

PROGRAMME DOCUMENT

Programme Title: Trust Fund Management Unit (TFMU) project

Overall strategic objective of the Programme: Increase public trust in State and local Rule of Law institutions

Programme Outcomes: Public trust increased in State and local Rule of Law institutions

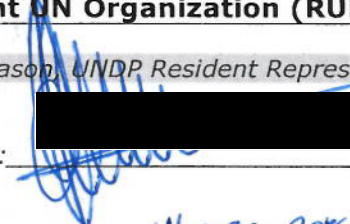
Programme Duration: 5 years	Total amount: USD 42,476,880
Start Date: 1 January 2019	Sources of funding:
End Date: 31 December 2024	1. LOTFA MPTF USD 18,710,000
	2. Other sources of funding:
	• Government USD _____
	• UN Organization USD _____
	• UN Organization USD _____

Short description of the Programme

The Trust Fund Management Unit (TFMU) project will ensure the effective management of the Law and Order Trust Fund for Afghanistan (LOTFA), established as a Multi-Partner Trust Fund (MPTF), in accordance with the Trust Fund Terms of Reference (TOR) and UNDP financial rules and regulations. Robust management structures and processes will ensure the fund is managed in a timely, efficient and accountable manner.

The United Nations Development Programme (UNDP) Country Office (CO) as Trust Fund Manager will ensure adequate management and oversight of LOTFA. To this end, a Trust Fund Management Unit (TFMU) will be established to perform the day-to-day responsibilities as Trust Fund Manager. The specific activities undertaken under the TFM project will focus on providing programme and financial management and oversight services. These services will be provided by the Rule of Law and Human Security (ROLHS) Unit and by the Finance Unit and the Fund Financial Fiduciary Management Unit (FFFMU). The ROLHS Unit will be responsible for establishing a fund-wide M&E framework and undertake assessments, surveys and studies to establish a robust empirical evidence-base with quantitative and qualitative data to ensure adaptive and flexible management responses to inform the Trust Fund's planning, programming and monitoring. The implementation of LOTFA project and activities will be underpinned by a clear LOTFA communications strategy.

Names and signatures of Recipient UN Organization

Recipient UN Organization (RUNO):	
UNDP Jocelyn Mason, UNDP Resident Representative a.i.	 <div style="border: 2px solid blue; padding: 5px; display: inline-block;"> Jocelyn Mason Resident Representative a.i. UNDP - Afghanistan </div>
Signature: _____	
Date and Seal: 14 Dec. 2018	
Date: _____	

Programme Document

1. Executive Summary

The TFMU project will ensure the effective management of the LOTFA, established as a MPTF, in accordance with the Trust Fund TOR and UNDP financial rules and regulations. Robust management structures and processes will ensure the fund is managed in a timely, efficient and accountable manner.

The UNDP CO as Trust Fund Manager will ensure adequate management and oversight on the implementation of LOTFA. The specific activities undertaken under the TFMU project will focus on providing programme and financial management services. These services will be provided by the ROLHS Unit and by the Finance Unit and the FFFMU. The ROLHS Unit will be responsible for establishing a fund-wide M&E framework to undertake assessments, surveys and studies to establish a robust empirical evidence-base with quantitative and qualitative data to ensure adaptive and flexible management responses to inform the Trust Fund's planning, programming and monitoring. The implementation of LOTFA project and activities will be underpinned by a clear LOTFA communications strategy.

The TFMU project will ensure that the Trust Fund is managed in accordance with the Trust Fund Terms of Reference and arrangements, UNDP financial rules and regulations, and in a timely, efficient and accountable manner. Additionally, the TFMU project will also ensure that Trust Fund planning and programming are demand-driven and informed by baseline assessments that establish a robust empirical evidence-base with quantitative and qualitative data to enable informed decision-making, and adaptive and flexible management of the Fund. Finally, the TFMU project will ensure that the Trust Fund's progress and results are regularly communicated to Government, partners and the Afghan people, ensuring strategic stakeholder engagement and feedback on the Government's strategies, policies and plans. The direct beneficiaries of the TFMU project are the LOTFA Stakeholder (Government and donors) participating in the Fund. The Afghan people are the ultimate beneficiaries of the Trust Fund's initiatives and activities.

2. Situation Analysis

The LOTFA was established on 16 May 2002 by the UNDP Administrator under the financial regulations and rules of UNDP. It was established initially for the primary purpose to receive and administer funds to mobilize additional resources needed to enhance UNDP programme activities related to the payment of salaries of Afghan National Police (ANP) and General Directorate for Prisons and Detention Centres (GDDPC) officers.¹

In 2014, LOTFA added a component of capacity development support on selected areas of institutional development and police professionalization to its overall support to MOIA payroll management. In 2015, UNDP revised the existing LOTFA arrangements in response to instructions from H.E. President Ghani, resulting in a clearer structure with stronger assurance and oversight mechanisms and designed based on a roadmap to transfer non-fiduciary payroll management functions from LOTFA to the MOIA. As part of the restructured LOTFA, two separate but complementary projects were designed, namely the Support to Payroll Management (SPM) and MOIA and Police Development (MPD) projects. Simultaneously, the GIROA and donors contributing to LOTFA agreed on a set of Donor Conditions for Payroll Transition² which needed to be achieved in full to allow for payroll transition to occur. By November 2016, the GIROA and donors established that the Donor Conditions had not yet been met and that subsequently the payroll management responsibilities would remain with LOTFA until the moment that Government and donors decide on payroll transition.

Based on consultations conducted throughout 2017 and 2018 between GIROA, UNDP, donors and other stakeholders, a growing view emerged that the scope of LOTFA should be expanded to include the

¹ As stated in the LOTFA TOR approved by the UNDP Administrator in 2002 and as revised in 2008.

² With a target date set for December 2016.

entire justice chain (police, courts, corrections) and cover all institutions across the entire Rule of Law sector, with an increased focus on anti-corruption. Subsequently, the LOTFA structure has been revised once more to bring the Trust Fund more in line with international standards and best practices on Trust Fund management and administration. The new Trust Fund TOR (see Annex 4) were approved on 25 November 2018, with the creation of 4 Thematic Windows, namely 1) Security; 2) Justice; 3) Anti-Corruption and 4) MOIA Payroll.

The revised Trust Fund will support the GIROA in its efforts to undertake security and justice reforms and to strengthen State-based Rule of Law, Security and Justice service-delivery to the Afghan people. A Trust Fund is a 'catalytic' funding mechanism, which allows Government and development partners to design sector-wide, comprehensive programming, plan and react adaptively, and use 'pooled' resources to support the achievement of jointly agreed Strategic Objectives, and to coordinate partners' interventions within the sector. Key aspects of LOTFA are that the revised modality will allow for greater adaptability, flexibility and responsiveness in the allocation and delivery of funds to respond to emerging needs in a kinetic political and operational environment in Afghanistan. The Trust Fund will provide predictability for multiyear programming to monitor the impact and outcome of interventions in the sector. The revised Trust Fund will thus allow to move away from the previous 'projectized' approach to LOTFA. The previous approach did not allow LOTFA partners the flexibility to engage in areas outside of the remit of the SPM and MPD projects and address emerging priorities and needs. In April 2018, the UNDP CO, together with UNDP HQ and the Multi-Partner Trust Fund Office (MPTFO) agreed and recommended that the revised LOTFA be established as a 'Agency-led' MPTF, as this model would address most substantively the Government's and donors' requirements.

