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LAW AND ORDER TRUST FUND FOR AFGHANISTAN (LOTFA)

EUROPEAN UNION CONTRIBUTION

FINAL PROJECT REPORT

(2011-2012)

UNITED NATIONS DEVELOPMENT PROGRAMME

DONOR



European Union

PROJECT INFORMATION

Project ID: 00061104

Duration: January 2011-December 2013

ANDS Component: Security

Contributing to NPP: NPP5, Law and Justice For All

CPAP Component: Stabilization and Peace Building

UNDP Strategic Plan Component: Crisis Prevention and Recovery

Total Budget: USD 1,433,693,322

Implementing Partner: Ministry of Interior

Key Responsible Parties: Ministry of Interior and Ministry of Finance

Project Manager: Mr. Norman Sanders, a.i.

Chief Technical Advisor: Mr. Norman Sanders, a.i.

Responsible Assistant Country Director: Mr. Hedayatullah Mohammadi.

ACRONYMS

AHRIMS	Afghanistan Human Resource Information Management System
ANP	Afghan National Police
APRC	Asia Pacific Regional Centre
CPD	Central Prisons Department
EFT	Electronic Fund Transfer
EPS	Electronic Payroll System
EU	European Union
HR	Human Resources
LOTFA	Law and Order Trust Fund for Afghanistan
MA	Monitoring Agent
MoF	Ministry of Finance
Mol	Ministry of Interior
MoJ	Ministry of Justice
NIM	National Implementation Modality
NTM-A	North Atlantic Treaty Organization Training Mission-Afghanistan
OAI	Office of Audit and Investigations
UNDP	United Nations Development Program
WEPS	Web-based Electronic Payroll System

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I. EXECUTIVE SUMMARY

The following report illustrates the operational and financial progress registered by the UNDP-Law and Order Trust Fund for Afghanistan (LOTFA) Project within the European Union (EU) contribution of EUR 40,750,000 from 01 December 2011 31 December 2012.

Based on the agreement between EU and LOTFA, in 2011-2012 the European Union contribution supported the three Pillars of the LOTFA structure: "Support to the police remunerations and police infrastructure" (Pillar 1); "Consolidated capacity development and institutional reform" (Pillar 2); and "Community Policing: Building of effective police-community partnerships under Police-e-Mardumi project" (Pillar 3).

Under Pillar 1, EU grant contributed to pay salaries and remunerations for 137,716 police officers and 5,056 Central Prison Department (CPD) guards, as CPD payroll was transferred from the Ministry of Justice (MoJ) to the Ministry of Interior (Mol). As part of the police salary, during 2012 LOTFA paid 32 percent of food costs and the Ministry of Finance (MoF) contributed to the remaining 68 percent, based on commitment the Project agreed with both Mol and MoF. LOTFA-Electronic Payment System (EPS) team expanded monitoring of the web-based database application system known as Web-based EPS (WEPS) for centralizing payroll and personnel: by end of December 2012, WEPS covered 22 provinces, while the rest of the country would continue using EPS.

Pillar 2 organized capacity building activities for skills development of Mol staff and Afghan National Police (ANP): 50 ANP officers completed a residential training in Indonesia; and the EU grant was also used to support salary payment and training for 39 mentors embedded in various Mol departments including finance, legal affairs, media and procurement sections and units.

EU funding contributed to cover organizational costs of the UNDP- Asia Pacific Regional Centre (APRC) mission to conduct a capacity assessment focused on five departments within the Mol: Finance, Logistics, Facilities, Procurement, and the Gender Mainstreaming Unit. LOTFA used the mission findings and recommendations to address gaps and needs faced by both Mol and LOTFA to effectively manage the National Implementation Modality (NIM), which regulates LOTFA planning, programming and budgeting with Mol. Additionally, Pillar 2 coordinated with Mol-Media Department the 2012 women police recruitment campaign, with a wide outreach through multiple TV and radios. Last, 50 police officers completed their residential training in Indonesia in criminal investigation, traffic policing and community policing in December 2012.

Pillar 3 operated with limited number of staff (national and international) during the first three quarters of 2012, which affected its delivery capacity. This entailed re-programming of both activities and funds, in coordination with EU, as explained further in this report.

II. CONTEXT

LOTFA is a mechanism for the international community to mobilize additional resources for the establishment, payment, equipment and capacity development of the police force and uniformed personnel employed by the Central Prisons Department (CPD) in Afghanistan. Phase-VI of LOTFA covers from 01 January 2011 to 31 March 2013 the operational and strategic support of the following three Pillars:

Pillar 1: Support to the police remunerations and police infrastructure

- Payment of the police force remuneration;
- Payment of remuneration of uniformed personnel employed by CPD through specially earmarked contributions;
- Procurement, maintenance and operations of non-lethal police equipment and supplies;
- Construction, rehabilitation, maintenance and operations of police facilities.

Pillar 2: Consolidated capacity development and institutional reform

- Capacity development (CD) and institutional reform of the Ministry of Interior (MoI) at the policy, institution and police individual level;
- Linked to the CD component above, gender orientation (recruitment, training and gender mainstreaming of female police).

Pillar 3: Community Policing: Building of effective police-community partnerships under Police-e- Mardumi project

- A. Building of service delivery oriented police-community partnerships under Police-e-Mardumi project, based on best democratic policing principles.

III. RESULTS

A. OUTPUT 1: Police force and uniformed personnel of Central Prisons Department (CPD) supported to perform their job effectively and efficiently

EU funding allocated under Pillar 1 was exclusively used to pay ANP and CPD salaries, and support management, expansion and monitoring of Electronic Fund Transfer (EFT), EPS and WEPS.

In early 2012, as part of a comprehensive MoJ reform plan, CPD was administratively transferred to Mol. Since that time, 5,056 CPD prison guards have been paid by LOTFA from a combination of earmarked and un-earmarked fund contributions to Pillar 1, including EU contribution.

