



*Empowered lives.
Resilient nations.*

**THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF AFGHANISTAN
AND
THE UNITED NATIONS DEVELOPMENT PROGRAMME**

**THE LAW AND ORDER TRUST FUND FOR AFGHANISTAN (LOTFA)
JULY 2015 – DECEMBER 2018**

**SUBSTANTIVE REVISION NO. 3
EXTENSION TO 31 DECEMBER 2020**

**AWARD NO. 89137
PROJECT NO. 95495, 95840, 95844, 95849, 95846, 95848 (SPM)**

Brief Description

By the end of 2018, Donors had not yet reached consensus regarding the decision to allow for Payroll Transition by 31 December 2018, the projected end date of the SPM project. Donors as of 25 November 2018 had not yet communicated their decision to H.E. President Ghani. Simultaneously, the implementation of the Afghan Personnel and Pay System (APPS) will replace the Web-based Electronic Payroll System (WEPS) as the primary payroll system within the MOIA. However, the timing and conditions under which the WEPS-APPS transfer will take place have not yet been clearly defined to this moment. This lack of donors' decision on Payroll Transition (whether transferring WEPS from UNDP to MOIA, or APPS replacing WEPS as the primary payroll system within the MOIA) places UNDP and the MOIA in a difficult position as both UNDP and MOIA need to ensure business continuity and ensure the continuation of payment of salaries of Afghan National Police (ANP) and General Directorate for Prison and Detention Centers (GDPDC) officers in 2019. Subsequently, UNDP and MOIA have agreed to extend the SPM Project with two additional years until 31 December 2020. During the LOTFA Steering Committee meeting on 25 November 2018, the Steering Committee members agreed on the extension of the SPM project. Once Donors and the Government agree on the confirmed date for Payroll Transition, UNDP will be able to make the required arrangements to transfer the non-fiduciary payroll management responsibilities to the MOIA and make the corresponding changes to the SPM project consequently.

In line with the above decision to extend the SPM project, the current revision to the LOTFA SPM Project Document (PRODOC) is made to reflect the following changes:

1. Extend SPM Project until 31 December 2020;
2. Increase the total amount of resources required for the SPM project with USD 566,023,492.00 to reflect the 2019-2020 budget (due to the extension). This is an increase from the original budget (July 2015 – December 2018) of USD 1,619,946,609 to the new revised budget (July 2015–December 2020) of USD 2,185,970,101.00.

There are no further substantive changes made to the SPM PRODOC, or accompanying Results Framework (RF) and Monitoring and Evaluation (M&E) plan. The overall implementation strategy and outcome under the SPM project will remain unchanged.

In order to finance the expenditures under the SPM project extension, UNDP will use the funds committed to LOTFA through the relevant signed agreements with donor partners, and modify these as may be required through signed amendments to the agreements with each partner.



Project information

Project ID:	SPM (95495, 95840, 95844, 95849, 95846, 95848)
Duration:	1 July 2015 – 31 December 2020
Contributing to NPP:	NPP1 Afghan Peace and Reintegration NPP5 Law and Justice for All
CPD Outcome:	Outcome 2: Trust in and access to fair, effective and accountable rule of law services is increased in accordance with applicable international human rights standards and the government's legal obligations.
UNDP Strategic Plan (2018-2021) Outcome:	Outcome 3: Strengthen resilience to shocks and crisis
Total Budget:	USD 2,185,970,101.00
Annual (2019) Budget:	USD 349,003,616.00
Implementation modality	National Implementation Modality (NIM)
Implementing Partner:	Ministry of Interior Affairs (MOIA)

Responsible Parties:	United Nations Development Programme (UNDP)
Project Manager:	Mr. Sainey Ceesay, Support to Payroll Management (SPM)
Chief, ROLHS Unit:	Mr. Kunal Dhar
Responsible Country Director:	Mr. Napoleon Navarro