The UNDP TFMU project will support the GIROA in the provision of Trust Fund management services as the Trust Fund Manager of LOTFA to support Fund operations and implementation. As part of its role as Trust Fund Manager, the UNDP CO in Afghanistan will provide strategic, programme and financial management services to LOTFA, including essential M&E and communication functions. Consequently, project proposals will be formulated and developed to implement the work as approved per the Steering Committee's decisions under the Thematic Windows.³

3. Strategies, including lessons learned, and the proposed programme

The UNDP CO will ensure that the appropriate arrangements are in place to effectively manage and communicate LOTFA outcomes. To this end, the UNDP CO will establish a TFMU to perform the day-to-day responsibilities as Trust Fund Manager. The TFMU will encompass UNDP Senior Management and the CO Front Office, the ROLHS Unit and FFFMU. The ROLHS Unit will be responsible for establishing a fund-wide M&E framework to undertake assessments, surveys and studies to establish a robust empirical evidence-base with quantitative and qualitative data to ensure adaptive and flexible management responses to inform the Trust Fund's planning, programming and monitoring. The implementation of LOTFA project and activities will be underpinned by a clear LOTFA communications strategy.

Sound management and administration of the Trust Fund in line with and UNDP financial rules and regulations, as well as effective communication of the Fund's objectives and achievements, will provide the GIROA and donors with assurance in regard to the use of LOTFA funds.

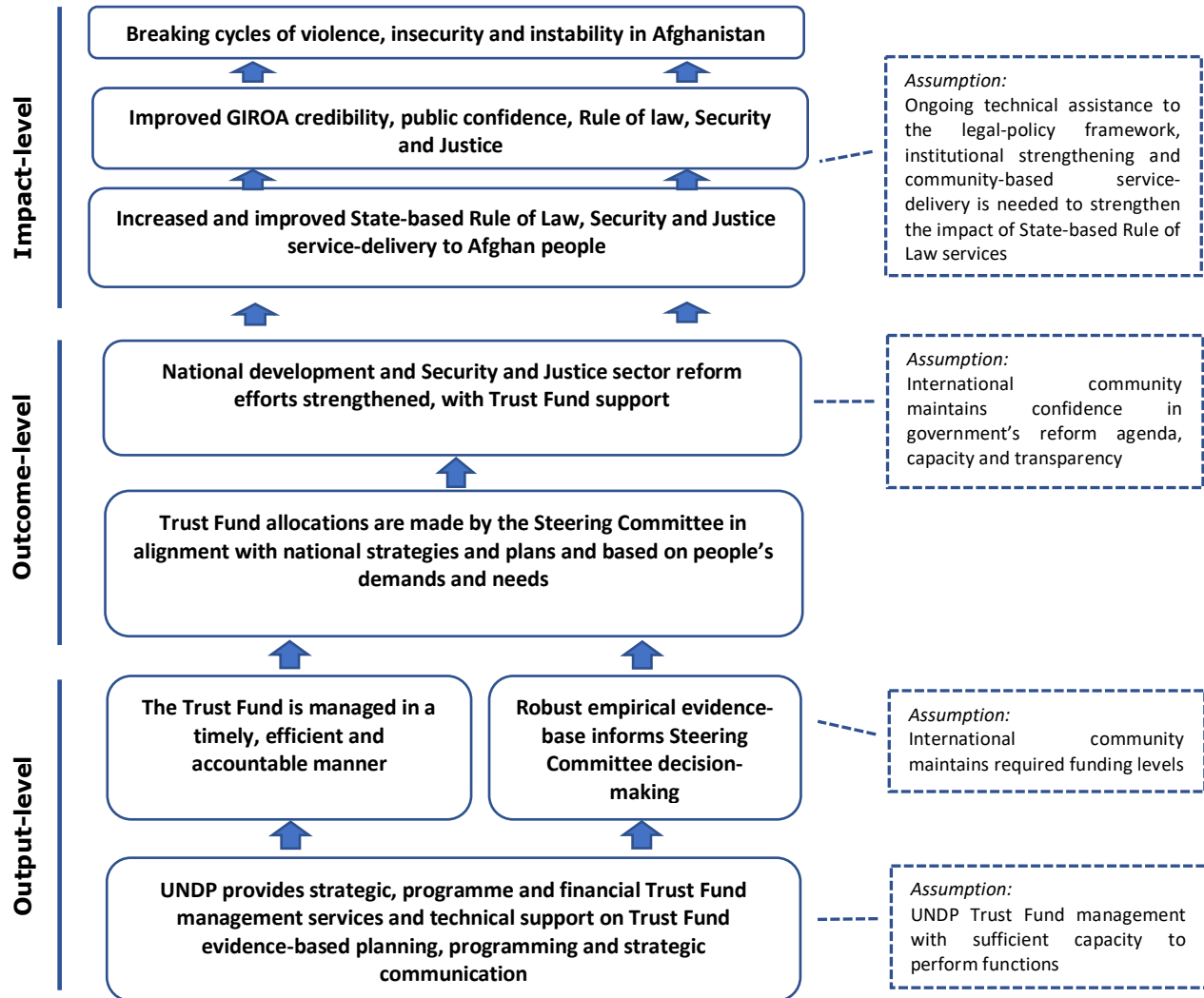
The TFMU project Theory of Change (ToC) can be outlined as follows:

- *If* UNDP as Trust Fund Manager performs its role effectively in providing programme and financial management services of LOTFA funds and *if* the Trust Fund invests in evidence-based planning and programming and communicates the effectiveness of this approach and outcomes associated, *then* the Trust Fund will be effectively managed in accordance with the Trust Fund TOR and UNDP financial rules and regulations, and in a timely, efficient and accountable manner and the Steering Committee's decision-making will be based on evidence-based data.
- *If* the Trust Fund Steering Committee makes its fund allocation decisions in alignment with national development strategies and plans, *then* the Trust Fund will effectively support the GIROA in realizing its reform objectives and efforts.

³ Processes and procedures for Fund administration, operation and implementation are outlined in the LOTFA MPTF TOR, annexed to this Project Document.

- *If* sustained funding to the Trust Fund is supported by ongoing technical assistance to the GIROA reform efforts in the Rule of Law, Security and Justice sector, *then* an improved quality of State-based Rule of Law, Security and Justice service delivery will result in an improved credibility of the Government, public confidence in the national security and justice institutions and a strengthened Rule of Law.

Figure 1: TFMU project Theory of Change



The TOC is based on a number of assumptions. Firstly, it understands that the UNDP CO as Trust Fund Manager will need to uphold capacity and quality levels to effectively manage LOTFA. This requires the adequate staffing of the CO's TFMU team (see Organigram in Annex 5), as well as the quality performance of staff. To this end, the TFMU's Organigram and budget will be annually submitted to the Steering Committee for approval. The TFMU's structure will adapt following the changes in size of the overall portfolio and its responsibilities for overseeing the projects funded through the Trust Fund. Secondly, it assumes that international donors will maintain sufficient levels of funding to sustain the achievement of the Trust Fund's Strategic Objectives. Thirdly, it requires sustained confidence of LOTFA partners in the GIROA's willingness and capacity to pursue its reform objectives and in the ability of the Trust Fund to mobilize the required resources to support the realization of these initiatives. Fourthly, it assumes that the results of the reform efforts will be successful when coupled with ongoing technical assistance to the strengthening of the legal and policy environment, the strengthening of the Rule of Law institutions and justice and security service-delivery, and

communication thereof at the community level. Figure 1 above provides a graphic representation of the ToC.

The Trust Fund supports gender mainstreaming and gender responsiveness across the Fund's project portfolio, as highlighted in the Trust Fund's Strategic Objectives. The TFMU project, due to the nature of its work, whilst it does not include specific gender-related activities, will pursue gender empowerment strategies to evidence a strong gender inclusion response.

