Law and Order Trust Fund for Afghanistan (LOTFA)
Multi-Partner Trust Fund (MPTF)
Payroll Window
Support to Payroll Management (SPM) Project
Final Report
(1 July 2015 – 4 December 2021)
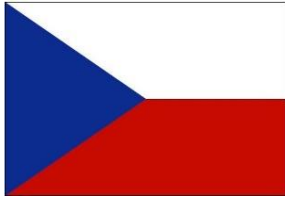

UNITED NATIONS DEVELOPMENT PROGRAMME

DONORS

Australia	Canada	Croatia
Czech Republic	Denmark	Estonia
European Union	Finland	Germany
Italy	Japan	Netherlands
New Zealand	Norway	Poland
Romania	United Kingdom	United States of America

PROJECT INFORMATION

Project ID: SPM (95495, 95840, 95844, 95849, 95846, 95848)

Duration: 01 July 2015 – 04 December 2021

Contributing to ANPDF-NPP: ANPDF: 2.3: Political and Security Outlook
                                 New NPP 4: National Justice and Judicial Reform
                                 Plan (NJRP)

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 2,561,634,611

Total Expenditure   USD 2,303,416,990

Implementing Partner: Ministry of Interior Affairs of Afghanistan (MOIA)

Responsible Parties: United Nations Development Programme (UNDP)

Project Manager: Mr. Sainey Ceesay

Head of Peace Pillar a.i.:   Ms. Chencho Gyalmo Dorjee

Responsible Senior Deputy Resident Representative: Ms. Surayo Buzurukova

COVER PAGE PHOTO: Police outside Nili Prison in Nili City, Capital of Daikundi Province.

ACRONYMS

ABP	Afghan Border Police
AFMIS	Afghan Financial Management Information System
AHRIMS	Afghanistan Human Resource Information Management System
ANCOP	Afghan National Civil Order Police
ANPDF	Afghanistan National Peace and Development Framework
APPS	Afghanistan Personnel and Pay System
AWCC	Afghan Wireless Communication Company
COSO	Committee of Sponsoring Organizations of the Treadway Commission
CSTC-A	Combined Security Transition Command-Afghanistan
DCMF	Donor Conditions Monitoring Framework
DRR	Disaster Resilience and Recovery
DSCMO-A	Defense Security Cooperation Management Office – Afghanistan
EFT	Electronic Fund Transfer
GD	General Directorate
GDPDC	General Directorate of Prisons and Detention Centres
GIROA	Government of Islamic Republic of Afghanistan
HR	Human Resources
ID	Identification Number
JTC	Joint Technical Committee
LOTFA	Law and Order Trust Fund for Afghanistan
M16	Payment voucher for salary disbursements
M41	Payroll list with information about personnel in the payroll
MA	Monitoring Agent
MCA	Micro-Capacity Assessment
MM	Mobile Money
MOF	Ministry of Finance
MOIA	Ministry of Interior Affairs
MPD	MOIA and Police Development
NIM	National Implementation Modality
PAI	Personnel Asset Inventory
PERSTAT	Personnel Statistics
PFO	Provincial Financial Officer
PHQ	Police Headquarters
PHRO	Provincial Human Resource Officer

PMPM   Payroll Management Procedures Manual

SOP   Standard Operating Procedure

SPM   Support to Payroll Management

TA   Trusted Agent

ToT   Training of Trainers

TWG   Technical Working Group

UNDP   United Nations Development Programme

WEPS   Web-based Electronic Payroll System

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I. EXECUTIVE SUMMARY

The Support to Payroll Management (SPM) project, which started in July 2015 and ended in December 2021, was a continuation of UNDP's support to the Government of the Islamic Republic of Afghanistan (GIROA) from 2002, under the umbrella of the Law-and-Order Trust Fund for Afghanistan (LOTFA). The 2015-LOTFA support emerged as a result of H.E. President Ghani's approval to proceed with the restructuring of LOTFA and the development of a new programme document that included the design of a LOTFA Transition Plan to succeed the LOTFA *Akheri* , beginning 1 July 2015. The plan was for such transition to ensure the full handover of the payroll functions to the GIROA and to develop national capacity for its effective, efficient, and accountable management. Accordingly, LOTFA donors and GIROA agreed on a three-phased, conditions-based transition—i.e., July 2015 to December 2016—with clear targets and deliverables for each phase. Some 23 conditions were agreed—see ANNEX 6: *LOTFA DONOR CONDITIONS*– for all the four parties[1]—which set out the conditions for the transition of payroll management to GIROA (MOIA).

To streamline support, two complimentary projects were designed—namely, the Ministry of Interior Affairs (MOIA) and Police Development (MPD) project, which would focus on developing national capacity for self-sustained reform and improvement of the MOIA as an institution, as well as police professionalisation; and the Support to Payroll Management (SPM) project, which would focus on supporting MOIA payroll management and transition by December 2016. The SPM project was a dedicated payroll management project – operated as a stand-alone Window under the new LOTFA MPTF – providing support to the MOIA staff from the General Directorate of Budget & Finance, Human Resources (HR) and Information, Communication and Technology (ICT) departments to ensure timely payment of salaries and incentives to the Afghan National Police (ANP) and General Directorate of Prison and Detention Centres (GDPDC) personnel. The project was divided into 6 outputs as follows:

i. Output 1 ensured that updated policies implemented, business processes developed and applied to support independent MOIA payroll management.

ii. Output 2 entailed building the capacity of MOIA personnel (in Payroll, Human Resources, Finance, ICT, etc.) to undertake all payroll processes and tasks to agreed standards.

iii. Output 3 covered MOIA's payroll systems update and reconciliation to support independent assurance work of the Monitoring Agent on the MOIA payroll expenditure and personnel headcount, which would also facilitate data migration from the current payroll system to the upcoming one.

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[1] The four parties: MOIA, MOF, UNDP, CSTC-A

iv. Output 4 covered the provisions of the necessary infrastructure to support the full functionality of MOIA payroll systems during and after the transition of payroll management from the SPM project to the MOIA.

v. Output 5 was the core function of the SPM project as it entailed the transfer of funds, on a timely and regular basis, to MOF for Police Pay.

vi. Output 6 is the SPM project management component which was to ensure that the rest of the outputs got implemented in accordance with the project document and in a timely, efficient, accountable, and effective manner.

The expected outcome of the SPM project was *GIROA's (i.e., MOIA) ability to independently manage all non-fiduciary aspects of payroll for the Afghan national Police (ANP) and General Directorate of Prisons and Detention Centres (GDPDC), including producing reports for donors in their specified formats.* MOIA should also be able to manage the full range of functions related to payroll management, i.e., human resources, accounting, and information and communication technology in a seamless manner.

By the end of the 18-month long phase of the project, while SPM project made progress against the outputs in the work plan, not all the 23 donor conditions were met—as confirmed in an independent assessment conducted by Grant Thornton (GT) (an independent Audit firm). The GT report can be accessed [here](). As a result, LOTFA donors, in consultation with GIROA, approved the extension of SPM project until 31 December 2017, for a continued support to the MOIA for payroll management of ANP and GDPDC. In line with this decision, a revision to the LOTFA SPM Project Document was made to reflect the following changes:

i. Extend SPM Project until 31 December 2017.
ii. Increase the total amount of resources required for the SPM project.
iii. Revise the LOTFA Project Document to reflect SPM related results and activities.
iv. Revise the SPM Results and Resources Framework (RRF) and accompanying Monitoring and Evaluation (M&E) plan to reflect changes at the level of outputs and activity results, due to changes in the implementation content throughout 2015-2016.

Apart from the above changes, the overall implementation strategy and outcome under the SPM project remained unchanged. From the end of 2017, until the closure of the project, similar annual/biannual extensions were granted to SPM project, with the above-listed changes being reflected in the project document. For each extension, changes to outputs would only be recommended where necessary due to the changed implementation context of the project.

A key highlight of the project's implementation for 2021 was the live operation of the Afghan Personnel and Pay System (APPS), replacing the Web-based Electronic Payroll System (WEPS) as the primary payroll system within the MOIA. In 2020, the Steering

Committee had approved a decision for the APPS Time and Attendance (T&A) to inform WEPS payroll—marking the beginning of the operationalization of APPS. Worthy to note that, while APPS covered the ANP salaries in its scope, it left out that of the personnel of GDPDC. Moreover, earlier in 2020, a Presidential Decree, number 106, was issued, requiring the transfer of all personnel of the GDPDC to be transferred to the newly established authority called the Office of Prisons Administration (OPA). By the end of the year 2020, that decree was not fully operationalized.

Apart from the inclusion of relevant aspects of Human Rights and Gender Activities on the project's work plan, there was no further substantive changes made to the SPM PRODOC and the accompanying Results Framework (RF) and Monitoring and Evaluation (M&E) plan was fully updated to reflect and cater for the extension period.

As part of the US-Taliban peace deal, the US and NATO forces began their withdrawal from Afghanistan from May 2021 which saw the dwindling of security situation in Afghanistan as a consequence. As the Taliban's offensive continued, many districts and provincial capitals started to fall to the Taliban, further worsening security in most parts of the country. On the 15th of August 2021 there came the invasion of Kabul and the overthrow of the Ghani-led government and the consequent taking over of the government by the *De facto* Authority. As the consequence of this, UNDP immediately suspended all LOTFA related projects which was subsequently unanimously approved by LOTFA donors. At the time of this suspension, there was no LOTFA fund in the hands of the former government (Ministry of Finance) since the latest advance request made by the MoF was not processed. Based on the suspension of project activities, both APPS and WEPS systems were shut down. For 2021, police payrolls were processed for only January to July 2021. At its meeting of 4th November 2021, the LOTFA MPTF Steering Committee decided to foreclose all LOTFA projects, including SPM, effective 4th December 2021, and subsequently the trust fund itself will be closed.

Output 1: The SPM project supported the MOIA in having in place updated legislative, policy and regulatory framework and improved HR, finance and budget business processes, etc., for the effective and efficient service delivery, vis-à-vis MOIA payroll management. The project spearheaded the development and or revision of policies including the HR policy, finance policy, Payroll Management Procedures Manual (PMPM), the internal controls policy, etc. In addition, procedural documents such as Standard Operating Procedures (SOPs)—including WEPS-AFMIS reconciliation SOP, Pay and Compensation process flows; back-pay checklist, etc. These SOPs helped in streamlining the processes and ultimately improving the capacities of users as well as reduce undue errors—i.e., by the end of the project MOIA staff could independently perform AFMIS – WEPS reconciliation; conduct trainings independent of the project team, etc.

Output 2: Over the duration of the project, SPM project supported the capacity building of MOIA staff by training over 2,000 personnel of the MOIA, across various departments—Finance and Budget, Personnel directorate, provincial finance and HR officers, civilian deputy commanders, etc. The overarching objective was to ensure that MOIA had sufficient capacity to undertake all non-fiduciary aspects of payroll management.

Another notable result achieved by the project was the innovative approach to support the establishment of a core team of accounting and finance technicians within MOIA's General Directorate of Finance and Budget (GD-F&B). The project partnered with the prestigious American University of Afghanistan (AUAF)—through a Responsible Party Agreement (RPA)—in 2018—to run Foundation in Accountancy (FIA)[2] certificate programme for the MOIA staff. The FIA certificate provided the staff with the requisite technical competencies to be able independently and professionally manage payroll functions and therefore strengthen the overall financial management capability of the MOIA—addressing one of the weaknesses identified by the Grant Thornton MCA in 2015. By the end of the program (FIA) in 2020, five staff (all males) completed and were awarded FIA certificate by the Association of Chartered Certified Accountants (ACCA-UK), while 2 staff were left with only one paper to qualify for the FIA certificate.

Output 3: SPM project ensured that the Web-enabled Electronic Payroll System (WEPS) was operational, and its capabilities improved to support the payroll processes and that funds could be disbursed to ANPs and GDPDCs on a timely basis. The project successfully connected all 34 Provincial Headquarters (PHQs) to WEPS single platform, leveraging the web—from a stand-alone platform, ensuring that MOIA's electronic payroll systems were functional on real-time basis, nationwide. This milestone greatly caused improvement of speed in processing, overall improvement in the integrity of the reports, timely reporting, etc.

Some other improvements made included the implementation of QR code to verify whether a particular M41 and or *Tawheed* have been generated through WEPS, to deter falsification by finance officers; introduction of a new enrolment module requiring the prior uploading and certification before a new payroll ID could be generated by finance officers, to prevent creation of fictitious payroll profiles; restriction of number of days to only 365 days so that a finance officer would not be able to pay anyone beyond 365 days as was previously found to be the case; etc.

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[2] Foundation in Accountancy (FIA) is an internationally recognized Diploma in Accountancy and Business Management, offered by the Association of the Chartered Certified Accountants (ACCA) U.K. FIA provides technical proficiency in accountancy and financial management equivalent to the U. K's Higher National Diploma. There is a total of 7 subjects (papers) required to complete FIA

Another result under output 3 related to the increase of police salary disbursement through Electronic Funds Transfer (EFT) payments/mobile banking from 85% in 2015 to 95% in 2021, thereby reducing salary payment through direct cash payment from 15% in 2015 to 5% in 2021. This mitigated the risk of cash payments which was marred with some malpractices—such one person signing for many—as identified by the Monitoring Agent's field reviews.

Output 4: Under this output, SPM project ensured that intranet connectivity, power, other logistics needs, and disaster recovery capability were in place for WEPS for a timely payroll processing. By the end of the first phase of the project (December 2016), SPM achieved the full integration of all the stand-alone electronic payroll systems into one centrally managed system leveraging the web. While the project managed to connect the system to the MOIA's Network Operating Centre (NOC) for the ANP payroll, it achieved connectivity for the General Directorate of Prisons and Detention Centres (GDPDC) through the use of a Virtual Private Network (VPN). The successful integration of all the stand-alone systems into a single central system helped the project to have a good grip of the payroll and significantly improved the reporting capability and the overall integrity of police payroll.

Moreover, to ensure continued availability of the WEPS system across all 34 provinces, SPM project, procured SolarWinds application as the core application for the real-time monitoring and management of the WEPS servers. Prior to deploying SolarWinds, there was no way the technical team could monitor the functioning of the servers located in the provincial headquarters and whenever a server went down, it took long before the team could fix it.

Another milestone achieved by the SPM project was the establishment of a Disaster Resilience and Recovery (DRR) site for WEPS. Establishing the DRR site enabled business continuity of MOIA's payroll operations as it would minimize any downturn in police salary payment in case of a disaster on the MOIA's primary information technology infrastructure, which was hosted at the MOIA compound.

Output 5: The SPM project disbursed funds to the MOF for the timely payment of ANP and GDPDC salaries and incentives. The project also provided independent Monitoring Agent (MA) services to provide the GIROA and donors with assurance over the use of LOTFA funds, by ensuring compliance with established payroll policies and in monitoring personnel and payroll data to identify discrepancies, prevent and/or detect fraud, waste and abuse, and correct errors and deficiencies.

Over the duration of the SPM project—July 2015 to December 2021[3], UNDP advanced a total of US$2.17bn, all of which was expended by the MOF on the salary payment of ANP and GDPDC uniformed personnel. By the time of the abrupt suspension of the project's operations as a consequence of the 15th of August 2021 incident, the previous government had expended all of the funds advanced by UNDP; implying that the de facto authorities did not inherit any LOTFA funds. The total spent on police payrolls compared to the total expenditures incurred by the project, over the duration of the project, represents 94.22%.

As highlighted above, the use of the third-party MA represented a key aspect of the SPM project's operation as a mechanism to provide assurance to the donors that the funds were being used for the intended purpose. On a monthly basis, the MA visited the provincial Police Headquarters and examined, verified, and validated based on the 60 percent randomly generated sample, ensuring that only physically active personnel and eligible persons were recipients of salary payments. From 2018, the percentage was increased to 75 percent while the physical verification[4] was dropped. The work of the MA conformed to the International Standard on Assurance Engagement (ISAE 3000)—assurance engagements other than audits or reviews of historical financial information. Throughout the duration of the project, the MA certified ineligible expenditures of US$18.82m[5]. All but the 2020 amount was recovered from the advances given to the MOF and are therefore not included in the payroll expenditures reported under this output.

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[3] Actual payroll processing ended in July 2021

[4] The reason for dropping physical verification (1%) was that the MOIA—with support from CSTC-A—had initiated the Personnel Asset Inventory (PAI) which was a comprehensive physical and biometric verification of each police personnel, in preparation for the Afghan Personnel and Payroll System (APPS)

[5] This covers MA reports from July 2015 to March 2021

II.   CONTEXT

In April 2015, the Government of the Islamic Republic of Afghanistan (GIROA), UNDP and the Donors supporting the Law-and-Order Trust Fund for Afghanistan (LOTFA) received H.E. President Ghani's approval to proceed with the restructuring of LOTFA and the development of a new programme document that included the design of a LOTFA Transition Plan to succeed the LOTFA *Akheri* beginning 1 July 2015. The LOTFA transition would ensure the full handover of the payroll functions to the GIROA and to develop national capacity for its effective, efficient, and accountable management. They agreed on a three-phased, conditions-based transition from July 2015 to December 2016, with clear targets and deliverables for each phase. Some 23 conditions were agreed in a *Donor Conditions document* – for all the four parties[6]— which set out the conditions for the transition of payroll management to GIROA (MOIA). For more details about Donor Conditions, refer to ANNEX 6: *LOTFA* DONOR CONDITIONS.

