

**Annual Report  
for the Afghanistan LOTFA MPTF**

**for the period 1 January to 31 December 2020**

May 2021

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## INTRODUCTION

This consolidated Annual Report of the Law and Order Trust Fund for Afghanistan Multi-Partner Trust Fund (LOTFA MPTF) is prepared by the Trust Fund Management Unit (TFMU) and the MPTF Office in fulfillment of their obligations, as per the Fund's Terms of Reference (TOR), the Memorandum of Understanding (MOU), and the Standard Administrative Arrangement (SAA) signed with contributors. This consolidated report covers the period 1 January to 31 December 2020 and provides narrative and financial data on progress made in the implementation of projects of the LOTFA MPTF. It is posted on the MPTF Office [Gateway](#).

## SECTION 1: NARRATIVE PROGRESS REPORT

### LOTFA KEY RESULTS IN 2020

- There was continued technical support to Government of Islamic Republic of Afghanistan (GIROA) with a platform to strengthen coordination across the entire rule of law chain.
- The Technical Working Groups for the Payroll, Security, Justice and Anti-corruption thematic windows remained operational.
- Afghan citizen's security and safety were maintained through continued management of payroll for the Afghan National Police (ANP) and the General Directorate of Prisons and Detention Centres (GDPDC).
- The TFMU M&E conducted the Police Headquarters (PHQ) and Ministry of Interior Affairs Public Service Centres (MOIA PSC) visitors survey; Attorney General's Office (AGO) institutional capacity assessment and finalized the 2019 ANP satisfaction survey. The findings generated evidence for LOTFA evidence-based programming, and some findings were either used in the development of project proposals or as baseline information for existing projects.
- The Fund, Fiduciary and Financial Management Unit (FFFMU) under TFMU ensured effective cash management as well as regular reporting and forecasts to donors, enabling them to provide funding as needed.

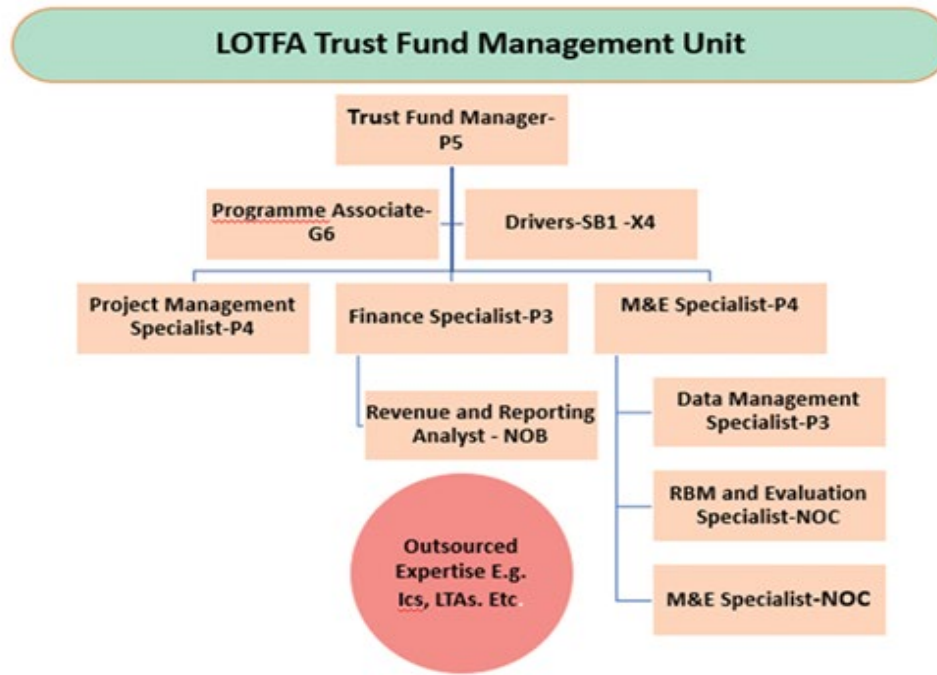
### FUND OVERVIEW

The fund is designed to contribute to improved state-based rule of law service-delivery to the people of Afghanistan; increased security and safety for Afghans at the community-level; and foster trust and enable the state to strengthen its social contract with the Afghans. The outcomes of the funds include increased confidence in the capacity of state, provincial and municipal authorities to ensure fairness and justice; stable conditions of safety and security established in target provinces and increased credibility in state institutions and confidence in democratically elected authorities. Since establishment, the Trust Fund Management Unit has been providing technical and administrative support to the Steering Committee and the Technical Working Groups on project proposal design and revisions; monitoring, evaluation and reporting as well as risk management. In 2020, while the MPTF had six Recipient UN Organizations (RUNO) under the Fund, the UNDP continued to be the sole agency implementing projects under the MPTF.