Partnerships

For the TFMU project, the following partnerships will be key to ensure effective implementation of its key activities:

- GIROA: Coordinates together with UNDP the implementation of the projects funded through the Trust Fund. The GIROA holds key positions within the Trust Fund's governance structure in its role as Senior Executive and Senior Beneficiary (key partnership under all 4 Funding Windows).
- Donors: Provide oversight on the transparent use of LOTFA funds through the LOTFA governance structure (key partnership under all 4 Funding Windows).
- UNDP MPTF Office: provides support to fund design and serves as AA for the Trust Fund.
- UNDP Headquarters/Regional Office: provides oversight over UNDP CO management in its role as Trust Fund Manager and provides assistance through technical support where required.

Stakeholder engagement

Key partnerships for the Trust Fund will be managed by UNDP through the LOTFA governance structure, which will bring together key government counterparts (President's Office, MOIA, MOF, Ministry of Justice, Attorney General's Office, Afghan Independent Bar Association, Supreme Court, Ministry of Women's Affairs, Afghan Independent Human Rights Commission, Anti-Corruption Justice Centre, Supreme Office for Audit), UNDP (as Trust Fund Manager), RUNO's and donors. The Trust Fund governance structure will be the primary mechanism through which the government counterparts and donors as key stakeholders for UNDP will be engaged.

The Afghan people are the principal beneficiaries of the Trust Fund, given that the projects funded through the Trust Fund should impact national justice and security institutions to improve service-delivery to Afghan people, particularly in rural areas.

Risks

The TFMU project will need to address risks specific to the implementation context of the project. One risk is the (dis)continuity of international funding to meet the capitalization targets for the different Thematic Windows. This risk can be addressed by ensuring that M&E activities provide an evidence-base of effective use of funds, maintaining frequent and clear communication with international partners supporting LOTFA to inform about (potential) future funding gaps and requirements, and consequently mobilize the required resources. It is also important to maintain communication with GIROA to ensure ongoing understanding of LOTFA activities, foster a sense of ownership and build engagement to ensure long-term sustainability. Another risk is the ability of the GIROA to ensure transparency and accountability to UNDP and donors in the use of LOTFA funds. This risk can be addressed through consistent risk monitoring and management using the LOTFA governance structure. A complete identification and analysis of risk is available in Annex 3.

South-South and Knowledge

No South-South or Triangular Cooperation activities are foreseen under the TFMU project. The TFMU will produce a number of assessments, surveys and studies which will provide an empirical evidence-base, with qualitative and quantitative data, to establish baselines and measure progress and impact of Trust Fund interventions over-time. These assessment results will be publicly available for the use of other partners as well. A deliberate knowledge management approach will provide useful, relevant information on lessons learnt to donors, the GIROA and the development community at large. A key initiative towards this end is the establishment of the LOTFA Information Management and Results System (IMRS), which will provide LOTFA Stakeholders (Government, Donors) will readily accessible and real-time monitoring data on LOTFA activities. This platform will be made available for direct use of LOTFA Stakeholders.

Sustainability

Sustainability of Trust Fund interventions will be achieved once national Rule of Law, security and justice institutions reach a level of functional performance and service-delivery that meets Afghan people's needs and expectations. Financial self-reliance will be achieved once the GIROA attains a sufficient and sustainable revenue base to support its operations with national resources for the medium- to long-term, without the need for further substantial international financial support. Current Warsaw commitment are set to expire by 2020.

4. Results Framework

The TFMU Project activities will be organised around the following three Outputs:

- **Output 1:** The Trust Fund is managed in accordance with the Trust Fund Terms of Reference and arrangements and UNDP financial rules and regulations, and in a timely, efficient and accountable manner.
- **Output 2:** Trust Fund planning and programming are demand-driven and informed by baseline assessments that establish a robust empirical evidence-base with quantitative and qualitative data to enable informed decision-making, and adaptive and flexible management of the Fund.
- **Output 3:** The Trust Fund's progress and results are regularly communicated to Government, partners and the Afghan people, ensuring strategic stakeholder engagement and feedback on the Government's strategy, policies and plans.

Output 1: The Trust Fund is managed in accordance with the Trust Fund Terms of Reference and arrangements and UNDP financial rules and regulations, and in a timely, efficient and accountable manner.

The UNDP CO will act as the Trust Fund Manager for LOTFA, as requested by H.E. President Ghani⁴ and as outlined as part of the Fund's operations within the LOTFA TOR. In this regard, the TFMU project will ensure the effective management of the Trust Fund in accordance with the Trust Fund TOR, UNDP financial rules and regulations, and in a timely, efficient and accountable manner. The specific activities undertaken under the TFMU project will focus on: i) programme management and oversight services performed by the ROLHS Unit; and ii) financial management and oversight services performed by the Finance Unit and by the FFFMU. The UNDP CO as Trust Fund Manager for LOTFA will play various roles in providing oversight on the Trust Fund's activities and operations. These responsibilities are distinct from but complementary to those of the MPTF Office, who will act as AA for the Trust Fund. Below are described in further detail the TFMU project's responsibilities.

The TFMU project will establish the proper staffing structure for the management of LOTFA within the CO. The ROLHS Unit will provide programme management and oversight and quality assurance, ensuring that the projects funded through the Trust Fund remain relevant and meet quality standards, that appropriate project management milestones are managed and completed, and that the projects are implemented in compliance with UNDP and government rules and regulations. The ROLHS Unit will also provide secretarial services to support the operations of the Steering Committee, and oversee the proper administration of the TWG meetings, conduct monitoring and produce progress reports. The ROLHS Unit will also be responsible for the overall coordination of Trust Fund management operations, monitoring and reporting, independent evaluations and substantive reviews of projects funded through the Trust Fund and activity and outcome communication. The ROLHS Unit will provide an international Trust Fund Programme Coordinator, three Programme Management Specialists, three national Programme Officers and three Programme Associates. The Chief, ROLHS Unit will oversee the functioning and the performance of the ROLHS staff.

The FFFMU will provide financial management and oversight and operational support to Trust Fund implementation and operations, ensuring that UNDP as Trust Fund Manager applies the necessary fiduciary control mechanisms to monitor LOTFA's financial flows and expenditures. The FFFMU will perform daily financial management, control and fiduciary oversight functions over the Fund's financial operations. The FFFMU will consist of an international Fund Management Specialist (P4), one national Programme Finance Analyst (NOB), two national Finance Officer (SB4) and a national Finance

⁴ See letter of H.E. President Ghani to donors, dated 17 September 2016.

Associate (SB3). The Chief Financial Officer (CFO) of the UNDP CO will oversee the functioning and the performance of the FFFMU staff.

The internal organization of functions for Trust Fund management within the CO ensures a “firewall” between the Trust Fund’s programmatic management functions and the Fund’s financial and fiduciary oversight functions.

Finally, the UNDP Senior Management Team will ensure oversight on the performance of UNDP staff part of the Trust Fund Management Unit. UNDP Senior Management will also provide general strategic oversight over LOTFA and ensure strategic and substantive coherence between the LOTFA Strategic Framework and the projects funded through the Trust Fund. The UNDP Senior Management Team will engage with the GIROA and donors at senior level on issues related to the management and implementation of LOTFA. The UNDP Senior Management Team consists of the Country Director and two Senior Deputy Country Directors for Programmes and Operations, respectively.

The LOTFA Steering Committee is the highest authority within the Trust Fund’s governance structure and will provide strategic guidance and oversight to the Fund’s investments. In this regard, the Steering Committee will provide directives and instructions to the TFMU related to policy, planning and programming.

