the exact numbers of ANP, with accounting implications for ghost figures. Moreover, Mol Central Finance Dept also needs to be more thorough in bringing all its payroll processing systems under EPS (currently around 1,300 of total of around 20,000 personnel are not enrolled).

Other challenges in maintaining EPS functionality include unceremonious transfer of trained EPS personnel or resignations from jobs; inadequacy of national telecommunication infrastructure; and reluctance by officials to accept new age technology, perceived to erode their power base. The Mol leadership would need to ensure that EPS operators are retained in their positions, or new staff made available as replacements for deserting personnel.

5. *EFT:* Further expansion of EFT is dependent on further expansion of commercial banks. This will have to be not only in provincial HQs but also at the district level, as personnel from remote inaccessible districts have genuine difficulties in coming to the provincial capitals for collection of salaries. The immediate challenge for the Mol/LOTFA/CSTC-A EFT implementation missions will be operationalization of EFT through facilitation of opening of bank accounts for police officials in the 16 new branches opened by Kabul bank towards the end of the quarter. This will also entail taking into account logistics aspects like availability of secure transportation means for travel. For difficult provinces, reliance will have to be made on donor PRTs/CSTC-A.

6. *Gender recruitment:* Encouraging young women to join the police force continues to remain a challenge on account of factors like reluctance of young women to join; reputation and image of the police; family compulsion; misconception that gender equality will erode women-men's complementarity; as well as insufficient gender mainstreaming buy-in by Mol. Killings and threats to role-model policewomen has not been helpful either. For the gender numbers not to falter, there

would need to be a strategic orientation of the LOTFA gender recruitment plan. There cannot be any room for complacency. Coordination with MoWA, MoLSAMD as well as NGOs/women organizations should be strengthened. The newly structured Afghan National Policewomen Association can also be involved in the women recruitment in police. LOTFA gender recruitment team has already started coordination and efforts in order to encourage women to join police force.

7. Gender awareness and training: the LOTFA-IPCB implementation stage of the ToTs project to improve responsiveness to victims of family violence has been somewhat delayed. Due to security reasons, the selected GTZ consultant withdrew the offer at the last moment. The recruitment of another consultant by GTZ to prepare the training and reference materials and modules is proposed for Jan, 2009. This needs to be on track. Moreover, at a larger level, the current restructuring of IPCB itself should not be allowed to become a factor for the derailment of the implementation plan. With respect to the dissemination of gender awareness publications to the provinces, the process has been further delayed due to lack of clear understanding of the processes. Provincial police HQ education officers have been instructed to come to Kabul to collect the material and to undergo orientation course in understanding it; this should happen at the earliest, or else it will be a case of wasted effort.

### Updated project issues and actions

1. Monitoring Agent: The recruitment process will need to be continued to be followed on top priority basis, to have the MA in place by end-February, 2009. In the first instance, 5 bids were received (from international and local companies: 1-US-based, 1-UK, 1-India, 1-Dubai and 1-Afghanistan/Nepal) – of which, only 2 technically qualified for financial evaluation round. (UNDP procurement rules require minimum of 3). As such, the Request for Proposals (RFPs) has been re-advertised. The internal UNDP evaluation and recruitment procedures thereafter will have to be strenuously followed-up by LOTFA in order to ensure that the procurement process is completed and as such a Monitoring Agent team is employed within the new time-line.

2. Steering Committee (Nov 18) follow-up: Decisions arising out of this, particularly thorny ones like enhanced food allowance, would need monitoring. The subject is still inconclusive, and may be raised again by Mol in next SC meeting, scheduled for February, 2009. Additionally, other issue of transfer of martyrs and seriously disabled from Mol tashkil to a Mol pension fund, and assessment of exact numbers of wounded, as existent in the tashkil would also be required to be followed up with Mol. Processes for implementation of ANP pay raise and incentive pay are underway, and would require appropriate oversight. Mol and LOTFA MSU will have to closely follow up on the issues in order to ensure that timely actions are taken.