Thanks to the EU contribution, LOTFA reimbursed police remunerations of ANP and CPD in all 34 provinces and ensured that the payments were made in a timely and transparent manner. Regular payment of CPD salaries contributed to better empowerment of state institutions responsible for maintenance of Rule of Law.

Important agreements were reached with Mol and MoF to increase the national payment and decrease dependency on external funding: based on this, LOTFA paid 32 percent of food costs, equivalent to 2.8 billion Afghanis, while MoF covered the remaining 68 percent¹.

EFT continued to be functional in 33 provinces, except in Nuristan, where security and accessibility hampered the establishment of EFT system. ANP officers based in Nuristan receive their salaries through Trusted Agent payment modality.

The number of uniformed police personnel who received salaries using EFT by December 2012 decreased from 114,847 to 105,077 constituting 77 percent of the total existing police force. The decrease is directly linked to the fraud investigation into Kabul Bank: this resulted in the closure of some Kabul Bank branches which could not ensure automatic posting of salaries into individual police and CPD bank accounts.

Ninety-two percent of CPD personnel were covered under EFT (nine percent increase over 2011). LOTFA continued to liaise with commercial banks for the expansion of the branches

¹ This report acknowledges that the High Office of Oversight has recently reported about around 28 million AFS embezzlement in the food contracts (biscuits and cakes) of the Mol during 1391- 1392. It is important to highlight that LOTFA is responsible for monitor and control of food expenditures and other components of the payroll payment (example: danger pay), in coordination with Mol and MoF; food procurement process is under direct responsibility of Mol Procurement; therefore, the mentioned case of embezzlement has no direct connection with LOTFA work to fund the payroll payment components, including food expenditures.

to cover more districts. It was difficult to use New Kabul Bank to cover more districts due to ongoing investigations of alleged malpractices. However, alternative salary transfer mechanisms were introduced for inaccessible locations using mobile phones (M-PAISA).

In 2012 the LOTFA-EPS team expanded monitoring of the WEPS application system for centralizing payroll and personnel.

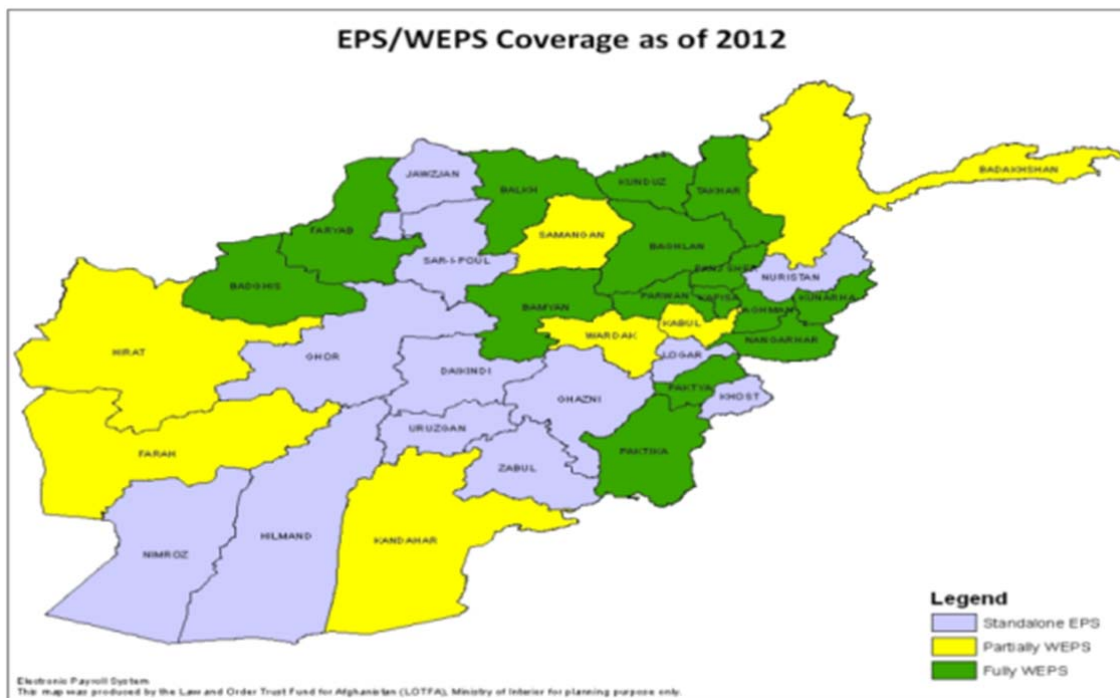
By the end December 2012, WEPS would cover 22 provinces while the rest of the country would access the standalone EPS. WEPS combines centralized and decentralized functions in its architecture: payroll data come from provinces through email, a process known as 'decentralized way'. At the same time, WEPS system is centralized at Mol Finance Department to process salaries in one central server.

Data is sent to the server from the provincial finance officers; payroll information from provinces is used to generate and process payments and payroll related reports. Provincial finance officers can access the reports generated from any provinces they are located.

LOTFA has developed a three-level system to double-check as to whether or not the data entered by the provincial finance officers is accurately encoded and is risk free to avoid possibility of mismanagement of police salaries or over-payments.

A first quality control measure is embedded in the Web-based EPS (WEPS) & EPS system itself. WEPS and EPS have a lockup list of codes related to Mol standard salary scale: provincial Mol finance officers and EPS operators can select correct grade and rank of salary recipients only through the lockup list. This first measure contributes to minimize mistakes at the data entry stage, including but not limited to: risk of over-payment and wrong coding attribution. A second measure is taken in coordination with MoF, whose provincial representatives double check monthly reports from provinces before submission to Mol and MoF headquarter. A third control measure for data accuracy takes place at LOTFA –Pillar 1: at the end of each solar month an electronic copy of all payroll transactions generated through EPS is sent to LOTFA for monitoring and data quality control.