Output 2: Trust Fund planning and programming are demand-driven and informed by baseline assessments that establish a robust empirical evidence-base with quantitative and qualitative data to enable informed decision-making, and adaptive and flexible management of the Fund.

The Trust Fund will establish a robust evidence-base for the Fund, with quantitative and qualitative data, to inform planning, policy and programming. Ensuring the establishment of a robust M&E system will ensure that the Fund’s programming and decision-making is demand-driven. This is a prerequisite for the Fund to be managed in a flexible and adaptive manner. This work within the TFMU will be guided and implemented by a professional M&E team. The work on M&E within the TFMU will focus on: i) designing, establishing and maintaining relevant M&E frameworks at both the Fund- and project-levels to measure progress and impact of the Fund’s activities. This will provide continuous and up-to-date quantitative and qualitative data to inform discussions and technical analysis in the TWG’s and SC on ongoing trends and dynamics within the relevant sectors, as well as inject empirical evidence in Fund and project progress reporting. To ensure continuous data collection and analysis relevant to the Fund’s activities, the TFMU will: ii) plan, design and conduct the necessary assessments, surveys and studies to establish base-, mid- and end-lines to assess impact and to inform decision-making on Fund allocations and project (re)designs and revisions. The TFMU will also be responsible for commissioning independent mid-term and final evaluations on relevant areas of the Fund’s operations and implementation. As a critical component of the Fund’s capacity to collect, collate, analyse and manage the quantitative and qualitative data, the Fund will: iii) design and establish a LOTFA Information Management and Results System (IMRS), which will function as the Fund’s M&E platform. This will allow the Government and donors to access directly up-to-date and geographically referenced data on LOTFA activities, progress and impact, visualized through maps, data-analytical reports and dashboards.

The work on M&E and communications will be led by a dedicated M&E team, consisting of an international M&E Advisor (P4), and supported by an international Technical Specialist Data Management (P3), an international Technical Specialist Research and Evaluation (P3), a Communications Specialist (P3), a national Monitoring Specialist (NOC), an international Reporting Officer (IUNV) and a national IMS Specialist (SB4). The Chief, ROLHS Unit will oversee the functioning and the performance of the M&E team.

Output 3: The Trust Fund’s progress and results are regularly communicated to Government, partners and the Afghan people, ensuring strategic stakeholder engagement and feedback on the Government’s strategies, policies and plans.

The development and implementation of projects and activities under the Trust Fund will be underpinned by a LOTFA communications strategy, which will support the Government and LOTFA stakeholders in raising awareness amongst the Afghan public, government and international partners about the Trust Fund’s progress and results. Critically, it will link LOTFA support and activities clearly

with the Government's strategies, policies and plans. The communications strategy will also help to give a voice to the ultimate beneficiaries of LOTFA, i.e. the Afghan people, in sharing how the efforts and initiatives are making a tangible impact in their lives. These evidence-based stories from Afghan people, based on their real lived experiences, will provide an important citizen-feedback mechanism to LOTFA and the Government regarding the effectiveness of the implemented strategies, policies and plans. The LOTFA communications strategy will also allow the Fund to regularly and transparently engage with partners and the public by sharing progress updates, success stories and ideas, and create opportunities allowing regular feedback on the Fund's performance. The key audiences of the LOTFA communications outputs will be the Afghan public, Government and LOTFA stakeholders (including donors). Concretely, the work under Output 3 will focus on: i) Creating content and developing targeted communication materials that highlight progress on LOTFA funded initiatives and distribute these through relevant, appropriate and culturally sensitive channels to specific audiences (including owned digital platforms); ii) Establishing 'taking the pulse' monitoring mechanisms (such as online surveys) to regularly collect, collate and analyse feedback from target audiences to inform the revision and adaptation of design, development and implementation of strategies, policies, plans and activities supported through the Fund. And finally, iii) Building the capacity of Government institutions participating in the Trust Fund to increase their ability to plan and implement progress-related communication strategically, in an independent manner over-time, so that public confidence is built in the delivery capacity of the Government. The work under this Output will be logically interlinked, and build on, the work under Output 2.

The TFMU will acquire the services of a professional company specialized in communications to conduct the work under this Output. The company will be supported and overseen by the international Communications Specialist (P3) and supervised by the International M&E Advisor (P4), part of the LOTFA M&E team.

5. Work plans and budgets

The Annual Work Plan (AWP) of the TFMU project will be prepared and submitted annually to the Steering Committee for its review and approval. The AWP will be based on the capacity and funding requirements following the approved TFMU Organigram and the Steering Committee's instructions and directives provided to UNDP as Trust Fund Manager. The Organigram and budget will be annually reviewed and adjusted by the Steering Committee as per needs and budget availability in order to allow the UNDP CO to adequately respond to the requirements of the Trust Fund and the portfolio of projects financed through the Fund.

The 2019 AWP is attached as annex 2 to the Project Document.

6. Management and Coordination Arrangements

Projects under the Trust Fund will be formulated and designed within the framework of a comprehensive programmatic approach, in alignment with the Fund Strategic Framework and the Government strategies, plans and policies. Within the Trust Fund management approach, a common framework for planning, budgeting, coordination, monitoring, reporting and external communication will be applied under the day-to-day management of the UNDP CO as the Trust Fund Manager. This modality will result in significant cost-effectiveness and efficiency gains, as opposed to the management of separate individual projects. The LOTFA Steering Committee is the highest authority within the Trust Fund's governance structure and will provide strategic guidance and oversight to the Fund's investments. The Steering Committee will provide directives and instructions to UNDP as the Trust Fund Manager related to fund allocation, policy, planning and programming.

The TFMU project will be implemented under the overall framework of LOTFA. Therefore, the Trust Fund's operation, administration and implementation arrangements as detailed in the LOTFA MPTF TOR (annexed to this Project Document as Annex 4) and the Funds' Operational Manual will apply to the TFMU project.

Project management arrangements

Staffing requirements, responsibilities and supervisory arrangements for the TFMU are described in section 4 for each respective Output. The Chief, ROLHS Unit and the CFO will supervise staff of the ROLHS Unit and FFFMU, respectively. Managerial and supervisory responsibilities for the TFMU are outlined in the TFMU Organigram (annexes to this Project Document as Annex 5).

The TFMU will undertake monitoring, quality assurance and oversight activities in its role as Trust Fund Manager for LOTFA. The responsibilities related to the programme, financial and strategic management, assurance and oversight are described in further detail in section 4 under Output 1.

Implementation arrangements

UNDP will use the Direct Implementation Modality (DIM) for implementation of the TFMU project. Under DIM, UNDP assumes full programmatic and financial accountability for the activities implemented under the TFMU project, in line with UNDP policies and procedures for its operations. Expenditures incurred under the TFMU project will be charged an indirect cost at a 7% General Management Support (GMS) fee.

The TFMU will also oversee all other development projects funded through the Trust Fund. The ROLHS Unit will apply the measures determined by its corporate policies and procedures to provide quality assurance and oversight on those LOTFA-funded activities implemented under the 7% fee (e.g. NIM audit, spot-checks, progress reporting and progress reviews, etc.).

Risk management

Risk monitoring and management will constitute a critical activity within project management. The TFMU project is exposed to a variety of external and internal influencing factors⁵ that create uncertainty regarding the realization of the project's objectives. External risks are understood as those risks which relate to the implementation context of programmatic activities which fall outside of the direct scope of control of UNDP in its capacity as Implementing Partner to directly manage these risks (e.g. risks related to the social and environmental, financial, political, regulatory and strategic context). UNDP recognizes that various risks are outside of its scope of control (a Risk Matrix is included as Annex 3 to this Project Document). The UNDP, the GIROA and members of the international community supporting the Trust Fund and its projects will need to assume joint responsibility to identify and treat external risks throughout the Trust Fund, identify opportunities and threats, encourage proactive management and better informed strategic decision taking, and effectively allocate and use resources for risk treatment.