To allow for more targeted and streamlined support, two complimentary projects were launched, namely, the Support to Payroll Management (SPM) project which would focus on supporting MOIA payroll management and transition by December 2016; and the Ministry of Interior Affairs (MOIA) and Police Development (MPD) project, which would focus on developing national capacity for self-sustained reform and improvement of the MOIA as an institution, as well as police professionalisation.

The expected Outcome of the SPM project is GIROA's (i.e., MOIA) ability to independently manage all non-fiduciary aspects of payroll for the Afghan national Police (ANP) and General Directorate of Prisons and Detention Centres (GDPDC), including producing reports for donors in their specified formats. MOIA should also be able to manage the full range of functions related to payroll management, i.e., human resources, accounting, and information and communication technology in a seamless manner.

By the end of the 18-month long phase of the project, while SPM project made progress against the outputs in the work plan, but not all the 23 donor conditions were met—as confirmed in an independent assessment conducted by Grant Thornton. As a result, LOTFA donors, in consultation with GIROA approved the extension of SPM project until

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[6] The donor conditions document was meant for the full transition of all payroll management functions to the Ministry of Interior Affairs (MOIA) of the Government of the Islamic Republic of Afghanistan (GIRoA). It outlined the consensus reached by the MOIA, Ministry of Finance (MOF), Combined Security Transition Command – Afghanistan (CSTC-A) and United Nations Development Programme (UNDP) responsibilities, and donors' expectations to deliver an integrated human resources and payroll system.

31 December 2017, for a continued support to the MOIA for payroll management of ANP and GDPDC. In line with this decision, a revision to the LOTFA SPM Project Document was made to reflect the following changes:

i. Extend SPM Project until 31 December 2017.
ii. Increase the total amount of resources required for the SPM project.
iii. Revise the LOTFA Project Document to reflect SPM related results and activities.
iv. Revise the SPM Results and Resources Framework (RRF) and accompanying Monitoring and Evaluation (M&E) plan to reflect changes at the level of outputs and activity results, due to changes in the implementation content throughout 2015-2016.

Apart from the above changes, the overall implementation strategy and outcome under the SPM project remained unchanged. Changes to outputs would only be recommended where necessary due to the changed implementation context of the project.

By the end of 2017, no agreement was reached for the transition of SPM from UNDP to GIROA (MOIA). Consequently, at its meeting on 17 December 2017, the LOTFA project board approved the extension of the SPM project for one more year, to 31 December 2018. In line with that extension, the only change effected on the project document was to extend the end date to 31 December 2018 and increase its funding with USD495,732,913 to reflect the 2018 budget (due to the extension), representing an increase from the original budget (July 2015 - December 2017) of USD 1,124,213,696 to the newly revised budget (July 2015 - December 2018) of USD1,619,946,609. Apart from the above highlighted changes, no further substantive changes were made to the SPM project document or accompanying Results and Resources Framework (RRF) and Monitoring and Evaluation (M&E) plan. Also, the overall implementation strategy and outcome under the SPM project remained unchanged.

Again, by the end of 2018, LOTFA donors had still 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. Notwithstanding, following very wide consultations on the LOTFA Terms of Reference (TOR)—beginning from 2017, UNDP, LOTFA Donors and the government of Afghanistan (GIROA) agreed to revise the TOR to turn it into a Multi-Partner Trust Fund (MPTF).

Consequently, the LOTFA Steering Committee unanimously approved the MPTF TOR at its meeting on 25 November 2018. The new LOTFA MPTF TOR allowed LOTFA funds to be channelled through the spectrum of the Rule of Law and Justice sectors via four distinct Windows: Police Payroll (SPM project), Justice Window, Security Window, and

Anti-Corruption Window. The rationale for upgrading LOTFA to MPTF status was to make it more flexible, responsive, and adaptable to serve the people of Afghanistan effectively and efficiently. Simultaneously, in 2018, the implementation of the Afghan Personnel and Pay System (APPS) would 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-to-APPS transfer would take place was not yet clearly defined.

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) placed UNDP and the MOIA in a difficult position as both UNDP and MOIA needed to ensure business continuity and ensure the continuation of payment of salaries of Afghan National Police (ANP) and General Directorate for Prison and Detention Centres (GDPDC) officers in 2019. Subsequently, Donors, UNDP and MOIA agreed to extend the SPM Project for two additional years until 31 December 2020, and that extension was approved during the LOTFA Steering Committee meeting on 25 November 2018. The common understanding the time was that, once Donors and the Government agreed on confirmed date for Payroll Transition, UNDP would 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. Finally, in line with the extension decision, the project document was changed to note the two-year extension and to increase its funding with USD566,023,492.00 to reflect the 2019-2020 budget (due to the extension), representing an increase from the original budget (July 2015 - December 2018) of USD USD1,619,946,609 to the newly revised budget (July 2015 - December 2020) of USD2,185,970,101.00. As with previous extensions, apart from the above highlighted changes, no further substantive changes were made to the SPM project document or accompanying Results and Resources Framework (RRF) and Monitoring and Evaluation (M&E) plan. The overall implementation strategy and outcome under the SPM project also remained unchanged.

By the end of 2020, Donors had still not yet reached consensus regarding the decision to allow for payroll transition by 31 December 2020, the projected end date of the SPM project. Donors and the Government had however agreed to undertake a full re-assessment of the 23 Donor Conditions to determine whether those conditions had been met, to pave the way for the non-fiduciary aspects of payroll management to be transferred to the Ministry of Interior Affairs (MOIA).

Through the collaboration of LOTFA donors, GIROA and UNDP, a Joint Technical Committee (JTC) was formed, comprising technical staff from MOIA, MOF and UNDP. The mandate of the JTC was to review the scope of work of the SPM project and identify

non-fiduciary related activities with a view to transferring those to the MOIA to mark the first phase of the SPM project's transition—i.e., non-fiduciary aspects of payroll management. The JTC completed its work and presented its findings to the LOTFA donors and Technical Working Group (TWG). Meanwhile, the implementation of the Afghan Personnel and Pay System (APPS) would replace the Web-based Electronic Payroll System (WEPS) as the primary payroll system within the MOIA. However, as stated earlier, the timing and conditions under which the full WEPS-APPS transfer would take place had not yet been clearly defined. The Steering Committee had however approved a decision for the APPS Time and Attendance (T&A) to inform WEPS payroll— marking the beginning of the operationalization of APPS. Also, while APPS covered the ANP salaries in its scope, it left out that of the personnel of GDPDC. Moreover, earlier in 2020, a Presidential Decree, number 106, was issued, requiring the transfer of all personnel of the GDPDC to be transferred to the newly established Authority called the Office of Prisons Administration (OPA). By the end of the year 2020, that decree was not fully operationalised.

Based on the above situations, Donors, UNDP and MOIA agreed to extend the SPM Project for one additional year until 31 December 2021. The LOTFA MPTF Steering Committee approved the decision at its meeting of 15 December 2020. Consequently, the following revisions to the LOTFA SPM Project Document (PRODOC) were made to reflect the new changes:

1. Extend SPM Project until 31 December 2021.

2. Increase the total amount of resources required for the SPM project with USD 350,000,000.00 to reflect the 2021 budget (due to the extension). This is an increase from the original budget (July 2015 – December 2020) of USD 2,185,970,101.00 to the newly revised budget (July 2015–December 2021) of USD 2,535,970,101.00.

Apart from the inclusion of relevant aspects of Human Rights and Gender Activities on the projects work plan—to support the MOIA in those areas, there was no further substantive changes to the SPM PRODOC and the accompanying Results Framework (RF) and Monitoring and Evaluation (M&E) plan were fully updated to reflect and cater for the extension period. The overall implementation strategy and outcome under the SPM project remained unchanged.

As part of the US-Taliban peace deal, the US and NATO forces began their withdrawal from Afghanistan from May 2021 which saw the dwindling of security situation in Afghanistan as a consequence. As the Taliban's offensive continued, many districts and provincial capitals started to fall to the Taliban, further worsening security in most parts of the country. On the 15th of August 2021 there came the invasion of Kabul and the

overthrow of the Ghani-led government and consequent taking over of the government by the *De facto* Authority. As the consequence of this, UNDP immediately suspended all LOTFA related projects which was subsequently unanimously approved by LOTFA donors. At the time of the suspension, there was no LOTFA fund in the hands of the former government (Ministry of Finance) since the latest advance request made by the MoF was not processed. Based on this suspension of project activities, both APPS and WEPS systems were shut down. For 2021, police payrolls were processed for only January to July 2021. At its meeting of 4th November 2021, the LOTFA MPTF Steering Committee decided to foreclose all LOTFA projects, effective 4th December 2021, and subsequently the trust fund itself will be closed.

III. PERFORMANCE REVIEW

While not a typical development project for UNDP—the LOTFA-SPM project proved that UNDP as an organization is able to operate effectively (rendering both fiduciary services and development implementation) within a conflict-country context such as Afghanistan—in partnership with a national implementing partner, the MOIA and other key government entities, and alongside a U.N. political mission and international partners. Overall, SPM project achieved high level of effectiveness and efficiency across almost all outputs of the project's log-frame, which was confirmed in the successive annual audit reports; two independent mid-term evaluations; and various other independent reports, such as the Torchlight risk assessment report, etc. For example, the 2017 mid-term evaluation report reflected this as follows:

> *"Overall, we find the SPM Project achieving or exceeding its benchmarks for the development of MOIA policies and procedures related to the payroll process; strengthening LOTFA governance and oversight mechanisms (such as the Monitoring Agent and Thematic Working Groups); building WEPS systems architecture, data entry, reconciliation and verification via innovations such as the "Digital M16" form and bar code; supporting the expansion of pay distribution modalities such as Electronic Funds Transfer and Mobile Money; and supporting CSTC-A in data for the Afghanistan Personnel and Pay System (APPS)."*

Successful results on all five outputs over the duration of the project's life are summarised below:

On Output 1, the project rendered significant strategic, tactical, and operational support to the MOIA throughout its life. For example, during the first phase of the project's operations—i.e., July 2015 to December 2016, the project undertook a Micro-Capacity Assessment (MCA) of the Ministry's capacity with a view to plan appropriate support mechanism to catalyse the ministry to deliver on improved policies and processes which can contribute to the overall improvement of rule of law in the country. It was based on the that MCA that the project offered a twinning scheme to the MOIA whereby four staff of the MOIA (2 finance and 2 HR officers) were seconded to the project to work alongside for skills transfer. Various policy documents were also developed on behalf of the MOIA all of which aimed to improve the overall performance of the MOIA as a rule of law institution. These policies include the HR policy, the finance policy, the Payroll Management Procedures Manual (PMPM), the internal controls policy, etc. In addition, procedural documents such as Standard Operating Procedures (SOP)—including WEPS-AFMIS reconciliation SOP, Pay and Compensation process flows; back

pay checklist, etc. These SOPs were helpful in streamlining the processes and helped to improve the capacities of users as well as reduce undue errors.

Under Output 2, over the duration of the project, SPM project supported the capacity of MOIA staff by delivering trainings to over 2,000 staff of the MOIA, across its various departments—Finance and Budget, Personnel directorate, provincial finance and HR officers, civilian deputy commanders, etc., all with the objective to ensure that MOIA built capacity to undertake all non-fiduciary aspects of payroll management.

Another notable success registered by the SPM project was its innovative approach to support the establishment of a core team of accounting and finance technicians within MOIA's GD-F&B. SPM project engaged the prestigious American University of Afghanistan (AUAF)—through a Responsible Party Agreement (RPA)—in 2018—to run Foundation in Accountancy (FIA)7 certificate programme for the staff. The FIA certificate provided the staff with the requisite technical competencies to be able independently and professionally manage payroll functions and therefore strengthens the overall financial management capability of the MOIA—addressing one of the weaknesses identified by the Grant Thornton MCA on payroll management at MOIA in 2015. By the end of the program in 2020, five of the staff (all males) completed and were awarded FIA certificate by the Association of Chartered Certified Accountants (ACCA-UK), and two staff were left with only one paper to qualify for the FIA.

Under Output 3, one key success registered was the remarkable migration of the stand-alone Electronic Payroll System (EPS) to a Web-based Electronic Payroll System (WEPS) thus easing the pain that such situation caused, coupled with the various delays, vulnerabilities, etc. The upgrading to WEPS helped to produce real time reports and improve the overall performance of the system. The project went further to procure and install SolarWinds application which facilitated the real time monitoring of the payroll process across the country thus helping to reduce downtime and make efficient payroll processing.

Another notably success under this output relates to the increase of the percentage of police salary payment through Electronic Funds Transfer (EFT) payments/mobile banking from 85% in 2015 to 95% in 2021, thereby reducing salary payment through direct cash payment from 15% in 2015 to 5% in 2021. The result of this achievement was the mitigation of risks associated with cash payments thus improving the overall credibility of the payroll management.

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[7] Foundation in Accountancy (FIA) is an internationally recognized Diploma in Accountancy and Business Management, offered by the Association of the Chartered Certified Accountants (ACCA) U.K. FIA provides technical proficiency in accountancy and financial management equivalent to the U. K's Higher National Diploma. There is a total of 7 subjects (papers) required to complete FIA

On Output 4, SPM project ensured that intranet connectivity, power, other logistics needs, and disaster recovery capability were in place for WEPS for a timely payroll processing. The project achieved the full integration of all the stand-alone electronic payroll systems into one centrally managed system leveraging the web. It also successfully connected ANP payroll system to the MOIA's Network Operating Centre (NOC) and achieved the same for General Directorate of Prisons and Detention Centres (GDPDC) through the use of a Virtual Private Network (VPN). The successful integration of all the stand-alone systems into a single central system helped the project to have a good grip if the payroll and significantly improve the reporting capability and the overall integrity of police payroll.

To ensure continued availability of the WEPS system across all 34 provinces, SPM project, utilised SolarWinds application as the core application for the real-time monitoring and management of the WEPS servers. Prior to deploying SolarWinds, the project could not monitor the functioning of the servers located in the provincial headquarters such that whenever a server went down, it took long before the technical team could fix it.

Another key result achieved by the SPM project was the establishment of the Disaster Resilience and Recovery (DRR) site for WEPS which assured business continuity of MOIA's payroll operations as it would minimize any downturn in police salary payment in case of a disaster on the MOIA's primary information technology infrastructure which was hosted at the MOIA compound.

On Output 5, that represented the core of SPM project's mandate, and it entailed the disbursing of funds to the MOF for the timely payment of ANP and GDPDC salaries and incentives. The project also provided independent Monitoring Agent (MA) services to assure the donors that the funds were used for the intended purpose. The MA service ensured compliance with established payroll policies; identified discrepancies, which helped the project to prevent and/or detect fraud, waste and abuse, and correct errors and deficiencies.

During the project's life—July 2015 to December 2021[8], UNDP advanced a total of US$2.17bn, all of which was expended by the MOF on the salary payment of ANP and GDPDC uniformed personnel. This meant that by the suspension of the project's operations—as a result of the 15th of August 2021 incident—the previous government had expended all of the funds advanced by UNDP, and the de facto authorities did not inherit any LOTFA funds. The total spent on police payrolls compared to the total

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[8] Actual payroll processing ended in July 2021

expenditures incurred by the project, over the duration of the project, represents 94.22%.

As highlighted above, the use of the third-party MA represented a key aspect of the SPM project's operation as a mechanism to provide assurance to the donors that the funds were being used for the intended purpose. The project ensured the monthly MA field visits to the provincial Police Headquarters to examine, verify, and validate payroll expenses thereby ensuring that only physically active personnel and eligible personnel were recipients of salary payments. The work of the MA was required to conform to the International Standard on Assurance Engagement (ISAE 3000)—assurance engagements other than audits or reviews of historical financial information. In total, the MA certified ineligible expenditures of US$18.82m[9] and all but the 2020 ineligible amount was recovered from the advances given to the MOF.

IV.   IMPLEMENTATION REVIEW

A.   Quality of Partnerships

SPM project collaborated with other parties and stakeholders for a harmonious project implementation. Such partnership arrangements created synergies which benefited the project, not only by way of results, but also efficiency gains, which ultimately contributed to achieving 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.

At the strategic level, the Donor Conditions Document approved by the President (Ghani) on 21 November 2015, provided the overarching partnership framework for the project. It outlined the consensus reached by the Government and LOTFA donors for MOIA, MOF, CSTC-A and UNDP and the responsibilities of each to deliver an integrated human resources and payroll system, for the benefit of the Government.