3. EPS: Continuous refresher and advance trainings, on-the-job training, help desk office and telephone calls training will be essential - to build sustainable capacity (Institutional development is now listed as LOTFA-V priority no 2). In the next phase, LOTFA-EPS team needs to focus on training of trainers (ToTs) in EPS/EFT/financial management systems, which can branch out into the provinces - for sustainability and institutionalization of the capacity base and ownership of the processes. In parallel, LOTFA will need to continuously mobilize Mol top management about the importance of EPS application. Moreover, strict periodic follow-up is required with Mol to keep a tight grip on the defaulting provinces to send regular EPS reports, which will narrow the discrepancy between EPS and HR figures, leading to greater accuracy in police numbers. Inadequacy of current national telecommunication infrastructure should gradually prove a less daunting reason as the Network Operating System (NOC) facility becomes functional in regional commands and provincial police HQs in the coming future.

Some of EPS data is classified, which needs to be protected at all levels, by all operators. Clear communication nodal points must be identified by Mol in each of the departments so that confidential information regarding personnel is not leaked out or available to unauthorized persons under any circumstances.

4. *EFT*: Implementation of EFT in 16 new provinces where Kabul Bank has recently opened branches will need to be pursued. Regular meetings by Mol and LOTFA also need to be conducted with Kabul Bank to probe mechanisms for payment of police personnel through EFT at inaccessible district level. Past talks have zeroed-in on measures like mobile salary disbursement schemes i.e. helicopter service, mobile vans, *Hawala*, etc. In parallel, the M-paisa cell phone salary disbursement pilot scheme would need to be taken further as complementary to EFT.
5. *Gender recruitment and mainstreaming*: Relationship with MoWA and MoLSAMD will need to be sustained. Strategizing of a clear-cut, province-wise recruitment plan, based on good and badly – performing provinces is recommended. In gender mainstreaming and training, all the developed projects need continuous vigor in implementation stage, which potential of building a sound local capacity base. The GMU, painstakingly set-up, needs to be nurtured for development to its full potential to be able to gradually take over all the oversight and implementation roles with respect to all female police issues. The informal platform of the newly proposed Afghan National Policewomen’s Association can accord tangible complementary support, and would require LOTFA/CANDEM initial propping up.
6. *Inter-Agency coordination*: This has worked very well with respect to various initiatives (CSTC-A for M-paisa scheme, reconciliation of ID card data, enforcement of EFT, etc; as well as UNDP Gender Equity project, UNIFEM and UNFPA for gender projects). Therefore, the sense of cooperation and support needs to be maintained for maximizing common impacts.

### III. Financial status and utilization

#### Financial status (in USD)

**Table 1: Contribution overview Phase IV [01 Apr. 2006 – 31 August 2009]**

Donor Name	Budget		
	Committed	Received	Balance
Australia	1,550,388	1,550,388	-
Canada	38,945,598	38,945,598	-
DFID	1,577,909	1,577,909	-
European Commission	91,191,223	91,191,223	-
Finland	3,533,362	2,885,694	647,668 (C/F to Phase -V)
Germany	9,537,467	9,537,467	-
Iceland	100,000	100,000	-
Italy	1,474,926	1,474,926	-
Japan	6,000,000	5,999,950	50
Latvia	20,000	20,000	-
Netherlands	25,111,712	25,111,682	30
Norway			-
Switzerland	1,030,000	1,030,000	-
UNDP - Core Fund	163,380	163,380	-
United Kingdom	7,252,995	7,252,995	-
USA	120,000,000	120,000,000	-
Total	307,578,756	306,841,212	647,748

**Table 2: Contribution overview Phase V [01 Sep. 2008 - 31 March 2009]**

Name	Budget		
	Committed	Received	Balance
Australia	1,919,385.80	1,919,385.80	-
Canada	8,084,073.57	8,084,073.57	-
European Commission	45,336,787.57	43,069,948.19	2,266,839.38
Finland	1,943,005.18 (inc. carry forward of 647,668 from Phase IV)	1,943,005.18	-
Germany	16,822,620.96	16,822,620.96	-
Japan	10,000,000.00	10,000,000.00	-
Japan DIAG	3,822,896.24	3,822,896.24	-
Italy	1,295,336.79	1,295,336.79	-
UNDP - Core Fund	250,000.00	250,000.00	-
USA	50,000,000.00	50,000,000.00	-
Netherlands	25,906,735.75	-	25,906,735.75
Total	165,380,841.86	137,207,266.73	28,173,575.13