These three measures contribute to enhance accuracy, security and transparency of payroll transactions.



Map 1: EPS and WEPS coverage in 2012. Source: LOTFA

LOTFA ensured continuous monitoring of the web-based database application system combining centralized monitoring with field missions, as well as reviewing Monitoring Agent (MA) reports. Throughout 2012, LOTFA management shared MA monthly reports with Mol and LOTFA Steering Committee, comprising Mol and UNDP leadership, as well as LOTFA donors.

LOTFA undertook independent joint missions with Mol-Finance Department to Kabul, Badakhshan, Kandahar and Herat provinces for financial monitoring of police remunerations and verification of EPS/EFT/WEPS implementation. During these visits, the joint team visited provincial police units for financial monitoring and on-the-job mentoring for provincial financial officers processing payroll transactions and reports. Financial monitoring of police remunerations and verification of EPS/EFT helped detect data entry errors, including manual HR data entry on attendance reports. Following the detection of reporting errors, provincial finance and HR departments were requested to amend and re-send their monthly reports.

In 2012 M-PAISA mobile transfers covered 5 provinces² and 12 districts; thus reaching 1,041 ANP officers, an increase of 556 new personnel, compared to 2011. This M-PAISA network included the following additional districts: one in Helmand, four in Badakhshan, one in Khost, and three in Wardak.

² In 2012, reporting time for the EU-LOTFA grant agreement, M-PAISA covered 5 provinces, namely: Wardak, Khost, Badakhshan, Ghor and Helmand.

As a result of M-PAISA, the police received their salaries in full and on time. Police officers did not have to travel through insecure areas to banking facilities, and all transactions were logged and traceable. LOTFA trained Mol staff managing M-PAISA. Constraints to M-PAISA were experienced with regards to ownership of the process, supply of mobile phones to the police and adequate capacity training in the requisite technology.

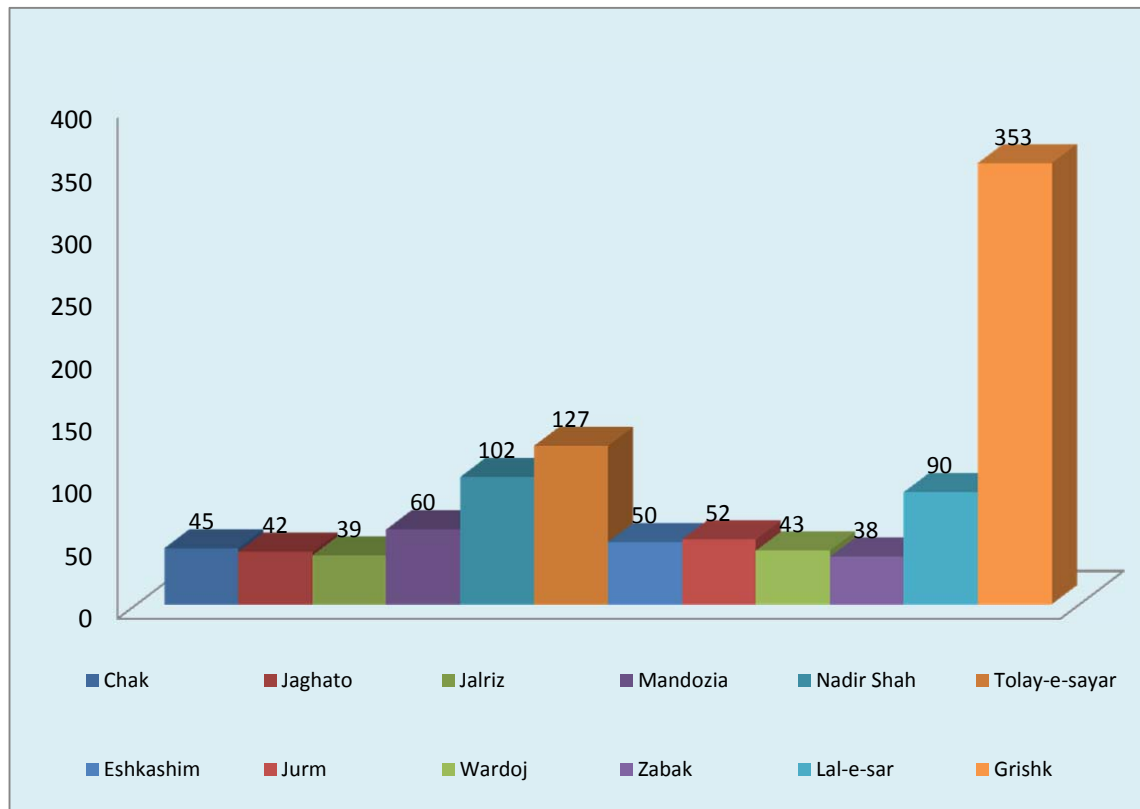


Chart 1: M-PAISA coverage by district in 2012. Source: LOTFA

Progressive hand-over of EPS and EFT responsibilities continued in 2012: Mol Finance took over approximately 66 percent of EPS and 81 percent of core EFT functions, thus reaching the annual target for 2012. Core functions included creating bank accounts, salary adjustments, liaison with commercial banks and generating bank reports. This resulted in increased independence in functioning and management of daily technical jobs. Production of EPS reports took place at the sub-national level, and included commercial bank liaison, tracking of bank accounts, core data back-up and recovery and use of SharePoint to upload scanned documents in keeping with transition goals of Government of Afghanistan ownership.

The EPS/EFT transfer of capacity building is complemented by trainings and coaching of Mol staff at the central and provincial level: this will enhance the reform process to synchronize Human Resources (HR) management with payroll. LOTFA also established risk mitigation measures to tackle the interruption of training opportunities in some insecure

provinces: based on recommendations from Mol, trainees from insecure zones were invited to attend trainings in regional commands headquarters; regular technical support was provided through telephone remote assistance; and training materials/hand outs were delivered through provincial representatives.