UNDP/SPM, through the commitments in its approved AWPs, supported the MOIA in building capacity for payroll management. The project carried out technical analyses and reviews of policies and legal frameworks leading to the development and implementation of HR and finance policies and quality assurance through the Monitoring Agent. CSTC-A fully funded and managed the development of the APPS through MOU between MOIA and CSTC-A.

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[9] This covers MA reports from July 2015 to March 2021

The SPM project worked under the leadership of the MOIA on two important fronts. Firstly, the project's Capacity Building team actively participated in the Policy Review Commission meetings that had been reviewing payroll related policies. They also regularly met with DM Support and DG Finance and Budget and discussed strategies on how to work together in the policy reviews of those policies that were part of the conditions for payroll transfer. The project also closely worked with MOIA in the development of the Payroll Unit plan as part of the 2016 transition arrangements, although the transition did not happen. Secondly, the SPM project partnered with the Monitoring Agent (MA) and MOIA in identifying issues and resolving the findings with a view to further strengthen the internal control systems for MOIA.

Moreover, during the first phase of the project—i.e., 2015-2016—internally, the two projects SPM and MOIA Police Development (MPD) were mutually reinforcing each other. The MPD's institutional development component was intended to help the MOIA to develop the capacity to conceptualise, lead and manage reforms, while at the same time improving administrative and support services' performance and accountability, which were also critical expectations from the SPM project. Thus, the MPD intended to ensure national and self-sustained capacity development to achieve a critical mass of capacity so that MOIA can independently take forward the effective implementation its functions.

B.   National Ownership

MOIA being the key implementing partner, had the prime leadership and ownership role for the realisation of the project's overarching objective. During the early days of the implementation, the deputy minister for Strategy and Policy was nominated as the National LOTFA Director who served as the interface between MOIA and UNDP and LOTFA donors. He served as the Chairperson of the Technical Working Group for the Security window while the deputy minister for Support served as the Chairperson for the Payroll window and the Honourable Minister served as the Chairperson of the Steering Committee. MOIA led the policy development and implementation, facilitated, and supported the development of Afghan Personnel and Pay System (APPS), and facilitated and provided the enablers for the achievement of the transition process.

The Ministry of Finance (MOF), through a Memorandum of Understanding (MOU) with the central bank worked with the commercial banks to facilitate the expansion of EFT, Mobile banking, or other commercial bank payment services available.

On an annual basis, the SPM project actively engaged with the leadership of the MOIA in its annual work planning process and the agreed plan was subjected to the

deliberations of the technical working group—chaired by deputy minister for support—and the steering committee—chaired by the honourable minister.

C.   Sustainability

By its nature, the question of sustainability for the results of SPM project is somewhat moot, particularly given the events of 15th of August 2021 when the project's operations were abruptly terminated—and subsequently foreclosed on 4 December 2022—by the taking over of the de facto authorities. Given that the overarching objectives of the project's outputs were directed at building the capacity of the staff of the MOIA (outputs 1 and 2), building and maintaining systems for efficient and effective payroll administration (outputs 3 and 4), and providing funding for police payroll (output 5), and the fact that most of the staff that benefitted from the capacity building activities of the project had either left the country and/or removed by the de facto authorities, much of the gains made have been somewhat washed off. For example, both WEPS and APPS had been shut down and taken out of service immediately following the 15t of August 2021 event.

Looking at sustainability from the viewpoint of whether the government could carry the financial burden of police payroll after taking over SPM—with an estimated annual programmable budget of US$320m, it was clear from the Payroll Structure and Sustainability Strategy report (2017), that considering the government of the day's revenue projections, it could not sustain such endeavour. The above-mentioned study reviewed payroll sustainability from the viewpoint of four macro factors—i.e., security situation and subsequent size of ANP forces; economic growth and domestic revenue generation; Government of Afghanistan budget priorities; and donor support and priorities. And, it concluded that, as such factors were very difficult to predict in both the medium- and long-term horizons, a mere conclusion could not be made, especially considering two key questions: First, what amount of funds would be available to the Government of Afghanistan to pay for ANP/CPD salaries (fiscal space), and second, what decisions would be made by the Government of Afghanistan and the international donors on the allocation of the funds between the MOIA, MOD and the civilian sectors.

As the project ceased prematurely, the project team has prepared appropriate documentations of all project processes, final review report and lessons learned report which will be reviewed by UNDP's senior management and the project's steering committee, hoping that such outputs could yield knowledge on future similar interventions.

However, from the design angle of the project, the SPM project document had clearly identified the beneficiaries and indicated how their engagement should take place. It also outlined the layers of coordination and prioritised their engagement in the project implementation. The project's main approach to sustainability was to strengthen the institutional, legislative (police inherent law), and human capacities (of relevant departments) for continuing the maintenance of the ANP through the introduction of consultation/coordination mechanisms between UNDP and MOIA and MoF as well as among the larger stakeholders. The project was therefore designed and formulated particularly with the inkling of empowering the national authorities to take over the initiatives of the project after UNDP's exit. A leading role was allocated to the representatives of the MOIA in the management of the project which aimed towards increasing their involvement. For example, at the onset, the MOIA's Deputy Minister for Strategy and Policy served as the National Director for LOTFA, and the Deputy Minister for Support served as the Chairperson of the Payroll window technical working group meeting as well as the Chairperson of the Pay and Compensation Board (PCB).

V. RESULTS

This section presents the summary and assessment of the output level results which have been achieved against the approved results frameworks considering the whole implementation period of July 2015-December 2021.The project was expected to contribute towards: 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 as defined in the UNDP Country Programme Document (CPD 2015-2019[10]).

OUTPUT 1: Updated Policies Implemented, Business Processes Developed and Applied to Support Independent MOIA Payroll Management

Output 1 entailed having in place updated legislative, policy and regulatory frameworks and business processes, implemented and functional in support of independent MOIA payroll management. To achieve output 1, relevant activity results were developed as indicators of progress toward achieving the output, with each activity result having a set of activities to be carried out.

The project's approach to achieving this output started with the conduct of a compressive review of MOIA's Human Resources (HR) and finance policies with a view to identifying gaps and attendant solutions to close those gaps. During the first phase of the project—i.e., July – December 2015—the project team completed review of HR and payroll policies and procedures, and the legal analysis of entitlements and deductions within MOIA. The review revealed many issues, potential impacts, and recommendations for improvement. Extract of some of the issues highlighted is can be seen below:

Issues	Impacts	Recommendations
Lack of data reliability Errors may occur in attendance records for the sign-in and sign-out or one signature per day (either at the start of the working day or at the end) and unclear oversight in place to check entries made. In some districts, manual additions are made for newly engaged personnel.	• Risks of absenteeism to go unrecorded • Negative impact on personnel fidelity • Demotivation in case of data manipulation	Pilot fingerprint-based time and attendance recording in Kabul, where electricity is available, most districts have internet connectivity, and where the biggest concentration of ANP exists. This would begin to mitigate the risks of absenteeism and ghost ANP. A separate form should be prepared for late arrivals. For example, an ANP with 2 (or more) cumulative late

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[10] The CPD was extended through to 2021

Issues	Impacts	Recommendations
Late arrivals unnoticed Lack of clarity and lack of oversight	• Deterioration of discipline	arrivals could be penalized with one day's absence recorded. A separate column should report the late arrivals in EPS. Separate HR forms should be used to report newly recruited ANP.
Weak verification procedure A lack of clarity about the distinction between those who complete HR forms and those who authorise them. In many districts, the same person fulfils both roles.	• If completion and authorisation is undertaken by the same person, scope for error, fraud, or coercion is possible	Payroll policy guidelines and procedures encompassing the roles and responsibilities of HR Officers and District Finance Officers should be introduced and enforced. Full segregation of duties should be applied through appointment of different officers to each position.
District Finance Officer reviews and approves HR forms Lack of clarity of verification approach and process. Same person fulfils both roles in Finance as well.	• Potential scope for error, fraud, or coercion	MOIA to confirm data verification processes. There needs to be validation and verification guidelines in several stages.
No separate reports about female police employees There were no reports identifying female police officers in Balkh province, Nahre Shahi district, the Bagrami district of Kabul province, Daikundi province, or Herat province.	• MOIA does not have concrete or accurate numbers on female ANP personnel.	MOIA should develop separate forms to report on monthly basis the numbers of female police personnel registered.

Source: Consultancy on HR/Payroll and Reconciliation Processes (Rohina Samim - 29/09/2015-21/10/2015)

In the same 2015, the SPM project completed the legal review and analysis of pay entitlements and deductions of the ANP as recorded in the Web-based Electronic Payroll System (WEPS). From the legal review and analysis, some inconsistencies were found—for instance, the Inherent Law did not capture some of the policies and incentives such as cadre incentives. Also, there were some incentives in the Police Inherent Law which were not captured in WEPS—for example, incentive pay during appointment and employment, contract renewal incentive, and educational diploma Incentive.

Having studied the issues and challenges within MOIA's policies, processes and procedures, the SPM, in 2016, in its efforts to streamline the payroll management led the establishment of the LOTFA Pay and Compensation Board (PCB) and the development of its guidelines, which was subsequently approved by the steering committee at the time. The main objective of setting up the PCB is set out in the below text box as extracted from the PCB Guidelines of April 2016. The guidelines of the PCB clearly stated the membership composition, ensuring donor representation and representation from the MOIA to ensure the ministry's ownership of the whole arrangement. Along the years, the PCB registered remarkable successes, having presided over the pay review of the Police, and recommending the merging of base

pay with temporary duty incentive and the increase of the hazard duty allowance. In a nutshell, the introduction of the PCB streamlined MOIA's payroll processes vis-à-vis the review and standardization of Police payroll.

Another key result under output one was the launch of payroll sustainability review. Prior to this review, the usual practice was that MOIA issued pay scales annually together with the approved Tashkil which was used as the basis for preparing annual budgets and commitment letters used by UNDP, and the donors committed funds to the MOIA accordingly. The basis for determining pay scale, its fairness or sustainability was not clear, and it was on this background that SPM project sought to conduct such review. The general objective of the study was to carry out a review which would ensure rationalisation of the pay structure and determine the sustainability of the existing salary structure of the ANP and GDPDC, established by the current salary scales and incentive rates. The study would provide recommendations to the MOIA, on how to rationalise the remuneration structure, making it more transparent, reducing the dependence on incentives and improving the relationship between pay and performance.

The study produced several findings and options for resolving the pay structure anomalies. Three options were presented— i.e., Option 1: Performance based management with longevity pay; Option 2: Alignment of ANP to civil service spine structure; and Option 3: Simple alignment of ANP pay to Afghan National Army (ANA) salary. It was based on this study and its recommendations that the PCB recommended the restructuring of the Police pay—merging base pay with temporary incentive, awarding 5% pay increment, etc.

In 2017, the SPM project successfully developed a Payroll Management Procedures Manual (PMPM) and rolled out the training to MOIA staff responsible for payroll management. The aim of the PMPM was to address the issue of low awareness of the policies and procedures at central and provincial levels which was identified in 2016 as

> ### 1. OBJECTIVE
> The objective of establishing the Pay Board is to streamline and institutionalize the process of reviewing an approving new or changes to the existing pay and incentives for LOTFA funds. Any new or changes to the ongoing payments and incentives, or other compensation shall be brough to the pay board. The pay board will thus provide checks and balances to changes in the use of the trust fund
>
> Source: LOTFA Pay and Compensation Board (Pay Board) Operational Guidelines (April 2016)

> Specific objectives of the pay structure study included, to:
> 1. Assess the basis for the current pay structure of the Police salary scale considering best practices in similar sector and context, and provide recommendations for improvement
> 2. Identify and propose alternative ANP pay structures
> 3. Assess the implications of changes in pay structure, and the challenges for implementation.
> 4. Facilitate determination of pay budgets, planning for recruitment, promotions, and salary increments,
> 5. Propose a pay structure for MOIA that align with those of other security sector institutions such as the National Directorate of Security (NDS) and the Ministry of Defense (MOD)

one of the main risk factors contributing to ineligible salary payments. Another major aim of the PMPM was to standardise payroll processing and practices across all the payroll stations to improve efficiency and effectiveness. To roll out the PMPM and ensure its use by all users, the SPM project conducted training for 251 MOIA staff in payroll operations and management[11]. The pre- and post-training assessments showed 18.2% increase in their skills and knowledge in payroll procedures and operations[12] – see **Error! Reference source not found.**.

This improved capacity translated into more efficient and timely

Figure 1: Pre- and Post- Assessment Results for PMPM Training

Pre- and Post Assessment PMPM

processing of payroll and subsequent reduction in ineligible payroll expenditures. The PMPM was finally approved by the Honourable Minister of Interior Affairs in February 2018.

Moreover, by the first quarter of 2018, UNDP/SPM project had completed the revision of the MOIA's Finance and Internal Control Policies to provide structured guidance on proper accounting of Police pay and correct use of each source of funds, including the LOTFA fund code. The SPM project, in close consultation with relevant MOIA Directorates and other key stakeholders, successfully developed the Finance Policy for the MOIA, which was approved by the Minister of Interior Affairs in February 2018. The revised Finance Policy covered the restructuring of the policy document to improve the flow of chapters, a revision of existing chapters, and adding linkages to the Afghan legal and institutional frameworks as defined in the Public Expenditure and Financial Management Law (PEFML), Finance Regulations and Treasury Accounting Manual of the Ministry of Finance. The project delivered one Training of Trainers (ToT) to 15 MOIA staff—14 males and 1 female—who were responsible for finance controls, including Provincial Human Resource Officers (PHROs), Provincial Financial Officers (PFOs),

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[11] Of 251 personnel trained on PMPM, 35 were trained as Trainers. Trainees included Subject-Matter Experts (SMEs), Financial Analysts and staff of payroll management section from General Directorate of Budget and Finance and General Directorate of Personnel. The remaining 216 participants mainly comprised Provincial Finance Officers (PFOs) and Provincial Human Resource Officers (PHROs) from all 34 provinces. They were trained in 4 different batches, over a training duration of 3 days for each batch.

[12] The training covered the following topics: Legal & Regulatory Framework for Payroll Management; Tashkil for Payroll Management; ID Database for Personnel of the ANP; Support Systems for Payroll Management (including AHRIMS, WEPS, and AFMIS with a focus on system procedures, responsibilities, key control processes, and reference documents); Initiating Payroll Preparation; Personnel Attendance List at District and Provincial Level; Payroll Computation; LOTFA Commitment Letter, Ineligible Payroll Expenses; Payroll Accountability Reports

MOIA Finance Analysts, MOIA Internal Auditors at the Office of the Inspector General (OIG), and other relevant MOIA staff.

The Internal Control Policy for the MOIA was developed, reviewed, and finalised in consultation with relevant MOIA Directorates and other key stakeholders. The policy defined the responsibilities of senior leadership, Provincial Police Commanders, and managers of MOIA units within payroll management, including the General Directorate of Policy and Strategy (GDPS), Office of Deputy Minister for Support, Genera Directorate of Finance and Budget (GDFB), ID Card Department, and the General Directorate of Personnel (GDOP). The revised Internal Control Policy was based on the globally recognised internal control framework of the Committee of Sponsoring Organizations of the Treadway Commission (COSO)'s Integrated Internal Control Framework. The COSO framework enables organizations to effectively and efficiently develop systems of internal controls that adapt to changing business and operating environments, mitigate risks to acceptable levels, and support sound decision making and governance of the organization. The previous Internal Control Policy was not comprehensive and did not cover most of the internal control aspects of MOIA business processes. These gaps had been addressed in the revised internal control policy. However, it was only in August 2020 that the internal control policy was approved by the honourable Minister-of Interior Affairs—after many months of collaborative work between the SPM project team and the MOIA's General Directorate of Policy and Strategy, to ensure ownership of the final product.