**Table 3: Quarterly Expenditure by activity Phase IV (01 Apr – 31 Aug 2008)**

*(To accommodate expenditure incurred in Phase V Q3 but charged to Phase IV Q2; due to non availability of funds)*

Activity	Budget	Expenditure Q1	Expenditure Q2	Balance	Delivery %
Acrtivity01 Police Remuneration	66,447,892.24	19,228,692.06	47,487,632.43	-268,432.25	100.40%
Acrtivity02 Procurement	0	-	0	0	0.00%
Acrtivity03 construction	866,753.78	-	0.00	866,753.78	0.00%
Acrtivity04 Gender Mainstreaming	749,584.00	94,313.07	94,975.71	560,295.22	25.25%
Acrtivity05 Project Staff & Support	880,519.00	97,502.74	316,293.96	466,722.30	46.99%
Acrtivity06 Electronic Payroll System	175,209.00	74,769.57	84,092.09	16,347.34	90.67%
Acrtivity07 Audit & Evaluation	61,860.00	56,466.98	1,326.00	4,067.02	93.43%
GMS @ 3%	2,136,551.07	604,693.13	1,482,976.24	68,497.81	97.71%
<b>Total</b>	<b>71,318,369.09</b>	<b>20,156,437.55</b>	<b>49,467,296.43</b>	<b>1,694,635.11</b>	<b>97.62%</b>

**Table 4: Quarterly Expenditure by Activities, Phase V (01 Sep – 31 Dec 2008)**

Activity	Budget (01Sep.08 - 31Mar09)	Expenditure (01Sep.08 - 31Dec09)	Balance
Acrtivity01 Police Remuneration	111,934,647.55	63,949,052.00	47,985,595.55
Acrtivity02 Institutional Development	75,097.34	85,491.27	-10,393.93
Acrtivity03 Procurement	0.00	-	0.00
Acrtivity04 Construction	0.00	-	0.00
Acrtivity05 Gender Mainstreaming	560,295.22	163,913.48	396,381.74
Acrtivity06 Prison Gourds		-	0.00
Acrtivity07 Project Support & Institutional Devpt.	118,170.00	21,972.17	96,197.83
GMS @ 5%	5,926,646.85	2,748,256.77	3,178,390.08

<b>Total</b>	<b>118,614,856.96</b>	<b>66,968,685.69</b>	<b>51,646,171.27</b>
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**Table 5: Quarterly expenditure by donor – Phase IV (01 Apr – 31 Aug 2008)**

(To accommodate expenditure incurred in Phase V Q3 but charged to Phase IV Q2; due to non availability of funds)

Donor	Activity	Budget	Expenditure Q1	Expenditure Q2	Balance	Delivery Rate %
Finland	Police Remuneration	1,403		1,403	-	100.00%
	Project Staff & Support	195,215	1,560	128,926	64,730	66.84%
	Audit & Evaluation	60,534	56,467		4,067	93.28%
	Construction	451,493		-	451,493	0.00%
	3% GMS	21,917	1,795	4,031	16,091	26.58%
<b>Finland Total</b>		<b>730,562</b>	<b>59,822</b>	<b>134,359</b>	<b>536,381</b>	<b>26.58%</b>
SDC	Gender Mainstreaming	749,584	94,313	94,976	560,295	25.25%
	Electronic Payroll System	175,209	74,770	84,092	16,347	90.67%
	3% GMS	28,602	5,229	5,538	17,834	37.65%
<b>SDC Total</b>		<b>953,395</b>	<b>174,312</b>	<b>184,606</b>	<b>594,477</b>	<b>37.65%</b>
USA	Police Remuneration	3,509,280	3,358,062	419,651	(268,432)	107.65%
	Project Staff & Support	585,304	95,943	152,613	336,748	42.47%
	Audit & Evaluation	1,326		1,326	-	100.00%
	3% GMS	126,678	106,825	17,740	2,113	98.33%
<b>USA Total</b>		<b>4,222,588</b>	<b>3,560,829</b>	<b>591,330</b>	<b>70,428</b>	<b>98.33%</b>
EC	Police Remuneration	51,887,500	4,820,922	47,066,578	-	100.00%
	Construction	143,473	-	-	143,473	0.00%
	3% GMS	1,609,205	149,101	1,455,667	4,437	99.72%
<b>EC Total</b>		<b>53,640,178</b>	<b>4,970,023</b>	<b>48,522,246</b>	<b>147,910</b>	<b>99.72%</b>
DFID	Police Remuneration	1,530,572	1,530,572		-	100.00%
	3% GMS	47,337	47,337		-	100.00%
<b>DFID Total</b>		<b>1,577,909</b>	<b>1,577,909</b>	<b>-</b>	<b>-</b>	<b>100.00%</b>
Canada	Police Remuneration	9,519,137	9,519,137		-	100.00%
	3% GMS	294,406	294,406	-	-	100.00%
<b>Canada Total</b>		<b>9,813,543</b>	<b>9,813,543</b>	<b>-</b>	<b>-</b>	<b>100.00%</b>
Norway	Construction	271,788	-	-	271,788	0.00%
	3% GMS	8,406	-	-	8,406	0.00%
<b>Norway Total</b>		<b>280,194</b>	<b>-</b>	<b>-</b>	<b>280,194</b>	<b>0.00%</b>
UNDP	Project Staff & Support	100,000	-	34,755	65,245	34.76%
<b>Grand Total</b>		<b>71,318,369</b>	<b>20,156,438</b>	<b>49,467,296</b>	<b>1,694,635</b>	<b>97.62%</b>