LOTFA collaborated with North Atlantic Treaty Organization Training Mission -Afghanistan (NTM-A) for

the
Afghanistan
Human
Resource
Information
Management
System
(AHRIMS)

project which
is being
developed by
Mol and NTM-
A to help Mol
have a
computerized



Photo 1: EPS/EFT training session in Kabul, at LOTFA training room. Source: UNDP

human resource system. Integration measures for real time communication between WEPS and AHRIMS (Human Resources – HR system) were assessed by the NTM-A and LOTFA for strengthened accountability of police numbers and LOTFA payroll expenditure. In the long term this integration will result in evidence-based budgeting, based on the number of police in the country. It is important to remark that progress of this specific collaboration will extensively depend on readiness of financial, payroll and HR of Mol units at central and provincial level. Once both systems (HR and payroll) are at a more mature stage of integration and synchronization, it will be possible to start planning the integration between WEPS and MOF- Afghanistan Financial Management Information System (AFMIS).

Below is a snapshot of where LOTFA is in relation to its annual targets of Pillar 1, Output 1 limitedly to EU grant disbursement.

Table 1: Progress towards targets for Output 1

2012 BASELINE	2012 ANNUAL TARGETS	2012 ACTUAL	COMMENTS
1a.1 Ongoing payment of ANP salaries in 34 provinces.	Maintain timely payment of ANP salaries in 34 provinces.	34	Met target.
1a.2 EPS implemented in all 34 provinces, Police Head Quarters and centralized WEPS implemented in 14 provinces.	Coverage of all police under stand-alone EPS (new recruits as per ANP growth plan) to be maintained between 99%-100% at all times; expansion of centralized web-based EPS to cover 30 provinces by December 2012.	99%	Met target.
1a.3 EFT coverage of Police is 82% with 8 districts covered under M-PAISA.	Coverage of 90% police under EFT (including new recruits as per ANP growth plan).	81.5%	Unmet target. Decrease due to closure of New Kabul Bank in Kandahar.

2012 BASELINE	2012 ANNUAL TARGETS	2012 ACTUAL	COMMENTS
1a.4 Resource pool of 1,500 Mol trained officials at regional, provincial and central level in finance/ EPS/ WEPS/admin/ HR/ procurement.	Resource pool of 1,800 Mol trained officials at regional, provincial and central level in finance/ EPS/ admin/ HR/ procurement, with focus on centralized web-based EPS.	1,682	Unmet target. Insecurity prevented training in some provinces the target could not be met.
1a.5 Resource pool of 250 Mol trainers under Training of Trainers in specialized fields at zonal/provincial/district level.	Resource pool of 320 Mol trainers under Training of Trainers in specialized fields, zonal/provincial/district level.	324	Met target.
1a.6 Provision of technical support to 28 Mol focal points in centralized WEPS/M-PAISA.	Provision of technical support to 28 Mol focal points in new-age payroll technologies i.e. centralized WEPS/M-PAISA.	30	Met target.
1b.1 Ongoing payment of all uniformed CPD personnel salaries in 34 provinces.	Maintain payment of all CPD salaries in 34 provinces.	34	Met target.
1b.2. 82% uniformed CPD covered under EPS.	95-100% CPD force covered under stand-alone EPS by June 2012.	99%	Met target.
1b.3. 87% uniformed CPD covered under EFT.	100% CPD force covered under EFT by Jul 2012.	92%	Unmet target. Inadequate banking facilities

B. OUTPUT 2: Police force equipped with required equipment and infrastructure for improvement of their mobility, responsiveness, operational efficiency and morale

Construction, rehabilitation, maintenance and operations of police facilities activities did not use the original EU funding allocation since LOTFA had limited operational capacity during most part of 2012, as effect of the project audit investigation. As indicated at Output 1, ANP and CPD salary payment was prioritized in light of Mol needs to ensure timely payment to the growing number of police in the approved Mol Tashkeel.

C. OUTPUT 3: Capacity of Mol developed in identified areas and administrative institutional systems strengthened

EU grant made it possible to support the organizational costs of two-week residential training on traffic police, community policing, and criminal investigation in Indonesia: this initiative followed the signing of a Letter of Agreement between the Government of Afghanistan and Indonesia on 17 September 2012. Under the Agreement, 50 police officers received specialized training by POLRI, the Indonesia National Police. Participants were grouped as follows: 20 ANP attending traffic management modules, 15 officers participating to the crime investigation sessions, and 15 receiving training in Police Community Service.

Following this training, participants have been assigned to multiple Mol departments and police zones, including: Criminal Technique Department, General Directorate and brigades of the Afghan National Civil Order Police, Afghan Public Protection Force, and Traffic Police Department.



Picture 1: Example of POLRI training materials. Source: Indonesia National Police Academy

As part of the agreement between Afghanistan and Indonesia, training materials were translated into Dari and Pashto and handed-over to the Afghan National Police Academy for future in-country trainings based on Indonesia model.

POLRI curriculum is tailored to ANP needs and is based on best practices matured in Indonesia, which features over ten years of experience and a robust doctrine in community policing and police training. This initiative contributes to the ANP professionalization, moving away from a police force focusing strictly on counter insurgency to a civilian police, in alignment to MoI 10-Year Vision: “the ANP may need to remain kinetic, but at the same time they must return to their main civilian policing responsibilities under the Afghan Police Law. By enforcing rule of law, maintaining public order and suppressing crimes, the ANP will facilitate good governance and socio-economic development, which will be the ultimate key to establishing sustainable peace in the country.”