To make the Police personnel to be fully conversant with their pay and entitlements as well as to understand the mechanisms for complaints of non-receipt of pay or abuse by superiors, SPM project developed and distributed 30,000 booklets and 6,000 posters. These materials were distributed across all 34 provinces in collaboration with the MOIA's Provincial Education Commands, General Directorate of Logistics and Provincial Police Headquarters (PHQs)

With the project's experience on payroll management issues over the years, the remuneration packages for police personnel of the MOIA had gradually evolved and increased in difficulty as several issues continued to accumulate throughout the years—including lack of the requisite documentation regarding their basis, eligibility, frequency, rates, and triggers, etc. Therefore, the SPM project commissioned a holistic review of the Police incentives with the objective to conduct a study that could shed light on the existing incentive system, review the remuneration packages and bring out more coherence through a set of options and recommendations. Following a competitive procurement process, BDO Jordan (Saman and Co) was contracted to undertake the review. However, due to the November 2019 fatal incident which claimed the life of one UNDP staff, the consequent security restrictions and the COVID19

pandemic, the activity stalled until around quarter 3 of 2020 when BDO could present their draft report. After thorough review by the SPM project team, BDO's report was accepted and finalised in November 2020. During 2021, SPM project team presented the findings of the MOIA incentives review—conducted by BDO Jordan (Saman & Co)—to the Payroll Window Technical Working Group (PWTWG) meeting. The aim of the presentation to the PWTWG was to apprise members of the findings on the incentives review and the scale of deficiencies—i.e., gaps in documentation and triggers for some incentives—and how SPM project intended to fix the deficiencies. A comprehensive action plan, which aimed to rationalise the incentives, was also presented at the same meeting. SPM project, in collaboration with the MOIA and the CSTC-A's Ministerial

Advisory Group – Interior (MAG-I) had embarked on the incentive rationalisation work. Along the same partnership, SPM project had produced a back-pay policy for the MOIA with a view to standardise the policy around Police personnel claiming back-pays—i.e., salary/incentive areas. A proposal for a maximum of 4 months claim was presented which was

Some of the incentive report's findings include:

- Insufficient legal, regulatory or policy documentation for determining the eligibility, relevant supporting documents, triggers for, and frequency of payment of some incentives.
- Current appointment and selection practice tend to automatically assign some incentives to a staff member once the individual is appointed, the basis for which are unclear.
- No clear policy or regulation describing how potential candidates are selected, evaluated, and appointed.
- The role of MOIA's General Directorate of Personnel (GDOP) in determining eligibility for an incentive or qualification, triggers those conditions have been met for payment, etc. is not documented.
- A year is too long a period before updating the Hazard Duty Incentive Pay (HDIP) Map as sometimes, the level of threat changes through the year. Kabul for instance, is currently one of the most insecure places and yet it is considered one of the low threat areas on the HDIP Map.
- Explosive Ordinance Disposal (EOD) incentives and bonuses, triggers, eligibility criteria and supporting documents that make the staff members eligible for all incentives under this group are not documented.
- For medical incentives, the Presidential Decrees and/or other legal documents—which are the basis of awarding such incentives—do not clarify whether these incentives are automatically dedicated to all nurses, physicians, and other health personnel of ANP and GDPDC.

later approved by the LOTFA Steering Committee—to take effect from 1st August 2021. Resolving the deficiencies in the incentives and instituting a back-pay policy were expected to directly contribute to the strengthening of MOIA's human resources and payroll internal controls hence improving the ministry's overall credibility.

As part of the payroll transition plans, and following the recommendation of the LOTFA donors, SPM project launched the re-assessment of the 23 donor conditions using the Donor Conditions Monitoring Framework (DCMF). The contract was awarded to BDO Jordan (Saman & Co) through a competitive procurement process. The aim of the assessment was for the firm (BDO) to provide a compliance assessment of MOIA, MOF,

CSTC-A, and UNDP against the DCMF. The assignment was expected to inform an evidence-based decision of LOTFA Donors and the GIROA to transfer to MOIA, the non-fiduciary payroll management functions being performed by UNDP SPM project. The compliance assessment was cumulative—detailing progress made, taking into account progress achieved during the previous assessment(s). The final report submitted by the firm reflected the main findings and recommendations to the partners on capacity development and recommendations to the respective entities on the risk mitigation.

SPM project started implementing the recommendations of the incentives review, with the streamlining of all the incentives and making sure that they were fully accounted and well planned. The project requested MOIA's General Directorate of Finance and Budget (GD-F&B) to provide justifications for the huge numbers of incentives for 2021 so that it could be fully documented and agreed by all parties. The explanations were submitted by GD-F&B, and the project had reviewed those, and it was discussed at the weekly technical meetings with Defense Security Cooperation Management Office – Afghanistan (DSCMO-A) for a common understanding and effective implementation. The foregoing activities—i.e., resolving the deficiencies in the incentives and implementing the four-month-maximum back-pay policy—were expected to directly contribute to the strengthening of MOIA's human resources and payroll internal controls thereby improving the ministry's overall credibility. The work on the incentives was expected to be fully implemented during quarter three of 2021, however, due to the suspension of LOTFA project activities post 15th August, the project had abandoned implementation altogether.

Below is a snapshot of where SPM project is in relation to its project targets at closure.

Table 1: Summary of Progress on Output 1 (00095495) Indicators as of 05 December 2021

Indicator	Baseline	Target	Actual	Comments
B: Policies and procedures documents developed and in use by applicable MOIA staff at national and subnational levels and made available to all personnel for reference	Nil	Develop/revise all relevant policy and procedures documents and avail to all users	The following documents were developed and in use by users: • PCB Guidelines-2016 • Payroll Management Procedures Manual (PMPM)-2017 • Finance and Internal Control Policies-2018 • WEPS-AFMIS reconciliation SOP-2019 • back-pay checklist-2020	
D: Number of communication products (charts/ leaflets/ posters/ brochures, etc.) on compensation, remunerations, and entitlements produced and disseminated to provincial payroll stations	Charts distributed to about 60 payroll stations	160,000 copies of communication products on compensation, remunerations, and entitlements produced and disseminated to provincial payroll stations	120,000 copies of communication products (charts/leaflets/posters/brochures, etc., were produced and disseminated to all 138 payroll stations across the country	• Due to the foreclosure of LOTFA the 2021 target of 40,000 comms products could not be achieved. • Due to the delayed introduction of APPS and the foreclosure of SPM project, these targets could not be achieved
H: Payroll Standard Operating Procedures manual revised per APPS application and distributed to users	No	YES (the revised Manual is printed and distributed to users)	No	
I: Number of MOIA staff trained on revised Payroll manual as per APPS	0	150	0	
J: Percentage of payroll stations using revised Payroll manual as per APPS	0%	100%	0%	

K: MOIA incentives streamlined and updated in the revised Payroll manual	NO	YES	No	
L: % of MOIA payroll stations using APPS T&A	100%	100%	100%	
M: Number of awareness / outreach sessions on Human Rights and Police	0	10	0	
N: National Conference on "HR, IHL, and Police" held	No	Yes	No	
O: Support provided to the implementation of MOIA's Gender Action Roadmap 2020-2024	No	Yes	No	

OUTPUT 2: Capacity of MOIA Personnel (in Payroll, ICT Human Resources, Finance and Budget as appropriate) Improved to Undertake all Payroll Processes and Tasks to Agreed Standards

Output 2 entailed MOIA personnel (in Payroll, Human Resources, Finance and Budget as appropriate) being able to independently undertake all payroll inputs, processing, and validation tasks to agreed and measurable standards, using the reliability, accuracy and timeliness of personnel data and payroll to support improved evidence-based planning, prioritization, and decisions.

From the onset SPM project understood the significance of capacity building for the staff of the MOIA, with focus on the ultimate objective to enable MOIA staff to undertake all non-fiduciary aspects of payroll management and the related financial and budgetary management tasks should the project hand over to the Government. The most appropriate approach at the time was for the project to conduct a Micro Capacity Assessment (MCA) of the MOIA, which effectively set the baselines for the payroll capacity development for the staff of the MOIA. The MCA was conducted by an independent firm called Grant Thornton.

The MCA report found the overall risk rating for MOIA's payroll capacity to be "Significant"[13] highlighting several weaknesses as presented on the table below.

It was on the basis of the above findings that SPM project quickly prepared a plan to guide the structured establishment of a payroll unit within the MOIA, along with a detailed capacity development plan which aimed to address the main

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However, there are limitations and weaknesses, which should be eliminated if further responsibilities and obligations are to be delegated to the IP.
Those weaknesses include, but are not limited to:
- absence of precise policies and procedures
- failure to make reconciliations between EPS and AFMIS
- Unsound internal control environment, which still needs to be sophisticated, absence of effective monitoring controls over the operations in provinces
- failure to reconcile actual and budgeted costs; failure to prepare general or special purpose financial statements under the cash basis of accounting
- absence of financial management reporting responsibilities, etc.

Source (The report on the results of Micro Capacity Assessment of the Ministry of Interior Affairs, Afghanistan – October 2015)

weaknesses highlighted above. The table below presents the summaries of the various training programs conducted for the MOIA staff, between 2016 and 2020. As seen on the table, due to the security restrictions and COVID-19 lock downs, physical training activities became difficult to hold from 2020 hence the low number. These trainings

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[13] Indicates an underdeveloped financial management system or control framework with a significant likelihood of potential negative impact on the IP's ability to execute the programme in accordance with the work plan

exclude ad hoc trainings that were delivered outside of the annual training schedules. Such trainings were delivered to the staff of the Inspector General's Office, newly recruited finance officers, etc.

Table 2: Summaries of Trainings conducted SPM project in 2016-2020

Training Description	2016	2017	2018	2019	2020
- WEPS practical training and helpdesk online ticketing - Digital M-16 and help desk support - Introduction to Payroll Management Procedure Manual (PMPM) - Law and regulatory framework for payroll management - Payroll computations; Ineligible payroll expenses; and Payroll accountability reports - Payroll processes, finance forms, budget codes, internal controls, and verification methods - Time and attendance and PERSTAT (Personnel Statistics) forms - WEPS-AFMIS reconciliation training - Budgeting and allotments - Public financial management - Leadership - Foundation in Accountancy (international qualification)	**366** (All males)	**524** (Including 5 females)	**811** (Including 27 women)	**372** (Including 7 females)	**20** (All males)

The general approach for conducting training for the MOIA staff mostly followed a pre- and post- training assessment to try to understand the level of understanding of the subject by the trainees. For example, in 2017, following the development of a comprehensive Payroll Management Manual (PMPM), the training conducted showed increase in the skills and knowledge participants in payroll procedures and operations[14] by 18.20% as shown in figure 2:

Figure 2: Pre- and Post-Assessment PMPM

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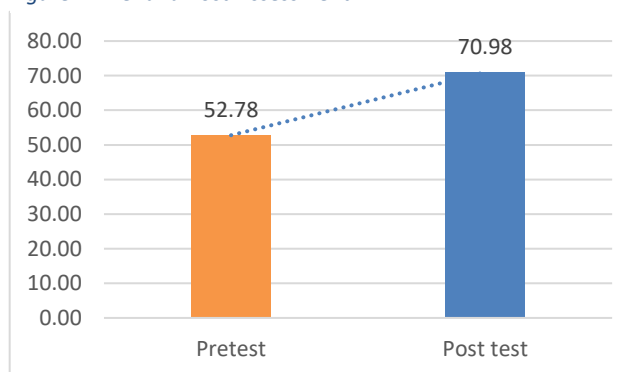
[14] The training covered the following topics: Legal & Regulatory Framework for Payroll Management; Tashkil for Payroll Management; ID Database for Personnel of the ANP; Support Systems for Payroll Management (including AHRIMS,

The same practice was done during three critical training programmes in 2019 as presented below:

- Payroll management training (186 participants including two females): The training participants on average scored 46% in pre-test and 71% in post-test indicating a 25% increase in participants' knowledge.

- Digital M16 and Financial Management training (66 participants including five females): The training participants on average scored 71% in pre-test and 91 in post-test indicating a 20% increase in participants' knowledge.

- DDR Orientation training (10 participants, all male): The training participants on average scored 70% in pre-test and 91 in post-test indicating a 21% increase in participants' knowledge. Please see Figure 1 below for the summary of pre- and post-assessment results.

Figure 3: Results of pre- and post-Assessment trainings conducted in 2019
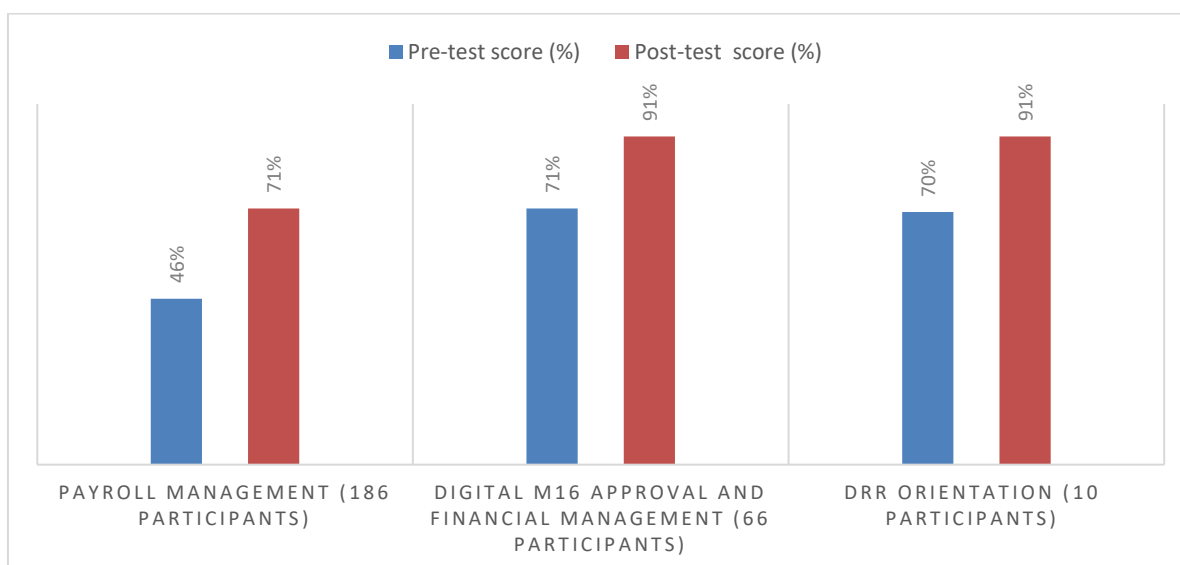
The development of the PMPM and MOIA Finance Policy and the SPM project's continued effort in training and capacity building for MOIA staff aimed at reducing ineligible expenditures within payroll, particularly reducing the number of duplicate M16s as well as M16s generated outside WEPS as the participants developed better understanding of the procedures, rules and policies governing payroll funded by LOTFA funds.

One of the very successful trainings administered to the MOIA's staff of the GD-F&B—10 staff (9 male and 1 female) was the customised training on budget allotments which

was conducted during quarter one of 2021. The objective of the training was to enhance the staff's ability to better understand the following topics:

- Budget preparation
- Budget allotments
- Budget re-alignments
- Budget reporting
- Control points on budget expenditure
- LOTFA Commitment letter 2021
- Mid-year budget review
- Process flow for pay and incentive adjustments in MOIA
- Roles and responsibilities of LOTFA/SPM, MOIA & MOF

Figure 4: Participants' comments and training session on the tailored training on Budgeting and Allotments

Participants' comments

- *relevant information and training materials were presented to our department which will help our work*
- *detailed information on eligible and ineligible expenditures about LOTFA fund and impact on our work*
- *details information about relevant budgetary issues like re-alignments and allotments*
- *detailed information on police pays and incentives and budget implications*
- *enjoyed the open discussions*
  - *question and answer session*

Through its innovative approach to strengthen the capacity of MOIA's GD-F&B, to ensure that they have a core team of accounting and finance technicians, with world-class skills, UNDP SPM project engaged the prestigious American University of Afghanistan (AUAF)—through a responsible Party Agreement (RPA) modality—in 2018, to run Foundation in Accountancy (FIA)[15] certificate programme for them. The approach applied for selecting the participants in this program was to have the MOIA to choose the staff to encourage ownership from their side. The program targeted 24 participants with the first batch comprising 8 candidates (all males). Completing the FIA certificate course would provide the staff with the requisite technical competencies to be able to

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[15] Foundation in Accountancy (FIA) is an internationally recognized Diploma in Accountancy and Business Management, offered by the Association of the Chartered Certified Accountants (ACCA) U.K. FIA provides technical proficiency in accountancy and financial management equivalent to the U. K's Higher National Diploma. There is a total of 7 subjects (papers) required to complete FIA

manage payroll functions independently and professionally and therefore strengthens the overall financial management capability of the MOIA—addressing one of the weaknesses identified by the Grant Thornton MCA on payroll management at MOIA.

By the end of the RPA arrangement with the AUAF—31 December 2020, the program produced five fully qualified Accounting Technicians (all male), who served as role models within the GD-F&B. Two staff were left with one paper to qualify for the FIA.