The 2020 Strategic Review of UNDP Afghanistan resulted in a structural change of the TFMU. The TFMU structure was separated from the Country Office and is now a leaner core team headed by a Trust Fund

Manager. This core team is supported by short term experts for implementation of the Human Rights Due Diligence Policy, Risk Management Strategy, Communication and Coordination. During the structural review process, the Monitoring & Evaluation (M&E) unit of the TFMU continued to manage a centralized LOTFA results and information platform covering the whole Fund. Digital dashboards have been established for each thematic window to visualize data on project developments within the sector.

Figure 1: Revised structure of the LOTFA Trust Fund Management Unit



## STRATEGIC OBJECTIVES

Figure 2: LOTFA Strategic Objectives



While the Fund maintained the 10 strategic objectives across the four thematic windows, four of these were implemented under the Security and Payroll windows. The [indicator-based performance assessment table](#) summarises progress against the objectives.

## GOVERNANCE

The Fund’s governance structure continued to work with the Steering Committee and Technical Working Groups with the Payroll and Security ones being more active in relation to the Anti-Corruption and Justice ones. For the Anti-Corruption window, one Technical Working Group meeting was conducted in January 2020. Although UNDP presented a draft project document for the Anti-Corruption, Transparency, Integrity and Openness (ACTION) project at this meeting, owing to feedback including lack of baseline information for the Attorney General’s Office; there were prolonged discussions with the AGO’s office to agree on this assessment. The institutional capacity assessment for gathering of baseline information finally commenced in the third quarter of 2020. Consequently, in 2020, there were no projects under the Anti-Corruption thematic window funded through the MPTF.

Similarly, the Justice window held its first Technical Working Group meeting in December 2020. The Netherlands were nominated as co-chair for the Justice Window and co-chaired the Technical Working Group meeting in December 2020. However, there were no projects under the Justice window funded through the MPTF in 2020.

**Table 1: Technical Working Groups for 2020**

<b>Thematic Window</b>	<b>Chair (Government)</b>	<b>Co-Chair (Donor)</b>
Payroll	MoIA – Deputy Minister for Support	CSTC-A
Security	MoIA – Deputy Minister for Policy and Strategy	European Union
Anti-Corruption	Attorney General’s Office	Denmark
Justice	Supreme Court	Netherlands

## LOTFA M&E AND STRATEGIC COMMUNICATIONS

### LOTFA BESPOKE M&E SYSTEM

The TFMU M&E system has already established thematic window-level digital dashboards based on various data sources. With the onset of the Coronavirus disease 2019 (COVID-19) pandemic in Afghanistan in March 2020, UNDP reduced physical footprint, resulting in increased use of digital telecommunication for virtual meetings to share findings of latest surveys and conducting of two assessments reaching at least 5,000 respondents across five provinces. The COVID-19 pandemic further proved the necessity of developing the Fund Risk Management Strategy as outlined in the Fund TOR and Operational Manual, therefore, TFMU contracted a firm, Torchlight Group to develop a Risk Assessment Strategy for the fund, implementation is expected to commence in mid-2021. There was also a need to adapt to remote work modalities resulting in the increased use of telecommunication tools for conducting of surveys and virtual coordination meetings. For the Attorney General’s Office institutional capacity assessment and the Social Behavioural Change Communication Campaign surveys, data collection was conducted using mobile phones as data collection tools.

## TOWARDS LOTFA EVIDENCE-BASED PROGRAMMING

The TFMU M&E, using findings from the assessments and surveys established an evidence base that will help shape LOTFA programmatic direction and contribute to fulfilling LOTFA strategic objectives, enabling informed decision-making, and adaptive and flexible management of the Fund.

Entry and Exit PHQ visitors survey: provided insight on the needs and requirements of visitors to five police headquarters (PHQs) across Kabul, Herat, Balkh, Kandahar, and Badakhshan; and provided baseline estimates during development of a project proposal on MoIA/PHQ Public Service Centres (PSCs), whose concept note was endorsed by the Security TWG in February 2020. Major issues that visitors were facing include the time spent trying to obtain services and while services are offered for free, people were made to pay “informal fees” to obtain services. The findings showed a positive image of the PSC, although the lack of awareness about the PSCs and difficulties in accessing PSC services by people with disabilities or health issues were reported. These findings will also serve as a guide on problems and challenges that the project could potentially address when establishing the PHQ level PSCs. The proposed PSC project has three phases (1) assess needs, (2) implement PSCs and (3) expansion of the project. The project document is finalized for review and approval by the Steering Committee.