EU funding supported the organization of a UNDP-APRC mission to Kabul in Q3/2012, as part of UNDP mandate to promote systemic change for MoI reform. The scope of this mission was to carry out a capacity assessment of MoI, with the assistance of LOTFA Pillar-2 Manager, on the administrative and support systems, inclusive of accountability and transparency mechanisms of the Procurement, Logistics, Facilities, and Finance Departments at the policy, organizational (Institutional) and individual (technical) entry points. The end goal was to identify capacity gaps and make sustainable recommendations on implementation modalities on bridging said gaps to ensure a cohesive functioning service delivery mechanism. Main recommendations included effective budgeting and coordination between MoF, MoI and LOTFA; setting processes and Standardized Operational Procedures for joint planning, programming and budgeting between LOTFA and MoI relevant departments; and improving the overall capacity building approach (strategy and *modus operandi*). These recommendations will help to pave the way for change and reform of the NIM mechanism determining institutional and operational relationships between MoI and LOTFA in 2013.

EU grant contributed to the salary payment and capacity building of 39 mentors embedded in various departments in the MoI, namely: Media & Communication, Legal Affairs, Procurement, Finance, and Facilities. In 2012 mentors attended a series of training modules on finance and administration with the objective to increase skills and ultimately ensure better service delivery of key MoI departments.

Below is a snapshot of where LOTFA is in relation to its annual targets of Pillar 2, Output 3 limitedly to EU grant disbursement.

Table 2: Progress towards targets for Output 3

2012 Baseline	2012 Annual Targets	2012 Actual	Comments
3.1 Limited UNDP participation in policy development through inputs in National Police Strategy, National Police Plan and Institutional Police Policy Development (IPPD).	Improvement of participation and inputs as contribution to policy development.	Establishment of new standard operating procedures of LOTFA programming with strategic planning unit of Mol.	Met target.
3.2 12 National mentors in place with limited contribution to admin capacity and limited system development.	Development of institutional systems in Mol Departments of Finance, Procurement, Logistics and possibly Passports.	39 embedded mentors in the Mol trained.	Met target. However, LOTFA will ensure continuous on-the-job support to mentors during their assignments at Mol.
3.3 Deficiency of Mol leaders and cadets.	Facilitation of 50 ANP in Indonesia.	50 completed residential training in Indonesia.	Met target.

D. OUTPUT 4: Improved capacity in police force with enhanced gender balance

Thanks to the EU contribution, LOTFA Project funded a multi-media recruitment campaign targeting women to join ANP, in coordination with MoI Media Department.

Through the NIM procurement procedures, a national media company was selected to design and produce TV and radio spots for broadcasting through 8 radios (national and provincial) and 6 TV. Spots were distributed both in Dari and Pashto during golden prime time. Media monitoring to assess the outreach of the campaign was conducted by a third-party to ensure transparent and neutral assessment.

The media campaign resulted in 307 female police officers being employed; by end of 2012, 1,557 women were in the national police, constituting 1 percent of the total ANP force.

Despite the quality and scale of outreach of the campaign, recruitment of new women police was slow in 2012 and the total number – including civilian and female officers - increased by only 207 during 2012: this clearly shows that communication and outreach need to be accompanied by reform and systemic change of policies, practices and procedures affecting women police recruitment and professionalization.

Low retention and high attrition among recruited women are due to systemic challenges, such as impunity of abuses against female officers, minimal working conditions for female police officers and lack of promotion.

Safety at work, enforcement of retention and promotion policies, cultural barriers and perception change among communities are the major areas of work which LOTFA will address in the coming quarters of 2013, in close coordination with MoI, before engaging in new recruitment campaigns.

In parallel to the recruitment campaign for women police, capacity building and structural improvements for women police did take place in 2012, though they were funded through other donors' grants.

At the structural level, LOTFA supported Family Response Units (FRUs) and Gender Mainstreaming Units (GMUs) by equipping them with IT and office items. This measure was meant to address essential functionality requirements at GMU and FRU level. The equipping plan was done based on needs assessment conducted early 2012.

As for capacity building, in coordination with UNDP-Gender Equality Project (GEP) 4 workshops for 80 male and female police officers were organized to train on the UN Security Council Resolution 1325 on Women, Peace, and Security.

Other trainings were designed but postponed to 2013 implementation due to delays in the procurement process to select training companies; mentioned trainings would

include: IT literacy, leadership, crime investigation and reporting; gender-based planning and budgeting.

Equally important is the role communities and civil society can play to address socio-cultural barriers for women police as for communities' trust and acceptance.

In 2012, LOTFA signed the first contract ever with the Civil Society Organization (CSO) Consortium to implement the Women Police Mentorship Programme (November 2012-January 2014).

The consortium has a presence in the provinces of Kabul, Herat, Balkh, Kunduz and Jalalabad. This programme has a three-fold goal: strengthen women police to perform in professional roles related to access to justice, especially for women and children; improve understanding and capacity of male police to deal appropriately and professionally with women police and women victims; and raise awareness among communities about effective role of women police. The CSO Consortium project is being funded through other LOTFA grant sources.

Below is a snapshot of where LOTFA is in relation to its annual targets of Pillar 2, Output 4 limitedly to EU grant disbursement.

Table 3: Progress towards targets for Output 4

2013 Baseline	2013 Annual Targets	2013 Actual	Q1 Planned	Q1 Actual	Comments
4.1 1,852 women in the police (as of 2012 Mol data).	2,050 women police (Mol annual target).	1,929 (civilian and police).	1,700 (civilian and police).	N/A	<p>Pillar 2 did not plan new recruitment campaigns with Mol-Gender Directorate. Structural factors underlying attrition rate need to be addressed in the coming quarters before any new recruitment campaign takes.</p> <p>LOTFA will regularly check retention and attrition rates among women police, in coordination with Mol-Gender Directorate.</p>

E. OUTPUT 5: Police-community partnerships strengthened for enhanced local security, service delivery and accountability

During the second quarter of 2012 LOTFA Project Manager was placed on administrative leave as part of the internal investigation; this extensively impacted on the overall functionality of the project, particularly Pillar 3, whose manager had to replace LOTFA Project Manager *ad interim*.