In 2019, to further improve the internal controls around payroll, SPM project installed Barcode readers in 31 more provincial MOF Offices (*Mustofiats*) and trained the MOF's Provincial Finance Officers in Digital M16 approval process and utilisation of Barcode technology. The Barcode readers provided an additional layer of validation of salary payment vouchers at the *Mustofiats* to address the incidence of 'M16 forms generated outside WEPS'. The new template of M16 form contained a unique barcode which should be scanned at the *Mustofiats* to validate all WEPS payment transactions prior to capturing them in AFMIS. The technology improved the integrity of the WEPS system and helped the MOF to prevent duplicate payments and/or payments outside WEPS system

Table 3: Summary of Progress on Output 2 (00095840) Indicators as of 05 December 2021

Indicator	Baseline	Target	Actual	Comments
C: Number of MOIA staff trained in Payroll Management, WEPS/APPS (disaggregated by gender)	300 (all male)	1310 (Cumulative)	1,010 (999 males, 11 females)	● Due to COVID-19 pandemic and foreclosure of the project, the 2021 target of 300 could not be achieved.
G: Number of MOIA staff enrolled in professional certification programmes (disaggregated by gender)	0	24 (all males)	24 (5 fully qualified, 2 were left with only 1 paper, and rest dropped out)	
O: Number of provinces/Mustofiats using the provided barcode readers to approve digital M16 to facilitate data verification and reconciliation	0	34	34	
X: Standard Operating Procedures (SOPs) manual for reconciliation updated in accordance with APPS	NO	YES (Updated SOP manual for reconciliation was distributed among relevant personnel)	No	
Z: Number of MOIA (OIG) staff provided orientation training on payroll processes to facilitate their audit work	0	15	15	
AA: Number of MOIA staff trained on inactive backpay module (disaggregated by gender)	0	21	21	
AB: Number of OIG staff enrolled in Professional audit training (CIIA) (disaggregated by gender)	0	10	0	● Due to COVID-19 pandemic and foreclosure of SPM

AC: Number of MOIA staff trained in tailor made public financial management course (disaggregated by gender)	0	15	0	project, the CIA and tailor-made public financial management trainings could not take place

OUTPUT 3: MOIA Payroll System (WEPS) and HR System (AHRIMS) Fully Updated and Reconciled to Support the MA's Assurance Work and Facilitate Data Migration to APPS

The SPM project ensured that the WEPS system was operational and improved to support the payroll processes and ensured that funds were disbursed to ANPs and GDPDCs on a timely basis. All 34 PHQs were connected to WEPS, ensuring that MOIA's electronic payroll systems were functional on real-time basis, nationwide.

At the lunch of the project in July 2015, through to 2016, the WEPS application operated on a stand-alone basis at each of the 34 provinces—hence it was simply referred to as "Electronic Payroll System (EPS)". The pain that such situation caused, coupled with the various delays, vulnerabilities, etc., was enormous. At the time, the only way to produce a consolidated payroll report was to collate reports from all 34 provinces into a single report which was quite prone to errors and the potential for manipulation was high.

To tackle this situation, SPM project set out a comprehensive plan to try to improve the WEPS application by bringing all payroll stations on one platform, leveraging the web. By the end of the first quarter of 2016, the project managed to connect all payroll stations through the web—hence Web-enabled Electronic Payroll System (WEPS). As a consequence, all stand-alone systems were switched off to allow for 100% WEPS functionality. The benefits of reaching this milestone included the improvement of speed in processing, overall improvement in the integrity of the reports, timely reporting, etc. Ever since the achievement of WEPS, the project continued to improve the overall capability of the system as presented on table 4 below:

Table 4: Summary of Improvements introduced in WEPS to improve its capability

Previous settings	New system improvements	Results
Improvement Introduced in 2017		
M41 and *Tawheed* (Summary of the M41 Payment) were being generated through the system without any verification mechanism	QR Code has been implemented in the system that can verify whether or not an M41 and/or *Tawheed* have been generated through WEPS or not	MOIA Finance Department can check/validate whether M41s and *Tawheeds* have been generated by WEPS System or not.
-	Verification and approval of M41 and *Tawheed* in WEPS	MOIA Finance Department can now verify and approve the M41 and *Tawheed* in WEPS based on their barcodes. Once verified and approved, they cannot be modified. PFOs can then proceed with generating M16s.

-	M16 Online Approval by *Mustofiats*	*Mustofiats* can now check and verify a printed copy of M16 with the WEPS System. PFOs cannot process out-of-system M16s.
Generating Temporary IDs without any supporting documents	New Enrolment Module which requires supporting documents to be uploaded to the system before an ID can be generated.	While registering a new police officer or patrolman who does not have an ID card, the system will generate a Temporary ID for him/her, but will require four documents to be uploaded, namely *Tazkira*, contract letter, bank card, and photo. Once the request is submitted along with supporting documents, the SPM team would match the documents against the details entered. If matched, request is approved, otherwise, it's rejected and PFO would be requested to amend the details and/or submit the required documents.
PFOs could only log tickets with descriptive text in the Online Ticketing System (OTS)	OTS has been improved to allow PFOs to also upload screenshots.	WEPS team can easily understand the problem and solve it.
WEPS Salary payments were based on old salary scale, Temporary Pays, Incentives and HDIP	WEPS has been reconfigured to calculate salaries based on 5% increment in base salary merged with Temporary Pay and revised, Incentives and HDIP	5% of increment in base salary and Temporary Pay incentive is merged with Base salary and total payable salary amount is calculated based on revised incentives.
Improvement Introduced in 2018		
New User Encryption policy	User credentials were two-way encrypted. This allowed the technical team to de-crypt the credentials and change PFO passwords at any time.	The user credentials are now one-way encrypted. The technical team cannot de-crypt the credentials. The technical team can only reset password for PFOs when they forget the password. The system encrypts the password entered by user and matches it with the encrypted passwords available in the system.
365 days validation and back pay for 1397	The WEPS users could manually enter the number of days for a single payee. As a result, some payees could be paid for more than 365 days in one year.	The WEPS users were disallowed to manually enter the number of days for a single payee beyond 365 days in a year.

Pension Calculation Revised	Audit trails did not exist for individual transaction.	Pension calculations were revised to allow effective audit trail tracking.
Global Information System (GIS) Portal Upgraded	GIS portal was only accessible from MOIA Intranet (local network).	GIS Portal was upgraded to online GIS and can be accessible both from public internet and Intranet (local network) to authorized WEPS users.
Improvement Introduced in 2019		
Re-engineered Back Pay Module	Back Pay Module was not programmed to calculate payroll deductions classified by categories	Back Pay Module can calculate payroll deductions by category to mitigate payroll calculation errors
Improved the Digital M16 Performance	Digital M16 was not able to accept new changes introduced by the MOF	Digital M16 can accept new changes proposed by the MOF
Enhanced Income Tax Calculation Scope	The income tax calculator could manage one record at a time only	Income tax calculator can manage all records at once
Enhanced Pension Calculations Scope	Pension calculator could manage one record at a time	Pension calculator can manage all records at once
Bug-free WEPS User Interface	Only WEPS users could note the user-friendly alerts when incorrect Password was entered	System administrators and WEPS Users can note user friendly alerts, which resulted in limited calls to Help Desk

At the time of launching the project, the rate of Electronic Funds Transfer (EFT) payments stood at 85%, while the remaining 15% was on the basis of Trust Agents (cash). As required by one of the LOTFA donor conditions (see ANNEX 6: LOTFA DONOR CONDITIONS), the percentage of Police personnel receiving salary through electronic means should be at least 90%. The project, through its innovative strategies, engaged the MOF and MOIA to introduce Mobile Money (MM)/Mobile Banking as a way to boost the EFT rate. A Letter Of Exchange (LOE) was signed among the three Parties—i.e., MOF, MOIA, and UNDP, which facilitated the piloting of Mobile Banking for around 6,000 ANPs in ten provinces. By the end of the project, over 4,000 ANPs were receiving their salaries through the MM mechanism. As a result, the percentage of Police personnel receiving salaries through electronic means reached 95%, leaving only about 5% of Police personnel taking salaries through Trusted Agents (cash) thus reducing the risk of funds falling into wrong hands. This percentage surpassed the 90% requirement set out in the donor conditions of 2015.

As a way to sanitise the ANP payroll and pave the way for the implementation of the APPS which integrated HR with payroll, the MOIA, with support from CSTC-A, launched

the Personnel Assets Inventory (PAI)[16] process 2017. LOTFA donors used this opportunity to align the WEPS payments with the PAI process so that only Police personnel that were verified through the PAI process would be paid through WEPS. Against this donor-directive, UNDP/SPM project ran a reconciliation process and a data cleansing exercise that would enforce the adherence to PAI standards. As a result of this exercise, some 8,257 Police personnel were removed from payroll.

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[16] PAI was a process to identify and verify (physically and biometrically) MOIA's personnel throughout Afghanistan. The PAI process was administered by the MOIA with the support of the Combined Security Transition Command - Afghanistan (CSTC-A).

Below is a snapshot of where SPM project is in relation to its project targets at closure.

Table 5: Summary of Progress on Output 3 (00095844) Indicators as of 05 December 2021

Indicator	Baseline	Target	Actual	Comments
C: Number of new initiatives/improvements introduced in WEPS to function optimally	0	20	18	• Due to the introduction of APPS, foreclosure of SPM project, the 2021 target could not be implemented
D: Percentage of ANPs paid by EFT (disaggregated by gender)	94%	96%	95%	
E: Percentage of GDPDC paid by EFT (disaggregated by gender)	100%	100%	100%	
F: Percentage of Payroll stations that processed salaries on time	99%	100%	99%	
I: Number of registered personnel paid through Mobile Banking	4,400	4,600	5%	

Output 4: MOIA Infrastructure Provision Supports 100 per cent Functionality of MOIA Payroll Systems

Output 4 ensured that intranet connectivity, power, other logistics needs, and disaster recovery capability were in place for WEPS. Activities under this output were predominantly recurrent to allow WEPS network performance and functionality across the country to be monitored on a real-time basis, thus improving the reliability of system, the timeliness of data inputs, as well as minimising the downtime of the system.

As highlighted in output 3 above, by the end of the first phase of the project, SPM project achieved the full integration of all the stand-alone electronic payroll systems into one centrally managed system leveraging the web. Such integration of all the stand-alone systems into a single central system helped the project to have a good grip of the payroll and significantly improve the reporting capability and the overall integrity of police payroll.

To ensure continued availability of the WEPS system across all 34 provinces, SPM project, in 2016, procured SolarWinds application as the core application for network monitoring and management of the WEPS servers on real-time basis. Prior to deploying SolarWinds, there was no way the technical team could monitor the functioning of the servers located out in the provincial headquarters and whenever a server went down, it took longer before the team could fix it.

Following over a year of engagement with the MOIA authorities, in 2019, the SPM project finally completed the establishment of a Disaster Resilience and Recovery (DRR) site for WEPS—see below for details. The purpose of establishing the DRR site was to assure business continuity of MOIA's payroll operations and minimise any downturns in Police salary payments in case of a disaster occurrence on the MOIA's information technology infrastructure (primary site), which was hosted at the MOIA compound.

Mainly, the core function of the SPM project's WEPS technical team under Output 4 related to maintaining the WEPS infrastructure. Throughout its existence, the project team maintained the WEPS platform and infrastructure and enabled all 138 payroll stations across the country to process payroll for their respective staff—for both ANP and GDPDC. While the ANP end-users were connected through a fixed internet connectivity, riding on the MOIA's Network Operating Centre (NOC), the GDPDC end-users were connected through a Virtual Private Network (VPN) secured by the SPM project as GDPDC offices were not directly linked to the MOIA's NOC.

On 28 September 2015, Anti–Government Elements attacked and seized control of Kunduz city, including the Police Headquarters (PHQ). In the attack, all the PHQ ICT equipment were either completely destroyed or badly damaged. The ICT equipment at Kunduz GDPDC and MOF's sub-treasury (*mustofiat*) were also set on fire thus affecting salary payment to at least 2,560 ANP and 136 Prison personnel. In response to the devastating effects of the incident, within two weeks, SPM project had swiftly restored the equipment and brought normalcy to operations.
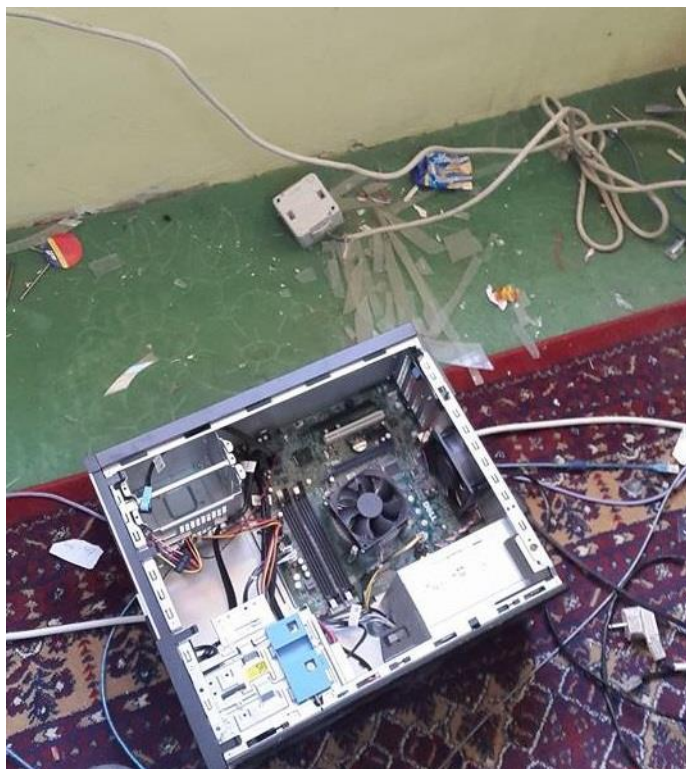
Figure 5: Picture of destroyed ICT equipment at Kunduz PHQ in 2015

Learning from this experience was what precipitated SPM project to arrange the establishment of a Disaster Risk and Resilience (DRR) as part of its business continuity plan. After series of negotiation and follow ups, the MOIA senior leadership allocated a space within its Training General Command compound—located some 20 kilometres from the main MOIA compound. In 2019, the project completed the establishment of the DRR site for the Web-based Electronic Payroll System (WEPS) which assured business continuity.

Below is a snapshot of where SPM project is in relation to its project targets at closure.

Table 6: Summary of Progress on Output 4 (00095849) Indicators as of 05 December 2021

Indicator	Baseline	Target	Actual	Comments
A: Percentage of ANP payroll stations with fixed MOIA intranet connectivity	90% (ANP), 0% (GDPDC)	100%	100% (ANP) 100% (GDPDC)	
C: Number of payroll stations with delayed salaries due to connectivity issues	0	0	0	Under APPS regime we cannot measure this indicator as APPS used UIC instead of payroll station
E: DRR site is up and running 100% of the time	0%	100%	100%	

Output 5: Funds Transferred by UNDP to MOF for Police Pay

The SPM project disbursed funds to the MOF for the timely payment of ANP and GDPDC salaries and incentives. The project also provided independent Monitoring Agent (MA) services to provide the GIROA and donors with assurance over the use of LOTFA funds, by ensuring compliance with established payroll policies and in monitoring personnel and payroll data to identify discrepancies, prevent and/or detect fraud, waste and abuse, and correct errors and deficiencies.

For the duration of the SPM project—July 2015 to December 2021[17], UNDP advanced a total of US$2.17bn[18], all of which was expended by the MOF on the salary payment of ANP and GDPDC uniformed personnel as presented on the Table 7 below.

Year	Opening uncleared balances	New Advances to MOIA (including bank charges)	Advance Liquidation (including bank charges)	Uncleared Balances
Jul-Dec 2015	$29,086,080	$205,211,521	$225,418,923	$8,878,677
Jan-Dec 2016	$8,878,677	$404,169,317	$406,043,988	$7,004,006
Jan-Dec 2017	$7,004,006	$399,500,000	$404,271,703	$2,232,303
Jan-Dec 2018	$2,232,303	$346,500,000	$336,741,766	$11,990,537
Jan-Dec 2019	$11,990,537	$301,000,000	$305,189,959	$7,800,577
Jan-Dec 2020	$7,800,577	$321,700,000	$329,246,728	$253,849
Jan-Aug 2021	$253,849	$163,000,000	$163,253,849	-
Total		**$2,141,080,838**	**$2,170,166,917**	

Table 7: Summary of Advances and Liquidations (Output5 of SPM project)

From table 7 above, it is clear that by the time of the abrupt suspension of the project's operations as a consequence of the 15th of August 2021 incident, the previous government had actually expensed all of the funds advanced by UNDP; implying that the *de facto* authorities did not inherit any LOTFA funds. The total spent on Police payrolls compared to the total expenditures incurred by the project, over the duration of the project, represents 94.22%.

As highlighted above, the use of the third-party Monitoring Agent (MA) represented a key aspect of the SPM project's operation as a mechanism to provide assurance to the donors that the funds were being used for the intended purpose.

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[17] Actual payroll processing ended in July 2021
[18] Includes opening balances

At the beginning of engaging the MA's services, expenditure verification was set at only 60 per cent, per month, per province, while physical verification was set at 1 per cent. The MA's physical visits to each of the 34 province's payroll office had become a routine part of the payroll process, serving as a deterrent to abuses and manipulations of payroll documents for fraudulent purposes. As a routine, the MA visited the provincial Police Headquarters and examined, verified, and validated, based on the 60 percent randomly generated sample, ensuring that only physically active personnel and eligible persons were recipients of salary payments. The work of the MA was required to conform to the International Standard on Assurance Engagement (ISAE 3000)— Assurance Engagements other than audits or reviews of historical financial information.