The ROLHS Unit will monitor the Trust Fund's programmatic risks,⁶ through the corporate processes and instruments determined by UNDP's Policy on Enterprise Risk Management (ERM). The Finance Unit will monitor the fiduciary risks,⁷ through the FFFMU and the processes and procedures established for this purpose. The Trust Fund governance structure will provide for the required mechanisms, at both strategic and operational levels, to monitor and manage these risks and identify further issues that affect the implementation of the projects funded through the Trust Fund. Risk monitoring and management will be part of the overall framework for assurance and oversight of the Trust Fund.

Audit

As the implementation modality for the Project is DIM, UNDP will apply the DIM audit arrangements. The contributions administered by UNDP within the framework of the Trust Fund shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of the UNDP. Audits shall be conducted on an annual basis. Should the biennial Audit Report of the Board of Auditors of the UNDP to its governing body contain observations relevant to the contributions, such information shall be made available to the donors.

⁵ The effect of this uncertainty on the objectives is understood as a "risk."

⁶ Programmatic risks are those risks that create uncertainty over the achievement of the Trust Fund's strategic objectives.

⁷ Fiduciary risks are those risks that create uncertainty over the transparent and accountable use of LOTFA funds.

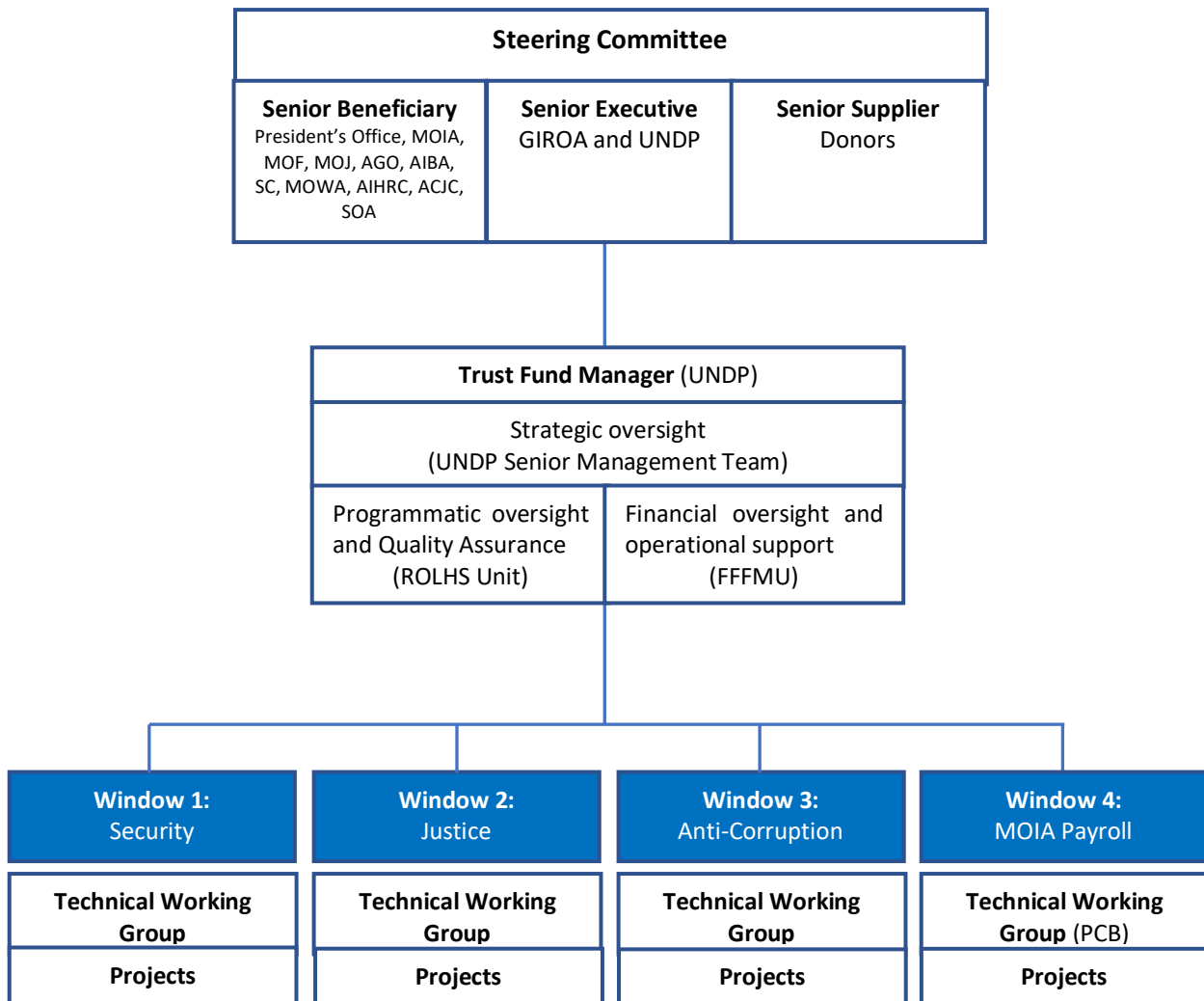
Equipment, ownership and other supplies

Ownership of equipment, supplies and other property financed from the Trust Fund shall be vested in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with applicable policies and procedures of UNDP.

Coordination arrangements

Figure 2 below represents the coordination mechanism for the TFMU project, indicating the roles and responsibilities of the Senior Beneficiary, Senior Executive and Senior Supplier, and of UNDP as the Trust Fund Manager in performing its responsibilities for providing strategic, programme and financial oversight. The governance of the TFMU project will be under the overall governance arrangement of the Trust Fund. For further information on the LOTFA Governance Architecture and its different governance bodies, please refer to the LOTFA MPTF TOR, section 4 on the Fund's Governance Structure.

Figure 2: TFMU governance structure



Steering Committee:

The Steering Committee is the highest authority within the Fund's governance structure. The Committee is responsible for providing overall strategic direction to ensure that the projects' objectives are being met, that progress is achieved against set targets, and that risks and issues are adequately addressed through management actions. The Committee is composed of all LOTFA donors, Government institutions participating in LOTFA, the UNDP Resident Representative and Country

Director, UNDP CO representatives, and international and national project managers. The Steering Committee consists of three key roles. The *Senior Executive* will be represented by the GIROA⁸ and UNDP,⁹ who will chair and co-chair the Steering Committee, respectively. The *Senior Beneficiaries'* role will be fulfilled by the government institutions participating in the Trust Fund. The Senior Beneficiaries' primary role is to ensure the realization of results from the perspective of the Trust Fund's beneficiaries. The *Senior Supplier* role will be fulfilled by the contributing donors to LOTFA. The Senior Suppliers' primary function within the Steering Committee is to provide guidance regarding the technical feasibility of the projects funded through the Trust Fund, as well as the soundness and effectiveness of the Trust Fund management arrangements in place. The Committee will meet bi-annually to review progress and financial reports. However, the Steering Committee can also convene extraordinary meetings if deemed necessary.

Trust Fund Manager:

The UNDP CO will act as Trust Fund Manager for LOTFA. As Trust Fund Manager, the UNDP Country Office will provide strategic, programmatic and financial oversight over Trust Fund management and administration. The Trust Fund Manager will ensure a "firewall" between the Trust Fund's programmatic management functions performed by the ROLHS Unit and the Fund's financial and fiduciary oversight functions performed by the FFFMU.