Further, the three LOTFA staff who managed LOTFA's financial and procurement operations were summarily separated. The focus of LOTFA for the rest of 2012 was on rebuilding both the administrative capacity and the Pillar 2 and 3 teams. While delivery picked up at the end of the year, it was not sufficient to absorb both the existing funding and the additional contribution from the EU under Pillar 3.

Acknowledging that EU funding procedures do not allow for a "rollover" of the unspent balances, LOTFA de-committed the balance under Pillar 3 upon completion of the project, in coordination with UNDP-Country Office and EU Delegation in Kabul.

IV. ISSUES & LESSONS LEARNED

- **Addressing Office of Audit and Investigations (OAI) and Management Review recommendations**

Both OAI and Management Review recommendations dealt with setting in place new measures to improve compliance and oversight for LOTFA. At the time these recommendations were received, the Project team had limited national and international staff. In order to address this challenge, UNDP organized fast-track recruitment for specialists in critical areas such as gender and procurement.

- **Managing current Project needs while developing the new LOTFA**

It has been very challenging to implement current programs and meet annual work plan targets for 2012, while planning for Phase VI extension. Following the OAI and Management Review, LOTFA strengthened its coordination with donor partners and Mol to design a new operational modality, where mutual accountability, joint planning, and programming become essential conditions of the new *modus operandi*.

- **Reputation Challenges**

LOTFA substantially increased its communication with all stakeholders in order to keep them abreast with facts related to the investigation and management review. Specifically, LOTFA new management ensured to have regular donor technical meetings; increased the quality and modalities of communication and interaction with donors, including bilateral contacts to provide with information and clarification about the process of change within LOTFA. This scaled up internal and external communication, especially with donor partners, their embassies and the Mol.

- **New Kabul Bank Investigations**

Investigations at New Kabul Bank delayed enrolling the majority of the police officers on EPS. In order to mitigate the effects of the investigation LOTFA is using M-PAISA as an alternative option to enroll as many police officers as possible on to the payroll. The banking situation will be continuously monitored in view of the implications for ANP and CPD personnel's bank accounts maintained at New Kabul Bank.

- **Mainstreaming Gender in Mol**

Mol has developed a policy, and strategy for implementing gender mainstreaming across departments and units, with technical assistance from LOTFA. Challenges with regards to gender include sexual harassment, unequal promotion opportunities and inadequate

work facilities for female police officers. LOTFA will work with Mol relevant departments (Policy & Planning, and Gender) to design and implement first response measures, including improvement of dressing rooms and separate toilets for women police, before engaging in new recruitment campaigns.

- **Security in provinces and some remote areas**

LOTFA and Mol aim to provide mobile and internet connectivity to all duty stations throughout Mol provincial offices. However, this is not possible because of the delicate security situation. Access to unsafe areas impacted on the use of WEPS/EPs, monitoring oversight for accountability, audits and reporting.

V. RISKS

- **Staff security**

Safety of LOTFA staff working in the Mol is also a recognized risk. Security risk assessments have been revised and additional security measures identified for both staff based in Kabul and contracted –out personnel travelling for field visits.

- **Inadequate procurement procedures**

Challenges in procurement standard operating procedures have been a risk as evidenced by LOTFA internal investigation. Several steps have been taken to mitigate this risk. Structural measures include the assessment of procurement capacity within LOTFA and Mol; development of comprehensive proposal for adoption of a new LOTFA procurement architectural framework. This new architecture proposes standardized work flows for each applicable procurement methodology; it also revises standard operating procedures to guide the use of both national and direct implementation modalities. Operational measures comprise recruitment of international and national procurement officers to boost the procurement team at LOTFA.

- **Mol insufficient ownership**

The new LOTFA regime recognized Mol ownership was inadequately ensured and preserved during critical stages of planning and programming, in the past years of the Project implementation. LOTFA is working with Mol to design and implement a new approach of work with Mol, according to which Mol has full ownership in setting strategic objectives and priorities, which LOTFA will address as development partner of Mol.

Specific actions to strengthen Mol ownership include: design of joint planning processes that are directly linked to Mol strategies and planning, such as 5-year and 2-year transitional plan; development and implementation of complementary procedures to ensure project actions will be implemented in accordance with the Afghan laws, policies and procedures; and elaboration of a long-term roadmap for the transfer of responsibility for police payment to Mol and other national partners.

- **Integration of IT systems (HR and payroll) to be optimized**

Full integration between EPS and AHRIMS remains critical to strengthen accountability of police HR and LOTFA payroll expenditures. The Management Review recommended LOTFA, on behalf of Mol, should ensure the integration of the AHRIMS, EPS and other relevant IT systems to manage and pay ANP and CPD personnel. Following this recommendation, Pillar 1 is coordinating with NTM-A to roll-out a phase-mannered plan to guide the integration process, which will progressively include Mol finance systems.

Updated Risk Log and Issue Log remain as Annex 4 and 5, respectively.