In the renewal of the MA's contract for 2018 onward, the contract was amended to increase the percentage of expenditure verification from 60 per cent to 75 per cent of each province's monthly payroll expenditure while the physical verification was dropped. The reason for dropping physical verification was that at the same time, the MOIA—with support from CSTC-A—had initiated the Personnel Asset Inventory (PAI) which was a comprehensive physical and biometric verification of each Police personnel, in preparation for the Afghan Personnel and Payroll System (APPS). The table below (Table 8) presents summary of the amounts of MA-certified ineligible expenditures from 2015 to 2020, with a note that the MA work could not be completed beyond March 2020 due to the incompletion of contracting process which was terminated in August 2021 when project operations were abruptly stopped, and the project was subsequently closed. A total of USD 18.82million was certified by the MA as ineligible expenditures incurred by the MOIA. All but the 2020 amount was recovered from the advances

A summary of the scope of MA services is presented below:
• Verify payments of ANP remuneration and remuneration for Central Prison Department (CPO) uniformed personnel salaries based on established eligibility criteria and documents provided by the MoIA and LOTFA.
• Verify transactions between UNDP LOTFA and MoF related to request for advance and expense report for eligible and accurate expenses based on documents provided by the MofA and LOTFA.
• Undertake sample physical verification of personnel and compare the police headcount with reference to the Tashkil (MoIA HR database) based on documents provided by MoIA;
• Assess adherence to internal controls established by MoIA
• Prepare monthly, quarterly, and annual analytical reports summarising results of above monitoring activities, highlighting challenges and recurring issues identified for correction, areas of vulnerability and possible actions, and aged status of unresolved issues previously identified; and
• Bring critical issues to the immediate attention of UNDP LOTFA and the MoIA as identified, outside the regular reporting cycles

Source: (2015 TOR for MA Service)

given to the MOF and are therefore not included in the payroll expenditures reported under this output.

Table 8: Summary of MA-certified ineligible expenditures incurred by MOIA from 2015-2020

Year	MA-certified Ineligibles	Remarks
2015	USD 4.48 million	Entirely due to over payment to reservists beyond the committed numbers
2016	USD 1.67 million	
2017	USD 2.69 million	
2018	USD 2.55 million	Largely due to *Out of WEPS payments (50.73%) whereby salaries were paid manually*
2019	USD 4.93 million	Largely due to *Paid to ANPs Not Included in PAI (65.90%)—a condition for receiving salary as agreed by LOTFA donors and MOIA; No Acknowledgement Receipt Obtained By TA; etc.*
2020[19]	USD 2.50 million	Largely due to *Payment without supporting documents (48.49%), Trusted agent related issues (27.08%)*
Total	**USD 18.82 million**	

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[19] Only Q1 (January – March 2020) MA reports were completed. No MA reports could be produced due to contracting process which could not proceed as the project suspended operations and subsequently closed

Below is a snapshot of where SPM project is in relation to its project targets at closure.

Table 9: Summary of Progress on Output 5 (00095846) of SPM Project as of 05 December 2021

Indicator	Baseline	Target	Actual	Comments
A: Percentage of payroll stations able to process monthly salary within 15 days of close of solar month	98%	100%	100%	
C: Number of police personnel paid disaggregated by gender	106,420 ANP (103,559 males; 2,861 female); 7,016 GDPDC (6,693 males; 323 female)	136,177 (Full Tashkeel): ANP 124,628+ ALP 11,549; (Full Tashkeel): GDPDC 7,456	125,868 ANP: (114,850 males, 4071 females) 6,947 GDPDC: (6,620 males; 327 female)	Using June 2021[20] figures from APPS for ANP and WEPS for GDPDC

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[20] Because July 2021 disaggregated report was not available at the time of the closure.

VI.   GENDER SPECIFIC RESULTS

While SPM project by its design is a GEN1[21] project, it made various attempts to support MOIA's Gender mainstreaming activities throughout the project's life. For example, in 2017, the project enabled gender disaggregated reporting and data entry in WEPS, which has allowed WEPS reports to track the number of female police within the ANP, and therefore bring to light the rate of intake of female police. Prior to this initiative, it was not possible to readily avail such information. In addition, the SPM project supported the MOIA in developing new *leave request forms* which captured different types of leave, including *maternity leave.* Based on the *Police Inherent Law*, the *maternity leave* is a paid leave and Article 36 of the Law grants a Police officer and Non-Commissioned Officer (NCO) *maternity leave* of 90 days for female officer and NCO, and a further 4-day *incentive leave*. The new leave form not only ensured that leave information was accurately captured in the pay run, but it also raised awareness for the female Police on these benefits and entitlements.

In 2021, the project also planned support to the MOIA's Directorate of Human Rights, Women and Children Affairs in the implementation of the *Empowering the Women in Police: From Words to Action - Roadmap 2020-2024.* However, as the Director of this unit left office, and there was no substantive replacement, the project could not support until the suspension of operations on 15th of August 2021. The main objective of the planned support to the MOIA was to change the organisational culture to improve conditions for policewomen within MOIA and to change the perception of the public about women-in-ANP so that more females could enroll in the ANP.

VII.   PARTNERSHIPS

By the very nature of the SPM project—it came about through a very collaborative partnership among the key stakeholders—i.e., GIROA, UNDP, LOTFA donors, and CSTC-A. Throughout the project's various phases, the partnership arrangements remained essentially strong and vibrant. Such partnerships was articulated in the various documents, such as the Donor Conditions document; the project document; the 2018 terms of reference which upgraded LOTFA to a Multi-Partner Trust Fund, etc.

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[21] According to UNDP's Programme and Operations Policies and Procedures (POPP), GEN 1 = limited contribution to gender equality

At the commencement of the project in 2015, the MOIA's Deputy Minister (DM) for Policy and Strategy, acted as the National Director for LOTFA and focal point for both LOTFA projects—providing strategic guidance, leading partnerships, collaboration, and coordination between MOIA and UNDP and donors, to ensure the project achieved the planned results. In addition, the MOIA's Deputy Minister for Support—under whom the SPM project operated with MOIA, along with high level representatives from the President's Office, and the MOF, all actively collaborated on the various governance platforms of the SPM project to steer it towards the achievement of its objectives. It is important to note that keen participation of the Presidency helped to quickly resolve some of the strategic issues which helped greatly.

A typical example of how partnership helped the SPM project could be seen in the manner the project leveraged the strategic position of the MOF to help with the meeting of donor conditions, one of which required that, at least 90% of the ANP should receive their salary through electronic means instead of cash. In 2016, SPM signed a Letter of Exchange which required MOF to engage with a private telecoms company—Afghan Wireless and Communications Company (AWCC) and a private commercial bank—New Kabul Bank, to operationalise the piloting of Mobile Banking/Mobile Money facility, which pushed the percentage of police receiving salary through electronic means—EFT and MM—to 95%, above the 90% required by the donor condition.

Another good example of the project's excellent partnership could be demonstrated in the implementation of the Personnel Assets Inventory (PAI)[22]. In 2018, MOIA embarked on the PAI registration, with a view to set ground for the APPS. LOTFA donors decided to align the funding for the ANP salaries paid through LOTFA with the personnel data verified through PAI. The objective of this decision was to improve the transparency and sustainability of LOTFA and to prevent any misuse of LOTFA funds. This decision was fully implemented from the pay cycle of May 2018. The project worked with the MOIA General Directorate of Personnel (GDOP), GD-F&B, ID Cards Department, and CSTC-A; receiving regular batches of verified individuals and reconciling those with the WEPS system and regularly reporting at the technical working group.

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[22] The Personnel Asset Inventory (PAI) is a process to identify and verify (physically and biometrically) MOIA's personnel throughout Afghanistan. The PAI process has been administered by the MOIA with the support of the Combined Security Transition Command - Afghanistan (CSTC-A).

VIII. ISSUES

During the project's six-year operation, various issues were encountered, many of them offering very good lessons to both UNDP and key partners—MOIA and LOTFA donors. Notable among these issues, the following are worthy of note:

o   Implementation of APPS: As part of the 2015 Donor-Conditions, it was agreed as follows:

CSTC-A will fully fund and manage the development of an integrated Afghan Personnel and Payroll System (APPS).

The APPS systems was supposed to replace the legacy system which was developed by UNDP—i.e., WEPS. However, the APPS system could not be deployed until July 2020 (only time and attendance module was used), and it effectively came into full-blown operation from February 2021. The implication for such a long delay meant that UNDP/SPM could not make heavy investments on WEPS—legacy system during the long waiting period. Notwithstanding, SPM project ensured that system improvements that could improve the WEPS's security, controls, and reporting, were implemented regardless of when it would be retired by the APPS as highlighted below:

- In 2018, SPM introduced encryption such that user credentials were one-way encrypted, and the system encrypted the password entered by users and matched it with the encrypted passwords available in the system, thus strengthening system security. Another feature introduced was the restriction of number of days so that PFOs could not pay anyone beyond 360 days in a 12-month period.

- In 2019, the project introduced five new improvements in WEPS to strengthen system controls and ensure its optimal performance. The new system improvements included re-engineered back-pay module, improved digital M16 performance, enhanced income tax calculation scope, enhanced pension calculation scope, and bug-free WEPS user interface.

- In 2020, the SPM project team utilised the *SolarWinds* software as the core application for network monitoring and management of the WEPS servers on real-time basis. No downtime for any payroll station was recorded throughout the year.

o   One topical issue during the early stages of the project was the issue of MOIA making ineligible payments to Reservists. During 2016, the Monitoring Agent (MA) had certified and reported findings of MOIA's persistent overpayment of Reservists,

month on month, to the tune of US$4.48 million, using LOTFA funding, for the period January- December 2015. These payments were in clear violation of the LOTFA Commitment Letter, which clearly indicated that LOTFA could fund only 284 Reservists per month with a monthly ceiling of AFN 923,000.00(approximately US$14,200), for six months (i.e., January-June 2015). Extrapolating the ineligible payments MOIA actually paid some 1,704 Reservists with a total ceiling of AFN 5,538,000.00 (approximately US$85,200 for January – June 2015). It is important to note that the $4.48 million is the amount over and above the Commitment Letter ceilings.

Following several discussions on the matter MOIA leadership sought audience with the LOTFA donors where they tried to justify the ineligible overpayments to their Reservists. In the end, LOTFA donors resolved that the Commitment Letter should stand, implying that UND/SPM should recover the total ineligible payments. Accordingly, the first tranche of deduction from MOIA's advances was applied in December 2015 where an amount of AFN214, 801,135.00 (approximatelyUS$3.02m) was recovered. The second tranche of deduction, amounting AFN65,877,546.00 (approximately US$0.99m), was recovered from January 2016 advance, and the balance of AFN17, 274,501.00 (US$0.26m) was deducted from the February 2016 advance. To get over the issue of Reservists, LOTFA donors had issued a letter to the MOIA leadership, through the Canadian Ambassador (dated 6th December 2015), indicating that LOTFA would cease funding Reservists after 3 months of 2016 fiscal year, after which MOIA should remove them from the tashkil totally.

IX. RISKS

- For the SPM project, security remained one of the highest risks, negatively impacting on overall implementation of the project. Security problems had caused delays in salary processing in provinces such as Uruzgan, Kandahar and Helmand provinces throughout the project's life. The security situation had also jeopardised the piloting of mobile money (e.g., Helmand), and the work of the MA as they could not cover all 34 provinces during the expenditure and physical verifications. Moreover, due to the 24 November 2019 incident which took the life of one UNDP staff, project staff could not have regular visits to the MOIA compound which affected the conduct of critical project activities such as training, coordination meetings with MOIA on MA findings, helpdesk support to users, etc.
- As detailed under lessons learned section, at the later stage of the project's operation, the project faced liquidity risk as donor-contributions reduced due to

changing priorities of some of the donors and/or earmarking of funding away from payroll to other windows such as justice and anticorruption.

From the beginning of the project, the project team prepared a comprehensive risk log (see ANNEX 4: RISK LOG below) which was continually updated and communicated to stakeholders.

X. LESSONS LEARNED

Lessons learned include the following:

o While not a typical development project for UNDP—as a development organisation—the LOTFA-SPM Project proved that UNDP as an organisation is able to operate effectively (rendering both fiduciary services and development implementation) within a conflict-country context such as Afghanistan—in partnership with a national implementing partner, the MOIA— and alongside a U.N. political mission and international partners.

o Coordination: For a project the size of SPM project, effective coordination requires investments of time, funding and commitment and transactions costs, particularly in the establishment of oversight and enforcing systems of controls and protecting the reputation of UNDP and its partners.

o Sustainability: It is critical to ensure that exit and sustainability strategies are built into projects from the design stage, to guarantee the sustainability of interventions after donor funding ceases and project closure. The SPM project became some sort of a *'perpetual'* undertaking in the hands of UNDP and for the donors while the funding reached an unsustainable level, one which GIROA could not sustain.

o Limitation of project scope: From its inception in July 2015, SPM project was limited to a narrow scope—limited to supporting MOIA in payroll management—while leaving out other complementary scope, such a human rights and gender. Following the completion of the Human Rights Due Diligence Policy (HRDDP) risk assessment, Donors and UNDP recommended for SPM project to include Human Rights and Gender activities in its 2021 Annual Work Plan. These two activities could have been integrated/mainstreamed in the project's AWP and tied to payroll, which could help to encourage the implementing partner, MOIA, to adhere to the international standards and principles to promote human rights, gender equality and the full realisation of women's rights and freedoms.

Please refer to the Lessons Learned Report

XI. ANNEXES

A. Annex 1: FINANCIAL TABLE

The Interim Financial Report for LOTFA SPM (01 July 2015 - 31 December 2021) - Provisional   *in US$*

Annex 1. Financial Table

Donor Name	REVENUE				EXPENSES	BALANCE	FUTURE EXPENSES		ADVANCES	Available Resources j = (f-g-h-i)
	Commitment (a)	Other Revenue/ Carry over from other phases (b)	Revenue Collected (c)	Refund to Donor (d)	Total Accumulated Expenses (e)	Closing Balance f=(b+c+d-e)	Commitments (Unliquidated Obligations) (g)	Undepreciated of fixed Assets and Inventory (h)	Uncleared NEX Advances (i)	
Australia DFAT	30,000,000.00	20,000,000.00	30,000,000.00		50,000,000.00	-				-
Afghanistan (Govt)	-	371,327.50	-		371,327.50	-				-
Denmark	-	9,439,856.97		(321,113.96)	9,118,743.01	-				-
Canada DFATD	21,186,440.68	21,739,130.00	21,186,440.68		42,925,570.68	-				-
Croatia	1,500,000.00	-	1,500,000.00		1,500,000.00	-				-
Czech Republic	633,641.98	21,890.00	633,641.98		655,531.98	-				-
EC	179,466,086.97	1,356,559.57	179,466,086.97		180,822,646.54	-				-
UNDP TRAC (EC Debit Note Adj.)	1,532,786.89	-	1,532,786.89		1,532,786.89	-				-
Estonia	900,000.00	5,394.58	900,000.00		905,394.58	-				-
Finland	5,102,040.82	9,198,743.56	5,102,040.82		14,300,783.83	0.55				0.55
Germany	382,824,720.15	36,055,845.00	382,824,720.15		408,538,594.49	10,341,970.66		678,226.29		9,663,744.37
Hungary	200,000.00	100,000.00	200,000.00		300,000.16	(0.16)				(0.16)
Italy	289,601,879.64	(1,416,323.28)	289,601,879.64		274,399,336.04	13,786,220.32			18,270.00	13,767,950.32
Japan	509,983,765.00	32,481,562.40	509,983,765.00		495,217,535.04	47,247,792.36				47,247,792.36
Netherlands	27,146,911.44	11,447,128.29	27,146,911.44		38,594,039.73	-				-
Norway	46,903,068.43	4,006,904.35	46,903,068.43	(120,000.00)	50,414,141.98	375,830.80		15,136.85	20,650.00	340,043.95
New Zealand	8,000,000.00	-	8,000,000.00		8,000,000.00	-				-
Poland	1,029,346.21	24.81	1,029,346.21		1,029,371.02	-				-

Romania	57,870.37		57,870.37		57,870.37	-				-
UK (FCO)	239,095,829.23	732.55	239,095,829.23		239,096,561.79	(0.01)				(0.01)
CSTC-A	202,280,000.00	56,646,424.28	202,280,000.00	(8,840,000.00)	250,086,424.28	-				-
USA (INL)	13,362,031.11	489,304.98	13,362,031.11		11,884,679.00	1,966,657.09				1,966,657.09
UNDP TRAC	15,851.14	-	15,851.14		15,851.14	-				-
LOTFA MPTF - Afghanistan	250,000,000.00	-	250,000,000.00		223,649,799.46	26,350,200.54				26,350,200.54
Grand Total	**2,210,822,270.06**	**201,944,505.56**	**2,210,822,270.06**	**(9,281,113.96)**	**2,303,416,989.51**	**100,068,672.15**	**-**	**693,363.14**	**38,920.00**	**99,336,389.01**

Note:

i) Data contained in this report is an extract of UNDP financial records as of 31DEC2021.

ii) Income received in currency other than USD is approximated to USD based on UN- Operational Rate of Exchange applied.

iii) Accounts 33005-IPSAS adjustment for Revenues and 56010-Foreign Exchange Translation Gain included in the above Revenue column.

iii) EC also includes contribution of EUR 28,372,218.63 (EUR 16,273,980.94 + EUR 12,098,237.69) from the Kingdom of Denmark under the EC Agreement# 383-142.