**Table 6: Quarterly Expenditure by donor Phase V (01 Sep – 31 Dec 2008)**

Donor	Activity	Budget (01Sep.08 - 31Mar09)	Expenditure (01Sep.08 - 31Dec09)	Balance
UNDP	Institutional Development	58,750.00	58,750.00	0.00
	Project Support and Staff	23,170.00		23,170.00

<b>UNDP Total</b>		<b>81,920.00</b>	<b>58,750.00</b>	<b>23,170.00</b>
	Police Remunerations	1,823,416.70	1,823,416.00	0.70
Australia	5% GMS	95,969.30	95,969.26	0.04
<b>Australia Total</b>		<b>1,919,386.00</b>	<b>1,919,385.26</b>	<b>0.74</b>
	Police Remunerations	12,194,780.08	11,918,059.00	276,721.08
	Project Support and Staff	95,000.00	21,972.17	73,027.83
Germany	5% GMS	646,830.53	1,156.43	645,674.10
<b>Germany Total</b>		<b>12,936,610.61</b>	<b>11,941,187.60</b>	<b>995,423.01</b>
	Inst. Develop. (EPS)	16,347.34	26,741.27	-10,393.93
	Gender Mainstreaming	560,295.22	163,913.48	396,381.74
SDC	5% GMS	30,349.61	8,627.03	21,722.58
<b>SDC Total</b>		<b>606,992.17</b>	<b>199,281.78</b>	<b>407,710.39</b>
	Police Remunerations	9,500,000.00	9,500,000.00	0.00
Japan	5% GMS	500,000.00	500,000.00	-
<b>Japan Total</b>		<b>10,000,000.00</b>	<b>10,000,000.00</b>	<b>0.00</b>
	Police Remunerations	47,500,000.00	2,924,844.00	44,575,156.00
USA	5% GMS	2,500,000.00	153,939.16	2,346,060.84
<b>USA Total</b>		<b>50,000,000.00</b>	<b>3,078,783.16</b>	<b>46,921,216.84</b>
	Police Remunerations	40,916,450.77	37,782,733.00	3,133,717.77
EC	5% GMS	2,153,497.41	1,988,564.89	164,932.51
<b>EC Total</b>		<b>43,069,948.18</b>	<b>39,771,297.89</b>	<b>3,298,650.28</b>
	Police Remunerations	1,845,854.75	0.00	1,845,854.75
Finland	5% GMS	97,150.25	-	97,150.25
<b>Finland Total</b>		<b>1,943,005.00</b>	<b>0.00</b>	<b>1,943,005.00</b>
<b>Grand Total</b>		<b>120,557,861.96</b>	<b>66,968,685.69</b>	<b>53,589,176.27</b>

Note: Netherlands not reflected in the above table, as its committed amount of USD 25,906,736 not received so far.