VI. ANNEXES

A. ANNEX 1: FINANCIAL TABLE

Expected Outputs	Key Activities	EU Planned Budget		Provisional Expenses		Budget Balance	
		(Dec 2011 - Dec 2012)		(Dec 2011 - Dec 2012)			
		USD	EURO	USD	EURO	USD	EURO
Pillar I							
Output 1: Police force and uniformed personnel of the CPD supported to perform their job effectively and efficiently	1a: Police force						
	1a.1 To make Quarterly reimbursement of Mol police remuneration to MoF;						
	1a.2 (a) To facilitate Mol in production of timely and accurate monthly EPS payroll reports;						
	1a.2 (b) To roll out centralized web-based EPS to all central and provincial HQs;						
	1a.2 (c) To provide technical support to all 115 EPS payroll stations;						
	1a.3 (a) To implement EFT fully for payment of police salaries;						
	1a.4 To utilize alternative new-age technology salary transfer mechanisms i.e. M-paisa for inaccessible areas and where based on specific documented evidence, individual bank account is proven technically impossible;						
	1a.5 (a) To conduct 24 sector specific capsules of 10 days each in financial management, accountancy, EPS, EFT, HR, IT and administration advanced /refresher/ on-the-job training; trainings at regional, provincial and central level;						
	1a.5(b) To provide advanced technical support to Mol for operationalization of EPS/EFT/ financial mgt system in 34 provinces, regional commands and border police brigades; 1a.6 To conduct 15 capsules of 10-days each for ToTs in finance, HR, admin, EPS / web-based EPS for 300 officials from Mol;						

Expected Outputs	Key Activities	EU Planned Budget		Provisional Expenses		Budget Balance	
		(Dec 2011 - Dec 2012)		(Dec 2011 - Dec 2012)			
		USD	EURO	USD	EURO	USD	EURO
	1a.7 (a) To provide focused and sustained technical support to Mol in new-age technology payroll and financial management mechanisms i.e. centralized web-based system and M-Paisa;						
	1a.7 (b) To facilitate implementation of centralized web-based EPS system to cover all provinces;						
	1a.7 (c) To progressively hand-over technical skills to Mol;						
	1a.8 To facilitate annual police perception surveys for 2010 and 2011, building on 2009 baseline indicators;						
	1a.9(a) To facilitate MoF to expand phase-out of reimbursement of ANP food allowance base-line (41K);						
	1a.9(b) To facilitate MoF to start phasing-out of salary reimbursement of ANP;						
	1a.10 (a) UNDP-LOTFA/Mol/MoF to undertake regular monitoring/verification missions in targeted provinces;						
	1a.10 (b) LOTFA to continuously contract out MA for period of project;						
	1a.10 (c) MA to regularly monitor and report on activities at central/provincial/district level as per nation-wide monitoring plan;						
	1a.10 (d) To seek assistance of stakeholder partners for monitoring activities at provincial level.						
	1b:CPD						
	1b.1 To make quarterly reimbursement of CPD uniformed staff remuneration to MoF;						
	1b.2 To facilitate CPD in production of monthly EPS payroll report;						
	1b.3 To implement EFT fully for payment of CPD uniformed personnel;						
	1b.4 (a) MA to regularly monitor and verify CPD/MoJ remunerations;						
	1b.4 (b) MA to regularly monitor and verify CPD/MoJ						

Expected Outputs	Key Activities	EU Planned Budget		Provisional Expenses		Budget Balance	
		(Dec 2011 - Dec 2012)		(Dec 2011 - Dec 2012)			
		USD	EURO	USD	EURO	USD	EURO
	remunerations.						
Output 2: Police force equipped with required equipment and infrastructure for improvement of their mobility, responsiveness, operational efficiency and morale.	2a: Procurement of Equipment						
	2a.1 (i) To procure needs-based non lethal police equipment for Mol central and provincial Units;2a.1 (ii) To procure equipment and supplies for police training centers;2a.2 To support procurement of supplies and IT equipment for implementation of web-based EPS/M-Paisa at central and provincial level;2a.3 To provide O/M logistics support to earmarked police facilities, including training centers.						
	2b: Construction of Police Infrastructure						
	2b.1 (i) To provide full technical assistance to Mol for tendering of LOTFA funded construction activities;						
	2b.1 (ii) To provide facilitation and oversight to Mol in completion of quality construction of prioritized police facilities at central and provincial level, including training centers and drug rehabilitation centers;						
	2b.2 To provide facilitation and oversight to Mol in completion of quality rehabilitation of prioritized police facilities at central and provincial level, including training centers.						
Sub-Total Pillar I		49,000,000	36,750,000	47,384,308	35,538,231	1,615,692	1,211,769
Pillar II							
Output 1: Capacity of Mol (policy/ institution/ individual level) developed in identified areas and administrative institutions strengthened;	1.1 (a) Undertake specific needs-based capacity development modules for Mol policy/admin/service units; with focus on institutional systems development and management;						
	1.1(b) To provide specialized mentorship support to Mol Policy/HR/Procurement /Finance /legal Depts. through national advisors.						
	1.2 To organize/facilitate time-specific (6/ 12-mths) leadership and management training programs for 1000						

Expected Outputs	Key Activities	EU Planned Budget		Provisional Expenses		Budget Balance	
		(Dec 2011 - Dec 2012)		(Dec 2011 - Dec 2012)			
		USD	EURO	USD	EURO	USD	EURO
	Mol cadets , including in regional countries / institutions;						
	1.3 To support police development training programmes in identified fields in police academies and training centres at central and regional level;						
	1,4 To support information and database management systems in Mol i.e. crime statistics;						
	1.5 (a) To synchronize MA work with Mol Personnel Asset Inventory (PAI) mechanism;						
	1.5(b) To facilitate Mol on establishment and implementation of HR data-base systems and to report on the results;						
	1.6 (a) To undertake identified police advocacy programs for Mol/ANP;1.6 (b) To organize needs-based capacity building/ project management PR modules for Mol publicity unit;						
	1.7 To support establishment of mutual accountability systems i.e. police performance evaluation;						
	1.8 To undertake specialized disaster management programs for ANP, in collaboration with UNDP Disaster Management project;						
Output 2: Improved capacity in police force with enhanced gender balance.	2.1 To undertake recruitment campaigns in focused/prioritized provinces;						
	2.2 To provide logistic support to all FRUs under Mol-FRU Restructuring Strategy;						
	2.3 (a) To organize specific needs-based on the job/theoretical/advanced capacity modules for female police at all levels, based on literacy assessment at national and sub-national level, to cover all female police;						
	2.3 (b) To organize leadership and management programs for senior Afghan female police leadership, based on Mol priorities;						