B.   ANNEX 2: EXPENSES BY OUTPUT

The Interim Financial Report for LOTFA SPM (01 July 2015 - 31 December 2021) - Provisional

Annex 2. Expenses by Output

Output ID & Description	Total Accumulated Expenses (in US$)	Delivery Rate%
Output 1 (00095495): Updated policies implemented, business processes developed and applied to support independent MOIA Payroll management	726,068.13	0.03%
Sub-total Output 1	**726,068.13**	**0.03%**
Output 2 (00095840): Capacity of MOIA personnel (in Payroll, ICT Human Resources, Finance and Budget as appropriate) improved to undertake all payroll processes and tasks to agreed standards	1,294,371.25	0.06%
Sub-total Output 2	**1,294,371.25**	**0.06%**
Output 3 (00095844) MOIA payroll system (WEPS) and HR system (AHRIMS) fully updated and reconciled to support the MAs' assurance work and facilitate data migration to APPS	6,116,161.41	0.27%
Sub-total Output 3	**6,116,161.41**	**0.27%**
Output 4 (00095849): MOIA infrastructure provision supports 100 percent functionality of MOIA payroll systems	1,894,728.71	0.08%
Sub-total Output 4	**1,894,728.71**	**0.08%**
Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	2,273,466,131.26	98.70%
Sub-total Output 5	**2,273,466,131.26**	**98.70%**
Output 6 (00095848): Governance and accountability of LOTFA management and implementation improved	19,919,528.75	0.86%
Sub-total Output 6	**19,919,528.75**	**0.86%**
Grand Total	**2,303,416,989.51**	**100.00%**

Note:
i) Data contained in this report is an extract of UNDP financial records as of 31December 2021.

C. ANNEX 3: EXPENSES BY DONOR

The Interim Financial Report for LOTFA SPM (01 July 2015 - 31 December 2021) - Provisional			
Annex 3. Expenses by Donor			
Donor	**Output ID & Description**	**Total Accumulated Expenses (in US$)**	**Delivery Rate%**
Australia DFAT	Output 4 (00095849): MOIA infrastructure provision supports 100 percent functionality of MOIA payroll systems	1,130,087.35	
	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	48,869,912.65	
	Sub-total Australia DFAT	**50,000,000.00**	**2.17%**
Afghanistan (Govt)	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	371,327.50	
	Sub-total Afghanistan (Govt)	**371,327.50**	**0.02%**
Denmark	Output 3 (00095844): MOIA payroll system (WEPS) and HR system (AHRIMS) fully updated and reconciled to support the MAs' assurance work and facilitate data migration to APPS	295,458.13	
	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	8,823,284.88	
	Sub-total Denmark	**9,118,743.01**	**0.40%**
Canada DFATD	Output 1 (00095495): Updated policies implemented, business processes developed and applied to support independent MOIA Payroll management.	1,872.00	
	Output 2 (00095840): Capacity of MOIA personnel (in Payroll, ICT Human Resources, Finance and Budget as appropriate) improved to undertake all payroll processes and tasks to agreed standards	96,917.67	
	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	42,826,781.01	
	Sub-total Canada DFATD	**42,925,570.68**	**1.86%**
Croatia	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	1,500,000.00	
	Sub-total Croatia	**1,500,000.00**	**0.07%**
Czech Republic	Output 4 (00095849): MOIA infrastructure provision supports 100 percent functionality of MOIA payroll systems	3,172.19	
	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	652,359.79	

	Sub-total Czech Republic	**655,531.98**	**0.03%**
EC	Output 4 (00095849): MOIA infrastructure provision supports 100 percent functionality of MOIA payroll systems	878.40	
	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	178,867,586.66	
	Output 6 (00095848): Governance and accountability of LOTFA management and implementation improved	1,954,181.48	
	Sub-total EC	**180,822,646.54**	**7.85%**
UNDP TRAC (EC Debit Note Adj.)	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	1,532,786.89	
	Sub-total UNDP TRAC (EC DEBIT NOTE ADJ)	**1,532,786.89**	**0.07%**
Estonia	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	893,042.38	
	Output 6 (00095848): Governance and accountability of LOTFA management and implementation improved	12,352.20	
	Sub-total Estonia	**905,394.58**	**0.04%**
Finland	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	13,368,576.56	
	Output 6 (00095848): Governance and accountability of LOTFA management and implementation improved	932,207.27	
	Sub-total Finland	**14,300,783.83**	**0.62%**
Germany	Output 1 (00095495): Updated policies implemented, business processes developed and applied to support independent MOIA Payroll management.	133,200.66	
	Output 3 (00095844): MOIA payroll system (WEPS) and HR system (AHRIMS) fully updated and reconciled to support the MAs' assurance work and facilitate data migration to APPS	1,676,046.05	
	Output 4 (00095849): MOIA infrastructure provision supports 100 percent functionality of MOIA payroll systems	123,621.16	
	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	396,108,546.36	
	Output 6 (00095848): Governance and accountability of LOTFA management and implementation improved	10,497,180.26	
	Sub-total Germany	**408,538,594.49**	**17.74%**
Hungary	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	300,000.16	
	Sub-total Hungary	**300,000.16**	**0.01%**

Italy	Output 1 (00095495): Updated policies implemented, business processes developed and applied to support independent MOIA Payroll management.	144,059.36	
	Output 2 (00095840): Capacity of MOIA personnel (in Payroll, ICT Human Resources, Finance and Budget as appropriate) improved to undertake all payroll processes and tasks to agreed standards	598,681.84	
	Output 3 (00095844): MOIA payroll system (WEPS) and HR system (AHRIMS) fully updated and reconciled to support the MAs' assurance work and facilitate data migration to APPS	463,439.49	
	Output 4 (00095849): MOIA infrastructure provision supports 100 percent functionality of MOIA payroll systems	86,179.85	
	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	268,479,533.71	
	Output 6 (00095848): Governance and accountability of LOTFA management and implementation improved	4,627,441.79	
Sub-total Italy		**274,399,336.04**	**11.91%**
Japan	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	495,217,535.04	
Sub-total Japan		**495,217,535.04**	**21.50%**
Netherlands	Output 4 (00095849): MOIA infrastructure provision supports 100 percent functionality of MOIA payroll systems	524,744.56	
	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	37,900,848.26	
	Output 6 (00095848): Governance and accountability of LOTFA management and implementation improved	168,446.91	
Sub-total Netherlands		**38,594,039.73**	**1.68%**
Norway	Output 1 (00095495): Updated policies implemented, business processes developed and applied to support independent MOIA Payroll management.	356,190.82	
	Output 2 (00095840): Capacity of MOIA personnel (in Payroll, ICT Human Resources, Finance and Budget as appropriate) improved to undertake all payroll processes and tasks to agreed standards	529,754.64	
	Output 3 (00095844): MOIA payroll system (WEPS) and HR system (AHRIMS) fully updated and reconciled to support the MAs' assurance work and facilitate data migration to APPS	3,681,217.74	
	Output 4 (00095849): MOIA infrastructure provision supports 100 percent functionality of MOIA payroll systems	26,045.20	
	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	44,322,108.92	
	Output 6 (00095848): Governance and accountability of LOTFA management and implementation improved	1,498,824.66	

	Sub-total Norway	**50,414,141.98**	**2.19%**
New Zealand	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	8,000,000.00	
	Sub-total New Zealand	**8,000,000.00**	**0.35%**
Poland	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	816,327.98	
	Output 6 (00095848): Governance and accountability of LOTFA management and implementation improved	213,043.04	
	Sub-total Poland	**1,029,371.02**	**0.04%**
Romania	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	57,870.37	
	Sub-total Romania	**57,870.37**	**0.00%**
UK (FCO)	Output 1 (00095495): Updated policies implemented, business processes developed and applied to support independent MOIA Payroll management.	90,745.29	
	Output 2 (00095840): Capacity of MOIA personnel (in Payroll, ICT Human Resources, Finance and Budget as appropriate) improved to undertake all payroll processes and tasks to agreed standards	69,017.10	
	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	238,936,799.40	
	Sub-total UK (FCO)	**239,096,561.79**	**10.38%**
CSTC-A	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	250,086,424.28	
	Sub-total CSTC-A	**250,086,424.28**	**10.86%**
USA (INL)	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	11,884,679.00	
	Sub-total INL	**11,884,679.00**	**0.52%**
UNDP TRAC	Output 6 (00095848): Governance and accountability of LOTFA management and implementation improved	15,851.14	
	Sub-total UNDP TRAC	**15,851.14**	**0.00%**
LOTFA MPTF - Afghanistan	Output 5 (00095846): Funds transferred by UNDP to MOF for Police Pay	223,649,799.46	
	Sub-total MPTF	**223,649,799.46**	**9.71%**
	Grand Total	**2,303,416,989.51**	**100.00%**

Note:

i) Data contained in this report is an extract of UNDP financial records as of 31December 2021.

D. ANNEX 4: RISK LOG

#	DESCRIPTION	DATE IDENTIFIED	TYPE	IMPACT & PROBABILITY	COUNTERMEASURES/MNGT. RESPONSE	OWNER	SUBMITTED /UPDATED BY	LAST UPDATED	STATUS
1.	GIROA does not have sufficient funding to sustain institutional development and reform and police professionalization efforts	1 July 2015 (start project)	1. d Contextual Risks/Financial & Economical	Current number of ANP cannot be funded and therefore not sustained; in worst case insecurity/looting by unpaid armed police may occur	Support to cost-effective ways to provide security (such as through community security methods including but not solely by police).	UNDP Country Office TFMU, LOTFA donors	Project Manager	4-Dec-21	All of LOTFA is suspended making this irrelevant
2.	Not sufficient funding, support, or political will to strengthen other GIROA institutions or achieve broader MOIA reform jeopardizing support to payroll management	1 July 2015 (start project)	1. d Contextual Risks/Financial & Economical/Political	MOIA vision and MOIA Five Year Strategy Goals will not be achieved, and gains made will be jeopardized by dysfunctional other institutions, in particular a dysfunctional justice sector	As LOTFA has been suspended, perhaps better if new investments could be made to have a functioning security sector taking a comprehensive approach and involving elements of the justice sector, sub-national governance system, human rights institutions, civil society.	UNDP Country Office TFMU	Project team	4-Dec-21	This item has become moot due to the events of 15th August 2021 and the subsequent project closure
3.	Security situation decreases and/or COVID-19 disrupts operations	1 July 2015 (start project)	1.a Contextual Risks/Security environment	Decrease of donor funds, support may not reach sub-national level; goals related to democratic policing will be affected. Donor contributions may be reduced due to impacts of COVID-19 on global GDP	UNDP can only mitigate this risk through solid development support which will improve security in the long run; and awareness raising on importance of democratic security including in countering insurgency. UNDP adopts alternative solutions for COVID-19 such as utilising online platforms; closely work with GD	UNDP Country Office TFMU	Project team	4-Dec-21	The 15 August incident has actually derailed the whole security system in Afghanistan and the de facto authority is now in charge without functioning police or prison personnel.

					&B to monitor PFOs and utilize support systems.				
4.	(Managing) misunderstandings and perceptions and negative press on UNDP or MOIA/Afghan police	1 July 2015 (start project)	2.d Stakeholder Risks/Other stakeholders (e.g., other aid or government agencies working in the same/related field; CSOs; vendors; explicit adversaries)	Delay in implementation, decrease of donor funds	UNDP has already invested significantly in tightening controls. Internal control policy for MOIA has been approved. Strengthened management and oversight.	UNDP Country Office TFMU	Project team	4-Dec-21	Following the suspension of LOTFA and its closure, UNDP and donors have issued a clear message on their position
5.	Afghan police violates human rights	1 July 2015 (start project)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	Negative press, decrease of donor funds, UNDP may withdraw based on human rights due diligence policy; outcome results not achieved	UNDP is implementing the human rights due diligence policy which includes supporting and promoting human rights through capacity development; Other UNDP Afghanistan projects support strengthening of human rights institutions sector wide in Afghanistan; UNDP works with UNAMA to monitor human rights violations and bring these to the attention of relevant authorities; awareness raising in LOTFA governance bodies	UNDP Country Office TFMU	Project team	4-Dec-21	As LOTFA projects have been closed this activity has been abandoned.
6.	Corruption	1 July 2015 (start project)	1.a Contextual Risks/Socio-economic environment	Negative press, decrease of donor funds, not achieving outcome results	Capacity development support to reduce corruption in MOIA institution and strengthen police discipline under both SPM and COPS projects; advocacy and support through other UNDP	UNDP Country Office TFMU	Project team	4-Dec-21	Until closure on 15 August, this risk level reduced due to improved system controls and continuous capacity

				projects for addressing corruption issues sector wide. Improved WEPS controls to prevent corrupt practices. Expand MA's scope of work to cover 75% of each province's payments				building reform processes to address issues of corruption.
7.	Travel restrictions on project staff in order to comply with Security advisories impacts on project delivery	1-May-16	1.a Contextual Risks/Security environment	Restrictions on travel to MOI work sites reduces ability to interact with counterparts, ultimately negatively impacting on project delivery, particularly following the 24 November 2019 incident	Online meetings and events prioritized. Where no direct interaction with MOI counterparts is needed alternate sites utilized. Exposure is reduced by only attending at sites subject to security restrictions for the maximum time required.	UNDP Country Office TFMU	Project team	4-Dec-21	Following the 15 August incident all LOTFA projects have closed
8.	MOIA and other partners do not make available relevant documents and access to online systems, as well as statements of transfers from UNDP fund code to the pension fund code and other Government accounts for reconciliation (PAP 4.1)	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	MOIA payroll unit not able to verify human resources data and accuracy of payments. UNDP unable to provide reporting to donors concerning Government use of funds.	Utilization of APPS HR module to inform WEPS and grant access to SPM project staff so that necessary reconciliations can be done	HR and Payroll specialist	Project team	4-Dec-21	No change as of 15 August 2021. Project has been closed
9.	MOIA and other Government partners (e.g., MOF and MOLSAMD) are not able to act to approve and implement	1 July 2015 (project start)	2.d Stakeholder Risks/Other stakeholders (e.g., other aid or government agencies working	MOIA payroll unit not able to verify human resources data and accuracy of payments. UNDP not able to implement audit recommendations	MOIA to engage actively with MOF, MOLSAMD, and other ministries as needed.	Planning, monitoring, and reporting specialist	Project team	4-Dec-21	No more relevant as project has been closed as of 4 December 2021

	recommended practice changes.		in the same/related field; CSOs; vendors; explicit adversaries)					
10.	MOIA and third-party commercial vendors are not able to support changes needed to implement approved process changes and expansion of AHRIMS.	1 July 2015 (project start)	2.d Stakeholder Risks/Other stakeholders (e.g., other aid or government agencies working in the same/related field; CSOs; vendors; explicit adversaries)	Systems will not be electronically linked or integrated	UNDP supports CSTC-A to implement the HR module of APPS	HR and Payroll specialist	Project team	4-Dec-21	This risk is no longer relevant as CSTC-A had developed APPS which replaced AHRIMS thereby making the required changes to the system.
11.	All stakeholders do not proactively share planned activities.	1 July 2015 (project start)	2.d Stakeholder Risks/Other stakeholders (e.g., other aid or government agencies working in the same/related field; CSOs; vendors; explicit adversaries)	Partners fail to address development needs or waste resources	UNDP to continue sharing planned activities as openly as possible and engage with key stakeholders especially under the framework of the LOTFA MPTF TOR	UNDP Country Office TFMU	Project team	4-Dec-21	No more relevant following project closure
12.	MOIA is not able to identify personnel with actual or potential knowledge, skills, and abilities for tailored payroll training	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	MOIA staff will not be trained to assume payroll management	SPM to continue capacity building for staff of MOIA, particularly building a core team of accounting technicians with the MOIA_B&F directorate	HR and Payroll specialist	Project team	4-Dec-21	Not relevant from 15 August 2021 when operations stopped
13.	MOIA is not able to commit staff to be full-time mentored	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing	Insufficient capacity within MOI payroll to take over LOTFA payroll	LOTFA to coordinate with partners to identify human	Planning, monitoring, and	Project team	4-Dec-21	Not relevant again following project closure.