Technical Working Groups:

The TWGs serve as consultative bodies at the Fund level for each Thematic Window to coordinate the provision of technical inputs and support to assessments, studies, surveys, reviews and evaluations and communication outputs, as well as project monitoring, risk management and implementation issues. The TWGs are comprised of technical representatives from Ministries, donors and UN Agencies. Other relevant stakeholders may be invited to participate in TWG meetings, subject to consultation with and clearance of the Chairs of the Steering Committee in consultation with the Steering Committee members. TWGs are scheduled to meet bi-monthly, or as may be required to reduce transaction costs for optimizing the efficiency and effectiveness of the Fund's operations and that of its respective projects.

7. Monitoring, Evaluation and Reporting

M&E sits at the heart of LOTFA. LOTFA is building a compelling evidence-base about what works and what doesn't in Afghanistan's Rule of Law sector so that it can confidently plan and implement initiatives that bring greatest impact to the lives of Afghan citizens. LOTFA is rolling out a comprehensive M&E approach. M&E will be part of all project designs through to implementation and will provide real time information flow and feedback to support a flexible, adaptive management approach and an evidenced-based understanding of LOTFA outputs and impact.

The LOTFA M&E function is managed by a central Fund-level design and oversight team, located within the TFMU (see section 4, Output 2 for details on the composition of the LOTFA M&E team). All LOTFA assessments, evaluations, baseline surveys are steered by the M&E unit, from the fund-level through to individual project-level, and the unit will provide technical M&E input to all initiatives implemented under LOTFA. Each project will have its own M&E team, who will be responsible for project level results collection and monitoring and reporting back to the Fund. Project-level M&E teams will be supervised and assisted by the central M&E team.

The central team works with fund management and project implementers to develop and apply relevant M&E activities including overall frameworks, tools, data collection and analysis. This includes responsibility for the LOTFA results and knowledge management platform, which provides real-time data back to project implementers so that they can see what's working and make real-time corrections

⁸ H.E. President Ghani, on 15 April 2018 through letter 1471, appointed the Minister of Interior Affairs as Chair of the Steering Committee, with the Finance and Administration Deputy General of the Attorney General's Office (AGO), the Head of Judicial Force Management of the Supreme Court and the Deputy Minister of Finance, as deputy Chairs of the Steering Committee.

⁹ The representative of UNDP on the Steering Committee will be the UNDP Resident Representative or the UNDP Country Director.

if something is not working. The unit will pull in relevant external expertise and information so that a broad base of evidence is incorporated into contextual analysis and decision-making.

The unit will help Implementing Partners of LOTFA projects to set up good systems so that they can confidently and accurately report on their projects. The platform will help support a systems-thinking approach so that all initiatives are connected and results looked at across the fund's portfolio. The M&E unit will also work with the MOIA to help the Ministry to build their own internal, best practice M&E systems.

Monitoring: Annex 3 "Programme Monitoring Framework and Risk Log" below summarizes all monitoring arrangements for the supervision and the monitoring of the TFMU project, including the respective monitoring activities that LOTFA/UNDP will undertake, the timeline for these activities and the respective responsibilities.

Evaluation/Annual/Regular reviews: LOTFA intends to undertake over 30 baseline and subsequent studies as well as a number of regular and annual reviews to inform LOTFA decision-makers, designers and programme planners. This sub-section states the arrangements for, responsibility and timing of evaluation(s) of the programme for the next two years. The figures up to 2020 are tentative and will be constantly revised due to emerging needs and demands within the Fund. A number of these assessments and evaluations will be directly funded through the TFMU budget.

Findings, aggregated data, and relevant analysis will be shared with stakeholders on a regular basis using different mechanisms, such as readouts, data parties, workshops etc.

Reporting: The TFMU will prepare an annual narrative and financial report on its results and progress to be incorporated into the Fund's overall annual narrative and financial report. The TFMU will also be responsible for receiving annual narrative and financial reports from the different Implementing Entities under the Fund and consolidate these for submission to the MPTFO as the AA for the Fund. The TFMU will transmit the consolidated annual report to the AA, no later than May 25 of each year. In accordance with the schedule established in the legal framework of the Fund, the AA shall transmit the consolidated report to the Fund's donors, the Steering Committee members and the general public on May 31 of each year.

For more details on the reporting obligations of the RUNO's, TFMU and AA under the Fund, see the Trust Fund's Operational Manual.

Operational reporting will be conducted through dashboard visualisation which will be updated in near real-time. All stakeholders with an operational need to know will have real-time access to the appropriate dashboards. This will enable the provision of ad-hoc data/brief reports to GIROA Ministries, the donors and other LOTFA stakeholders. The Fund-level M&E team will organise regular (monthly) meetings with the TWGs and/or key LOTFA stakeholders to discuss recent data/findings and agree with the project managers on course corrections, next steps and necessary decisions to be taken.

8. Legal Context or Basis of Relationship

LEGAL CONTEXT STANDARD CLAUSES

The project document shall be the instrument envisaged and defined in the [Supplemental Provisions](#) to the Project Document, attached hereto and forming an integral part hereof, as "the Project Document".

RISK MANAGEMENT STANDARD CLAUSES

UNDP (DIM)

1. UNDP as the Implementing Partner shall comply with the policies, procedures and practices of the United Nations Security Management System (UNSMS.)

2. UNDP agrees to undertake all reasonable efforts to ensure that none of the [project funds]¹⁰ [UNDP funds received pursuant to the Project Document]¹¹ are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via http://www.un.org/sc/committees/1267/aq_sanctions_list.shtml. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.
3. Consistent with UNDP's Programme and Operations Policies and Procedures, social and environmental sustainability will be enhanced through application of the UNDP Social and Environmental Standards (<http://www.undp.org/ses>) and related Accountability Mechanism (<http://www.undp.org/secu-srm>).
4. The Implementing Partner shall: (a) conduct project and programme-related activities in a manner consistent with the UNDP Social and Environmental Standards, (b) implement any management or mitigation plan prepared for the project or programme to comply with such standards, and (c) engage in a constructive and timely manner to address any concerns and complaints raised through the Accountability Mechanism. UNDP will seek to ensure that communities and other project stakeholders are informed of and have access to the Accountability Mechanism.
5. All signatories to the Project Document shall cooperate in good faith with any exercise to evaluate any programme or project-related commitments or compliance with the UNDP Social and Environmental Standards. This includes providing access to project sites, relevant personnel, information, and documentation.

¹⁰ To be used where UNDP is the Implementing Partner

¹¹ To be used where the UN, a UN fund/programme or a specialized agency is the Implementing Partner