Expected Outputs	Key Activities	EU Planned Budget		Provisional Expenses		Budget Balance	
		(Dec 2011 - Dec 2012)		(Dec 2011 - Dec 2012)			
		USD	EURO	USD	EURO	USD	EURO
	2.4 (a) To conduct focused gender awareness and mainstreaming sessions for all staff (male and female); 2b4 (b) To develop standardized core curriculum on gender and security issues for new police recruits; 2.4 (c) To print gender communication materials; 2.4 (d) To launch print and electronic media campaign; 2.5 To facilitate setting up of GMUs in all zonal and provincial PHQs; 2.6 To provide logistics and other relevant support for opening of ANPWA regional chapters.						
Sub-Total Pillar II		1,333,333	1,000,000	1,333,333	1,000,000	0	0
Pillar III							
Output 1: Police-community partnerships strengthened for enhanced local security, accountability and service delivery	1.1 To expand police-community institutional partnership development programme in identified provinces /districts, based on multi-pronged implementation strategy (through knowledge building, training, setting up of information desks, police accountability systems, public awareness etc).						
	1.2 To develop local security plans						
	1.3 To develop SoPs for preventive/ reactive policing						
Sub-Total Pillar III		4,243,281	3,000,000	0	0	4,243,281	3,000,000
Grand Total		54,576,614	40,750,000	48,717,641	36,538,231	5,858,973	4,211,769

B. ANNEX 2: ISSUE LOG

ID	Type	Date Identified	Description	Status/Priority	Status Change Date	Author
1	Management	2 nd Quarter 2012	Reputation Challenges. International media coverage associated to LOTFA investigation posed at high risk the institutional image of the Project.		With the support of UNDP Country Office and UNDP-HQ, the Project substantially increased its communication with all stakeholders in order to keep them abreast with facts related to the investigation and management review. This scaled up internal and external communication, especially with donor partners and the Mol. Status of change: Q2/2012, until end of 2012.	Project Manager.
2	Management	2 nd Quarter 2012	Addressing gender-related issues as part of Mol reform. Harassment, poor working conditions hamper recruitment and retention of women police.	High	LOTFA is assisting Mol to identify ways to enforce disciplinary measures when ANP officers perpetrate harassment and/or abuse of their female colleagues. Status of change: expected in Q2/2013.	Pillar II manager.
3	Environmental	2 nd Quarter 2012	Security in provinces and some remote areas. Access to unsafe areas impacts negatively on the use of WEPS/EPS, monitoring oversight for accountability, audits and reporting.	High	LOTFA is using M-PAISA as an alternative option to enroll as many police officers as possible on to the payroll. Status of change: n/a, as this is not directly under LOTFA domain.	Pillar I manager.
4	Management	3 rd Quarter 2012	Addressing OAI and Management Review recommendations. There is consensus among all LOTFA partners that the Project needs to set a new approach of	High	LOTFA management will seek for Steering Committee's approval of Phase VI extension (01 April -31 December 2013); this period will be used to test the feasibility and efficacy of new modalities of coordination between Mol and	Project Manager.

ID	Type	Date Identified	Description	Status/Priority	Status Change Date	Author
			programming, budgeting and implementation with Mol, informed by stronger mutual accountabilities.		LOTFA. Status of change: Phase VII or its mutations would begin on 1 January 2014.	
5	Management	3 rd Quarter 2012	Addressing current Project needs while developing the new LOTFA. It has been challenging to implement current programs and meet annual work plan targets for 2012, while planning for Phase VI extension. LOTFA team featured limited number of national and international human resources.	High	LOTFA team has been boosted with additional national and international specialists, particularly at support of Pillar 2 and Pillar 3. The Project hired a Senior Advisor, who is supporting the Pillars to effectively implement the new operational modalities with Mol; and to design the new LOTFA, Phase VII. Status of change: in progress, including Phase VI-extension.	Project Manager.
6	Strategic	3 rd Quarter 2012	New Kabul Bank Investigations. Investigations at New Kabul Bank delayed enrolling the majority of the police officers on EPS.	High	The banking situation will be continuously monitored in view of the implications for ANP and CPD personnel's bank accounts maintained at New Kabul Bank. Status of change: n/a, as this is not directly under LOTFA domain.	Pillar I manager.

C. ANNEX 3: RISK LOG

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Management response	Owner	Submitted by	Status
1	Staff security: access to unsafe districts and safety of LOTFA at the Mol premises. Mol remains a target for attacks from insurgents.	1 st Quarter 2012	Environmental	High	Security risk assessments were revised and additional security measures identified for LOTFA staff in Kabul and contracted – out personnel travelling on field visits.	Mol	Three Pillars	No change
2	Inadequate procurement procedures under NIM for LOTFA implementation. This was also addressed by LOTFA internal investigation.	2 nd Quarter 2012	Operational	Medium	Several steps have been taken to mitigate this risk, including the recruitment of professional international and national procurement officers, and the development of standard operating procedures to guide the use of both national and direct implementation modalities.	Project Manager		Reducing
3	Insufficient ownership by Mol can impact on the sustainability of LOTFA processes.	4 th Quarter 2012	Strategic	Medium	LOTFA is working with Mol to design and implement the new LOTFA. The revised approach recognizes Mol full ownership.	Mol, LOTFA	Strategic Level – Project Manager <i>ad interim</i> .	Reducing

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Management response	Owner	Submitted by	Status
4	IT systems not talking to each other optimally.	4 th Quarter of 2012	Organizational	High	The Management Review recommended revamping the IT and HR and Financial systems to ensure 100% accuracy of payroll data. Pillar 1 collaboration with NTM-A for the integration of HR with	Project Manager and HR	Pillar I Manager.	Reducing