	engagement with UNDP staff.		Partners / Responsible Parties	responsibilities by end June 2016	resources to support the payroll unit	reporting specialist			
14.	MOIA is not able to provide access for UNDP staff to all systems used for Tashkeel, ID cards, AHRIMS, others for HR and payroll management	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	MOIA payroll unit not able to verify human resources data and accuracy of payments.	Ensure that UNDP SPM staff, MAS and Auditors can have access to APPS reports as required to be able to produce the necessary reports for donors and other stakeholders	HR and Payroll specialist	Project team	4-Dec-21	Not relevant again following project closure.
15.	MOIA is not able to support modification of AHRIMS to accommodate possible recommended changes	1 July 2015 (project start)	2.d Stakeholder Risks/Other stakeholders (e.g., other aid or government agencies working in the same/related field; CSOs; vendors; explicit adversaries)	System capability is not sufficient to support auditable, accountable payments. UNDP's fiduciary risk is heightened	UNDP will be pushing for a proper documentation of its roles and responsibilities under the APPS regime and ensure that its fiduciary roles and responsibilities are not compromised	UNDP Country Office TFMU	Project team	4-Dec-21	closure
16.	All stakeholders do not proactively share with MOIA detailed information concerning specific activities and advising objectives	1 July 2015 (project start)	2.d Stakeholder Risks/Other stakeholders (e.g., other aid or government agencies working in the same /related field; CSOs; vendors; explicit adversaries)	Capacity building activities are uncoordinated	UNDP to continue sharing planned activities as openly as possible and meet frequently with partners and collaborators	UNDP Country Office TFMU	Project team	4-Dec-21	UNDP and donors have communicated their decision to close the project on 4 December 2021
17.	MOIA is not able to effectively communicate processes and	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing	Insufficient capacity within MOI payroll to take over LOTFA payroll	UNDP to facilitate the assessment of the LOTFA donor	UNDP Country Office TFMU	Project team	4-Dec-21	Not relevant again following project closure.

	procedures to staff at the national and sub-national level		Partners / Responsible Parties	responsibilities when the donor conditions are met	conditions as well as a HACT assessment			
18.	MOIA is not able to internally survey training needs and ensures alignment with partner offerings (ensure demand-driven assistance)	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	Capacity building activities are uncoordinated	UNDP Project to support MOIA to coordinate training needs identification and ensure targeted training	HR and Payroll specialist	Project team	4-Dec-21	Not relevant again following project closure.
19.	MOF is not able to provide sufficient numbers of MOIA and UNDP staff read-only usernames and passwords to AFMIS data	1 July 2015 (project start)	2.d Stakeholder Risks/Other stakeholders (e.g., other aid or government agencies working in the same/ related field; CSOs; vendors; explicit adversaries)	MOIA payroll unit not able to verify human resources data and accuracy of payments.	UNDP to ensure clarity of roles and responsibilities under changes that will be replacing WEPS--i.e., APPS and other systems	UNDP Country Office TFMU	Project team	4-Dec-21	Not relevant again following project closure.
20	MOF and commercial banks are not able to make EFT information available to UNDP for reconciliation	1 July 2015 (project start)	2.d Stakeholder Risks/Other stakeholders (e.g., other aid or government agencies working in the same/related field; CSOs; vendors; explicit adversaries)	MOIA payroll unit not able to verify human resources data and accuracy of payments. UNDP unable to provide reporting to donors concerning Government use of funds.	LOTFA to share with donors and partners reports on progress to attain access. SPM to share with MOF/MOIA auditors' findings and recommendations on this subject	HR and Payroll specialist	Project team	4-Dec-21	Not relevant again following project suspension.
21.	MOIA is not able to establish a unique identifier for	1 July 2015 (project start)	2.d Stakeholder Risks/Other stakeholders (e.g.,	MOIA payroll unit not able to verify human resources	LOTFA to share with donors and partners reports on progress so	HR and Payroll specialist	Project team	4-Dec-21	Not relevant again following project suspension.

#	Risk description	Date identified	Category	Impact	Countermeasures / Mngt response	Owner	Submitted by	Last update	Status
	reconciliation across databases (i.e., biometric ID card) linked to allocation of unique ID cards		other aid or government agencies working in the same/related field; CSOs; vendors; explicit adversaries)	data and accuracy of payments.	that donors and partners can engage with MOIA to assist.				
22.	MOIA is not able to complete 100 per cent Tashkeel slotting.	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	MOIA payroll unit not able to verify human resources data and accuracy of payments.	SPM to work closely with APPS technical team to ensure that all ANPs are fully slotted in APPS Tashkeel module	Planning, monitoring, and reporting specialist	Project team	4-Dec-21	Not relevant again following project suspension.
23.	MOIA and Netlinks are not able to support UNDP requirements to include all necessary data fields in AHRIMS/APPS.	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	System capability is not sufficient to support auditable, accountable payments	UNDP to ensure that all it requires are fully met prior to the utilization of APPS for payroll processing	Planning, monitoring, and reporting specialist	Project team	4-Dec-21	UNDP did not receive the detailed reports for July 2021 payroll processed on APPS
24.	GDPDC is not fully supported by AHRIMS/APPS.	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	Multiple systems in operation creating overload	UNDP to continue using WEPS for GDPDC	HR and Payroll specialist	Project team	4-Dec-21	Not relevant again following project closure.
25.	Commercial banks and MOIA are not able to make available to UNDP bank statement information for data verification purposes.	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	MOIA payroll unit not able to verify human resources data and accuracy of payments. UNDP unable to provide reporting to donors concerning Government use of funds.	LOTFA to share with donors and partners reports on progress so that donors and partners can engage with MOIA to assist.	HR and Payroll specialist	Project team	4-Dec-21	Not relevant again following project closure.
26.	Commercial banks and MOIA are not able to work together to resolve issues such as return of	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	MOIA payroll unit not able to verify human resources data and accuracy of payments. UNDP unable	LOTFA to share with donors and partners reports on progress to attain access.	Planning, monitoring, and	Project team	4-Dec-21	Not relevant again following project closure.

#	Risk	Date	Type	Impact	Countermeasures / Management response	Owner	Submitted, updated by	Last Update	Status
	inactive bank account balances to MOIA			to provide reporting to donors concerning Government use of funds.		reporting specialist			
27.	MOIA does not expand AHRIMS, MOIA does not work with Netlinks to ensure expansion of AHRIMS capability, to include General Directorate of Prisons and Detention Centres (GDPDC).	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	System capability is not sufficient to support auditable, accountable payments	UNDP to explore direct contractual relationship with third party vendors and MOU with HQ RS / CSTC-A	Planning, monitoring, and reporting specialist	Project team	4-Dec-21	This risk is dead since APPS has replaced AHRIMS and APPS does not cover GDPDC
28.	MOIA is not able to ensure HR staff / systems users at the national and subnational level receive support services for non-UNDP managed HR systems	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	MOIA payroll unit not able to verify human resources data and accuracy of payments. UNDP unable to provide reporting to donors concerning Government use of funds.	UNDP to seek inputs from CSTC-A / RS for inclusion in reports	Planning, monitoring, and reporting specialist	Project team	4-Dec-21	This risk is dead with the utilization of APPS HR module which is all automated
29.	Netlinks cannot support linked solution with WEPS.	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	System capability is not sufficient to support auditable, accountable payments	UNDP to explore direct contractual relationship with third party vendors and MOU with HQ RS / CSTC-A	Planning, monitoring, and reporting specialist	Project team	4-Dec-21	This risk is dead with the introduction of APPS which required no links to WEPS
30.	MOIA, MOF, RS, and UNDP are not able to successfully conclude agreement for delivery of linked systems and capacity building activities.	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	Systems will not be electronically linked or integrated	UNDP to ensure the full clarification and documentation of its roles and responsibilities under APPS regime	UNDP Country Office TFMU	Project team	4-Dec-21	Not relevant again following project closure.

31.	MOF and commercial banks are not able to establish EFT banking services for all police	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	CSTC-A milestone for transition will not be met	UNDP to report on progress of EFT expansion	HR and Payroll specialist	Project team	4-Dec-21	Not relevant again following project closure.
32.	MOIA building move is not completed in time for preparation and installation of DRR site.	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	No DRR capability in place at the time of UNDP project completion	MOIA to identify mitigation measures	Planning, monitoring, and reporting specialist	Project team	4-Dec-21	This risk has died. The MOIA has moved to the new compound.
33.	MOIA is not able to maintain the intranet and Network Operations Centre	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	Web-enabled systems cannot function	UNDP to report on intranet availability to donors and partners	Planning, monitoring, and reporting specialist	Project team	4-Dec-21	Not relevant again following project closure.
34.	MOIA-ICT is not able to ensure alignment of DRR Plan with other MOIA systems	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	DRR plan is not implemented or is costly / inefficient	UNDP to include systems integration support to MOIA-ICT	Planning, monitoring, and reporting specialist	Project team	4-Dec-21	Not relevant again following project closure.
35.	Commercial banks are not able to collaborate with MOIA over requirements to expand bank services and EFT	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	EFT expansion planning fails to progress	UNDP to report on progress of EFT expansion. UNDP supports MOIA/MOF through a Letter of Engagement on the MM project	HR and Payroll specialist	Project team	4-Dec-21	Not relevant again following project closure.
36.	Commercial banks are not sharing EFT expansion plans.	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	EFT expansion plans are unknown	UNDP to report on progress of EFT expansion	HR and Payroll specialist	Project team	4-Dec-21	Not relevant again following project closure.
37.	MOIA is not able to expand fibre or other improved connectivity between the central and	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	Web-enabled systems cannot function	UNDP to report on intranet availability to donors and partners. UNDP supports alternative solutions such as VPN	HR and Payroll specialist	Project team	4-Dec-21	Not relevant again following project closure.

	sub-national levels, where needed.							
38.	MOIA is not able to ensure demand-driven assistance	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	Capacity building activities are uncoordinated	UNDP establishes closer collaboration with the MOIA through the TFMU and other governance structures such as MST	HR and Payroll specialist	Project team	4-Dec-21	Not relevant again following project closure.
39.	MOIA is not able to make available to system users adequate facilities, power, and other needs for web-enabled system usage	1 July 2015 (project start)	2.a Stakeholder Risks/Implementing Partners / Responsible Parties	System capability is not sufficient to support auditable, accountable payments	MOIA to identify mitigation measures	WEPS Manager	Project team	**4-Dec-21**	Not relevant again following project closure.

E. ANNEX 6: LOTFA DONOR CONDITIONS

Introduction

Purpose

This document acknowledges the donor conditions for the full transition of all payroll management functions to the Ministry of Interior Affairs (MOIA) of the Government of the Islamic Republic of Afghanistan (GOIRA). It outlines the consensus reached by the MOIA, Ministry of Finance (MOF), Combined Security Transition Command – Afghanistan (CSTC-A) and United Nations Development Programme (UNDP) responsibilities, and donors' expectations to deliver an integrated human resources and payroll system. It further proposes a conditions-based approach to transitioning payroll management to the MOIA by 31 December 2016, while preserving donor-desired benchmarks. Donors, through the UNDP Oversight Committee, will commission an independent audit to assess the achievement of the conditions set forth in this document prior to the transition.

Administrative Notes

1) Throughout this document, where individual staff members of each organization are named, the organization (directorate, department, section, etc.) bears the responsibility of designating a successor or temporary replacement empowered to conduct implementation in the event of long-term absences, resignations, etc.
2) Deputy Ministers, Directors, and Deputy Directors may delegate tasks, but retain full responsibility for implementation of actions plans under their purview.
3) MOIA shall develop and provide to the donors, an action plan for the realisation of conditions within 30 days of the acceptance of this document.
4) MOIA will provide incremental assessments towards the realisation of the conditions; at a minimum, by the end of each phase of the LOTFA Successor Project Document.
5) UNDP will accomplish document translation.

Donor Conditions

The Government of Afghanistan acknowledges the donor conditions required for the full assumption of management of payroll by MOIA staff.

I.   **Conditions for the Ministry of Finance (MOF)**

1) MOF, in cooperation with the Da Afghanistan Bank and commercial banks, will expand the Electronic Fund Transfer (EFT), Mobile Money, or other commercial bank payment services available to serve at least 90% of the Afghan National Police (ANP) and the Central Prison Department (CPD). MOIA will extend full support to MOF for achievement of this condition.

2) MOF will ensure that commercial banks contracted to provide Electronic Fund Transfer, Mobile Money, or commercial bank payment services, deposit funds in individual Police accounts by the 1st of each month (solar calendar) for the previous month's pay. MOIA will extend full support to MOF for achievement of this condition; and

3) Upon the acceptance of the conditions, MOF will conclude a Memorandum of Understanding (MOU) with the central bank and MOIA to ensure that pay documents are automatically transferred without separate manual entry.

II.   **Conditions for the Ministry of Interior Affairs (MOIA)**

Policy development and implementation

1) MOIA will have developed and implemented Human Resources (HR) policies at the National and sub-National levels, that clearly and comprehensively address Afghan National Police (ANP) and General Directorate of Prisons and Detention Centres (GDPDC) recruitment, promotion, termination, and transfer. The policies will define:
     i.   Internal Control Management.
     ii.   Incentives, bonuses, and award pay.
     iii. Deductions.
     iv. Special categories of Police (Very Important Person Protection (VIPP), Afghan Public Protection Force (APPF) and other special categories of forces).
     v.   Special statuses of Police (Reserve, retired, in training, cadet).
     vi. On-Tashkil, off-Tashkil, and over-Tashkil.
     vii. Recruitment.
     viii. Hiring.
     ix. Termination.
     x.   Vetting.
     xi. Time and attendance; and

xii.   Issuance and control of identification cards.

2) MOIA will develop and revise existing Finance policies for the proper accounting of Police pay, including guidance to direct the source of funds to be used for each category and status of Police and the use of the LOTFA fund code.

3) MOIA will ensure adherence to the Standard Operating Procedures (SOP) for data entry into the Afghanistan Human Resource Information Management System (AHRIMS), including slotting of all police;

4) MOIA will maintain a valid, biometric identification card for at least 90% of Police and will ensure that no personnel will be entered into the Afghan Personnel and Payroll System (APPS) without a valid ID card.

5) MOIA will extend full support to MOF for achievement of the MOF conditions set out in Section I above.

Support to CSTC-A for System Development and Implementation

6) MOIA will provide CSTC-A with its requirements for the development of the system in accordance with Afghan law and MOIA policies.

7) MOIA will participate in CSTC-A system acceptance, and implement (install and use) the APPS system to standards agreed with CSTC-A. These standards will account for variations across Afghanistan in security, electricity availability, network connectivity and system availability.

Reduction in Trusted Agent Payments and Corresponding Increase in EFT, Mobile Money, or Other Commercial Service Provider Payments to Police

8) MOIA will use only EFT, mobile money, or commercial bank payment service in areas where it is available, without any Police pay disbursement by Trusted Agents. If the listed services do not exist in an area, Trusted Agents may be utilized with written authorization from the Director General under the supervision and accountability of the Provincial Chief of Police or the Commanding Officer of the provincial prison.

Network Infrastructure

9) The MOIA will expand network connectivity to all Provincial Headquarters to support usage of the implemented system, with support from CSTC-A.

Monitoring and Evaluation, Inspection and Audit

10) MOIA will assess compliance with established policies and will share assessment results with donors.

11) MOIA will regularly monitor personnel and payroll data according to established monitoring plans, to identify discrepancies, detect and avoid fraud, waste and abuse, correcting errors and deficiencies within 60 days of detection; and

12) MOIA will take administrative, disciplinary or legal action, as appropriate, in response to detected payment anomalies.

III. **Conditions for UNDP to Support the Payroll Management (SPM) Project**

1) UNDP/SPM support MOIA in the development and implementation of HR and finance policies mentioned in Part II # 1 above. UNDP/SPM will also conduct technical analyses (reports and studies) concerning existing legal and policy documents related to Payroll (HR and finance) and make recommendations for improvement.

2) UNDP/SPM will provide independent Monitoring Agent services, and provide regular reports to donors and MOIA, with findings and recommendations.

3) UNDP/SPM will build capacity of MOIA in payroll management in accordance with its approved Annual Work Plan; and

4) UNDP/SPM will contract an independent audit firm to conduct an assessment of MOIA's compliance with the donor conditions listed in Part II above.

IV. **Conditions for the Combined Security Transition Command – Afghanistan (CSTC-A)**

1) CSTC-A will fully fund and manage the development of an integrated Afghan Personnel and Payroll System (APPS).

2) CSTC-A will ensure the APPS system accommodates all MOIA employees.

3) CSTC-A will develop the interface between APPS to the MOIA Identification Card System. The system will rely on the MOIA biometric, vetted identification card as the single unique identifier of Police in personnel and pay records. The system will also perform integrity checks of the identification cards against payroll records; and

4) Details of the technical specifications of APPS will be reflected in an MOU between MOIA and CSTC-A