Annex 1: Results Framework

EXPECTED OUTPUTS	ACTIVITY RESULTS	OUTPUT INDICATORS	DATA SOURCE	BASELINE		TARGETS (by frequency of data collection)					DATA COLLECTION METHODS
				Value	Year	2019	2020	2021	2022	2023	
Output 1: The Trust Fund is managed in accordance with the Trust Fund Terms of Reference and arrangements and UNDP financial rules and regulations, and in a timely, efficient and accountable manner.	1.1 Trust Fund programme management and oversight services provided for effective and efficient Fund operations.	1.1.1. Number of TWG meetings held as per schedule	Minutes of TWGs	0	2018	48	96	144	192	240	LOTFA Annual performance evaluation
	1.2 Trust Fund financial management and oversight services provided for effective and efficient Fund operations.	1.1.2. Number of satisfaction surveys conducted	FGD reports/ Annual satisfaction report	M&E Advisors FDG report of May 18	2018	1	2	3	4	5	Annual donor satisfaction survey or FGD
Output 2: Trust Fund planning and programming are demand-driven and informed by baseline assessments that establish a robust empirical evidence-base with quantitative and qualitative data to enable informed decision-making, and adaptive and flexible management of the Fund.	2.1 Fund-level M&E structure established and M&E frameworks at the Fund- and project-levels designed, established and regularly revised and adapted.	2.1.1. M&E structure designed and functional	(Semi-) Annual LOTFA reports, Annual Performance reports	n/a	2018	Overall and Thematic Window M&E structures are established	M&E structures are continuously improved, adapted and aligned with new LOTFA requirements				LOTFA Annual performance evaluation
		2.1.2 Fund level and project level M&E frameworks are regularly revised.	(Semi-) Annual LOTFA reports, Annual Performance reports	n/a	2018/19	Established after Fund and project approvals	Annually revised and approved by Steering Committee				LOTFA Annual performance evaluation
	2.2 Fund-level assessments, surveys, studies and evaluations planned, designed and conducted.	2.2.1. Number of surveys/ assessments conducted as per schedule	LOTFA - Evaluation Plan	0	2018	15	25	35	45	60	LOTFA Annual performance evaluation, LOTFA Mid-term evaluation, LOTFA Evaluation plan

	2.3. LOTFA Information Management and Results System, as well as data collection and analysis tools, designed and established, including digital dashboards for each Thematic Window.	2.3.1. Digital dashboards are established for each thematic window	(Semi-) Annual LOTFA reports, Annual Performance reports	n/a	2018	Overall and Thematic dashboards are established and used	M&E dashboards are continuously improved and recognized by donors, MOIA and LOTFA management				LOTFA Annual performance evaluation, LOTFA Mid-term evaluation
		2.3.2. Regular collection of real-time evidence	Bi-Annual - Satisfaction Survey report	Assessment of existing LOTFA data	2018	Annual satisfaction and user surveys on quality and evidence data usage	LOTFA undertakes regular annual satisfaction and user surveys with its clients about real-time data collection and its applicability and its scope of usage				Donor and Government satisfaction survey
Output 3: The Trust Fund's progress and results are regularly communicated to Government, partners and the Afghan people, ensuring strategic stakeholder engagement and feedback on the Government's strategies, policies and plans.	3.1. Communication content created and distributed, through relevant, appropriate and culturally sensitive channels, to improve awareness of the Afghan public on the Government's strategies, policies and plans supported through the Fund.	3.1. Regular fund communication LOTFA results and updates provided to LOTFA stakeholders	(Semi-) Annual LOTFA reports	Communication baseline will be established by Mid 2019	2019	Once LOTFA is established, the first six months will serve as a baseline (data will be disaggregated by stakeholder group)	TBD	TBD	TBD	TBD	LOTFA (Semi) Annual report
	3.2 Monitoring mechanisms established to enable public feedback on the Government's	3.2. Number of projects evidencing communication and outreach approaches embedded	LOTFA Thematic Window workplans	Communication baseline will be established by Mid	2019	Year 1 will be used to establish a baseline for each	Workplans will be annually revised and indicating the new communication and outreach approaches to be measured				LOTFA Thematic Window workplans

	strategies, policies and plans supported through the Fund.	within design and activities		2019		Thematic Window to determine No. of approaches reflecting actual Communication capacities					
		3.3. Increase in trust of public in justice and security structures	Community and Police perception surveys	TBD	2019	TBD	TBD	TBD	TBD	Increased by at least 50%	Annual - Community and Police perception survey
	3.3 Technical assistance to Government institutions provided to increase its capacity on strategic communication .	3.4. Number of increased users/readers of social media outputs (official GIROA Twitter, Facebook accounts, etc.)	Social media monitoring reports	TBD	2019	TBD	TBD	TBD	TBD	Annual user increases by 20%	Social media monitoring reports LOTFA Annual performance evaluation

Annex 2a: Work Plan and Budget

Work plan of: TFMU Project

Duration of the Programme: 2019 - 2024

Specific Objectives of the Fund: Increase public trust in State and local Rule of Law institutions												
Expected products of the Programme	Key activities	Calendar (by activity)								Geographic area	Responsible Participating Organization	Planned budget (by product/ activity)
		Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4			
Output 1.1												
Output 1.2												
M & E - Evaluation												
Total of the 1 st Participating Organization*												
Total of the 2 nd Participating Organization *												
Total planned budget												

Annex 2b: Budget by Recipient UN Organization, using UNDG Budget Categories

LOTFA MPTF PROJECT BUDGET*			
CATEGORIES	2019	2020-2024	Total Project
1. Staff and other personnel costs	3,014,392	16,437,543	19,451,935
2. Supplies, Commodities, Materials	20,000	36,000	56,000
3. Equipment, Vehicles and Furniture including Depreciation	0	0	0
4. Contractual Services	2,886,860	14,850,000	17,736,860
5. Travel	40,000	200,000	240,000
6. Transfers and Grants to Counterparts	0	0	0
7. General Operating and Other Direct Costs	403,489	1,809,734	2,213,224
Sub-Total Project Costs	6,364,741	33,333,278	39,698,019
Indirect Support Costs **	445,532	2,333,329	2,778,861
TOTAL	6,810,273	35,666,607	42,476,880

* Budgets must adhere to the UNDG Harmonised Budget Categories as approved by the High Level Committee on Management (HLCM) and Chief Executives Board for Coordination (CEB).

**Indirect support cost should be in line with the rate of 7%, as specified in the LOTFA MPTF TOR and MOU and SAA, Section II- Financial Matters.

Annex 3: Monitoring Framework and Risk Log

Programme Expected Outcomes & Key Activities	Activity Results	Indicators (with baselines & indicative timeframe)	Means of verification	Collection methods (with indicative time frame & frequency)	Responsibilities	Risks description, likelihood and impact	Mitigating measures
Output 1: The Trust Fund is managed in accordance with the Trust Fund Terms of Reference and arrangements and UNDP financial rules and regulations, and in a timely, efficient and accountable manner.	1.1 Trust Fund programme management and oversight services provided for effective and efficient Fund operations.	1.1.1. Number of TWG meetings held as per schedule <u>Baseline (2018):</u> 0 <u>Target (2024):</u> 288	Minutes of TWGs.	LOTFA Annual performance evaluation.	Trust Programme Fund Coordinator	Ability of UNDP as Trust Fund Manager to uphold capacity and quality levels required to effectively manage and administer LOTFA.	Oversight from UNDP HQ and CO on staffing, quality performance and application of Trust Fund's Operations Manual.
	1.2 Trust Fund financial management and oversight services provided for effective and efficient Fund operations.	1.1.2. Number of satisfaction surveys conducted <u>Baseline (2018):</u> 1 <u>Target (2024):</u> 6	FGD reports/ Annual satisfaction report.	Annual donor satisfaction survey or FGD.	M&E Advisor	L=2/I=4	
Output 2: Trust Fund planning and programming are demand-driven and informed by baseline assessments that establish a robust empirical evidence-base with quantitative and qualitative data to enable informed decision-making, and adaptive and flexible	2.1 Fund-level M&E structure established and M&E frameworks at the Fund- and project-levels designed, established and regularly revised and adapted.	2.1.1. M&E structure designed and functional. <u>Baseline (2018):</u> N/A <u>Target (2024):</u> M&E structures are continuously improved, adapted and aligned with new LOTFA requirements.	(Semi-) Annual LOTFA reports, Annual Performance reports.	LOTFA Annual performance evaluation.	M&E Advisor	Insufficiency of qualitative and quantitative data leads to the design of projects that are not focused and not specific. L=1/I=4	Ensure timely planning to make empirical data available at the start of project design.
		2.1.2 Fund level and project level M&E frameworks are regularly revised.	(Semi-) Annual LOTFA reports, Annual Performance reports.	Established after Fund and project approvals.	M&E Advisor		