Total resources required:	USD 2,185,970,101.00
Total resources allocated:	UNDP TRAC: USD 0
	Donor: USD 1,640,423,853.00
	Government: USD 0
	In-Kind: USD 0
Unfunded:	USD 545,546,248.00

Agreed by:

UNDP	Ministry of Interior Affairs
	
Mr. Jocelyn Mason Country Director, a.i.	H.E. Wais Ahmad Barmak Minister of Interior Affairs
Date: 25 November 2018	Date: 25 November 2018

Annexes:

- I. Rationale for the substantive revision
- II. LOTFA Steering Committee meeting minutes, dated 25 November 2018
- III. LOTFA SPM Project Document, Results Framework and M&E framework

Annex I: Rationale for the substantive revision

On 29 November 2016, Donors communicated their position to H.E. President Ghani to delay the transition of payroll management functions from UNDP to the MOIA until all MOIA donor conditions have been met. Donors specified in their letter to H.E. President Ghani that substantial or partial progress on MOIA donor conditions had been achieved, but that a number of key challenges remain. Donors advocated that the current arrangement, under which UNDP has primary oversight of payroll management, remain in place until 31 December 2017. Consequently, H.E. President Ghani agreed with the Donor's request to extend the current Support to Payroll Management (SPM) project until 31 December 2017 to allow for continued support to the MOIA in the management of payroll functions and for salary payment of Afghan National Police (ANP) and General Directorate for Prison and Detention Centres (GDPDC). H.E. President Ghani highlighted in his letter to donors on 7 December 2016 that all partners work towards achievement of the Donor Conditions and that concrete milestones be designed to measure progress against the Donor Conditions.

By the end of 2018, Donors had not yet reached consensus regarding the decision to allow for Payroll Transition by 31 December 2018, the projected end date of the SPM project. Donors as of 25 November 2018 had not yet communicated their decision to H.E. President Ghani. Simultaneously, the implementation of the Afghan Personnel and Pay System (APPS) will replace the Web-based Electronic Payroll System (WEPS) as the primary payroll system within the MOIA. However, the timing and conditions under which the WEPS-APPS transfer will take place have not yet been clearly defined to this moment. This lack of donors' decision on Payroll Transition (whether transferring WEPS from UNDP to MOIA, or APPS replacing WEPS as the primary payroll system within the MOIA) places UNDP and the MOIA in a difficult position as both UNDP and MOIA need to ensure business continuity and ensure the continuation of payment of salaries of Afghan National Police (ANP) and General Directorate for Prison and Detention Centers (GDPDC) officers in 2019. Subsequently, UNDP and MOIA have agreed to extend the SPM Project with two additional years until 31 December 2020. During the LOTFA Steering Committee meeting on 25 November 2018, the Steering Committee members agreed on the extension of the SPM project. Once Donors and the Government agree on the confirmed date for Payroll Transition, UNDP will be able to make the required arrangements to transfer the non-fiduciary payroll management responsibilities to the MOIA and make the corresponding changes to the SPM project consequently.

In line with the above decision to extend the SPM project, the current revision to the LOTFA SPM Project Document (PRODOC) is made to reflect the following changes:

1. Extend SPM Project until 31 December 2020;
2. Increase the total amount of resources required for the SPM project with USD 566,023,492.00 to reflect the 2019-2020 budget (due to the extension). This is an increase from the original budget (July 2015 – December 2018) of USD 1,619,946,609 to the new revised budget (July 2015 – December 2020) of USD 2,185,970,101.00.

There are no further substantive changes made to the SPM PRODOC, or accompanying Results Framework (RF) and Monitoring and Evaluation (M&E) plan. The overall implementation strategy and outcome under the SPM project will remain unchanged.

In order to finance the expenditures under the SPM project extension, UNDP will use the funds committed to LOTFA through the relevant signed agreements with donor partners, and modify these as may be required through signed amendments to the agreements with each partner.