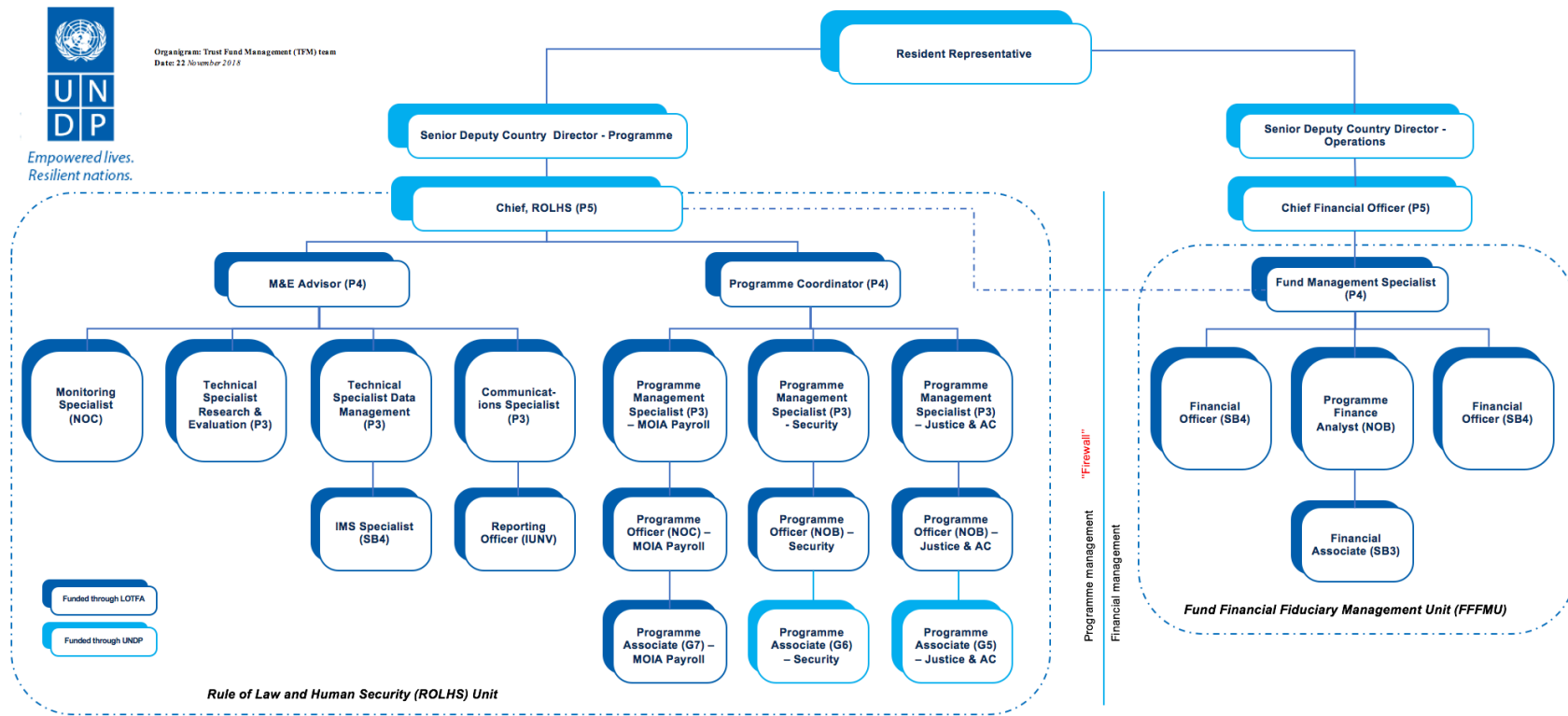
management of the Fund.		<u>Baseline (2018):</u> N/A <u>Target (2024):</u> Annually revised and approved by Steering Committee					
	2.2 Fund-level assessments, surveys, studies and evaluations planned, designed and conducted.	2.2.1. Number of surveys/ assessments conducted as per schedule. <u>Baseline (2018):</u> 0 <u>Target (2024):</u> 75	LOTFA - Evaluation Plan	LOTFA Annual performance evaluation, LOFTA Mid-term evaluation, LOTFA Evaluation plan.	M&E Advisor		
	2.3. LOTFA Information Management and Results System, as well as data collection and analysis tools, designed and established, including digital dashboards for each Thematic Window.	2.3.1. Digital dashboards are established for each thematic window. <u>Baseline (2018):</u> N/A <u>Target (2024):</u> M&E dashboards are continuously improved and recognized by donors, MOIA and LOTFA management.	(Semi-) Annual LOTFA reports, Annual Performance reports.	LOTFA Annual performance evaluation, LOFTA Mid-term evaluation.	M&E Advisor		
		2.3.2. Regular collection of real-time evidence. <u>Baseline (2018):</u> Assessment of existing LOTFA data <u>Target (2024):</u> LOTFA undertakes regular annual satisfaction and	Bi-Annual - Satisfaction Survey report	Donor and Government satisfaction survey.	M&E Advisor		

		user surveys with its clients about real-time data collection and its applicability and its scope of usage					
Output 3: The Trust Fund's progress and results are regularly communicated to Government, partners and the Afghan people, ensuring strategic stakeholder engagement and feedback on the Government's strategies, policies and plans.	3.1. Communication content created and distributed, through relevant, appropriate and culturally sensitive channels, to improve awareness of the Afghan public on the Government's strategies, policies and plans supported through the Fund.	3.1. Regular fund communication LOTFA results and updates provided to LOTFA stakeholders. <u>Baseline (2019):</u> Communication baseline will be established by Mid-2019 <u>Target (2024):</u> TBD	(Semi-) Annual LOTFA reports.	LOTFA (Semi) Annual report.	Communications Specialist.	General public is not aware of LOTF activities or of the Government reforms supported through the Fund, disabling the Fund's potential to engage the public in strategic communication. L=3/I=4	Ensure that a LOTFA communication strategy is in place from the start and is used to inform the Afghan public about the Government's strategies, policies and plans.
	3.2 Monitoring mechanisms established to enable public feedback on the Government's strategies, policies and plans supported through the Fund.	3.2.1. Number of projects evidencing communication and outreach approaches embedded within design and activities. <u>Baseline (2018):</u> Communication baseline will be established by Mid 2019 <u>Target (2024):</u> Workplans will be annually revised and indicating the new communication and outreach	LOTFA Thematic Window workplans.	LOTFA Thematic Window workplans.	M&A Advisor		

		approaches to be measured.					
		<p>3.2.2. Increase in trust of public in justice and security structures.</p> <p><u>Baseline (2019):</u> TBD</p> <p><u>Target (2024):</u> Increased by at least 50%</p>	Community and Police perception surveys reports.	Annual - Community and Police perception survey.	M&E Advisor		
	3.3 Technical assistance to Government institutions provided to increase its capacity on strategic communication.	<p>3.3.1. Number of increased users/readers of social media outputs (official GIROA Twitter, Facebook accounts, etc.).</p> <p><u>Baseline (2019):</u> TBD</p> <p><u>Target (2024):</u> Annual user increases by 20%.</p>	Social media monitoring reports.	Social media monitoring reports LOTFA Annual performance evaluation.	Communications Specialist.		

Annex 4: LOTFA MPTF TOR

Annex 5: TFMU Organigram



Note: the TFMU Organigram was approved by the LOTFA Steering Committee on 25 November 2018.