ANP Satisfaction Survey: aimed at assessing the level of satisfaction with the job, assets and services received by police personnel to perform their functions as well as the service levels and relations between PDs, Police Headquarters and the MoIA. The preliminary survey findings point to delayed salary payments and a need for further research on police literacy to establish an accurate baseline for police literacy. The initial findings from the ANP satisfaction survey prompted some follow-up discussions, particularly regarding delayed salary payments and literacy in ANP. It was suggested that a specific research to get an accurate picture of police literacy should be done as part of a planned assessment on police recruitment, training, and development.

AGO institutional capacity assessment: organisational capacity assessment to identify entry-points for interventions to be conducted through the Anti-Corruption, Transparency, Integrity and Openness (ACTION) project. The quantitative survey for the institutional capacity assessment; key informant interviews with AGO leadership and middle-management staff will be completed in 2021.

Social Behavioural Change Communication Campaign: The Department of Foreign Affairs and Trade (DFAT) of Australia endorsed a pivot proposal for social behavioural change communication campaign to address the rising number of gender-based violence (GBV) cases and reduced access to GBV support services. The TFMU, through a contracted firm, Zinc Network is conducting the SBCC campaign around three scope areas (2a) increase women’s access to justice (focused on reducing GBV in the home); (2b) improve the position and status of female police officers within the ANP; and (3) increase public trust in the ANP (via crime reduction education). Research work to identify social and behavioral drifts and entry points to address those drifts was completed for scope area 2a, including design of pilot campaigns. The research for scope areas 2b and 3 as well as pilot campaigns for all three scope areas are expected to be completed by mid-2021.

COVID-19 project: Through evidence generated via M&E surveys and research, and in close consultation with the MoIA, TFMU M&E supported development of the project document for the “Support to MOIA and ANP in their efforts to contain and respond to the COVID-19 situation”, which was approved by the SC in April 2020. Project implementation is ongoing with procurement processes and operationalization of COVID-19 hospitals at various stages.

Community and Police Perceptions Survey (CPPS): Although data collection for the CPPS took place between June and August 2019 across the 19 police districts (PDs) of Kabul, TFMU presented preliminary findings to donors on 7 May 2020, published the survey report in Quarter 3, 2020 and shared with the government counterparts and international community. Overall, community members in Kabul have a positive, yet cautious view of the security situation and the ANP's ability and capability to resolve them. While initiatives such as *Police-e-Mardumi* appear to have made some in-roads, few community respondents (22% overall) knew about police-community initiatives in general and even less (13% overall, 14% among men) about *Police-e-Mardumi*. The survey results also highlighted that improving public trust in police will require not only investments and reforms to address fundamental issues, such as inadequate staffing, equipment, and training, but policing approaches will have to change also. For instance, more police patrols would improve security on the streets, according to 68 percent of community respondents and 61 percent of police. Additionally, improving security and public trust will also require MOIA/ANP to curb influence of small and large criminal groups which appear to be operating in Kabul and are perceived by police and community respondents to affect security situation in different communities.

Risk Assessment: In November 2020, UNDP through a third-party firm, Torchlight Group Limited conducted the Risk Assessment of LOTFA as the first stage in developing the Risk Management Strategy. The Torchlight team began work in December 2020, and is expected to complete the Risk Assessment Report which will feed into the development of a Risk Management Strategy with a proposed approach that LOTFA will take in managing risks that are key to the achievement of its objectives through a structure and system that monitors strategic, operational, and tactical risks.

## LOTFA STRATEGIC COMMUNICATIONS

Communication continued to play an increasingly pivotal and integral role in transforming LOTFA. In learning from past lessons, LOTFA is seeking to improve communicating progress and results with its supporters and funders as well as integrating communication strategically to improve its programme outcomes.

The TFMU continued to coordinate and conduct Technical Working Group meetings and Steering Committee meetings as well as donor meetings. In 2020, the Trust Fund published and disseminated seven newsletters with information and regular updates regarding programmatic and sectoral developments; and hosted three "data parties" to showcase findings of surveys and assessments as well as present the Rule of Law baseline survey. While the research framework and methodology were developed and presented to donors, the research was put on hold due to concerns from donors with regards to the outcomes of the 2020 strategic review of UNDP Afghanistan.

## LOTFA THEMATIC WINDOWS AND PROJECTS

The Support to Payroll Management project (SPM) under the Payroll window; as well as the Community Oriented Policing Services (COPS) and COVID-19 projects under the Security window received funding from LOTFA MPTF.

## PAYROLL WINDOW

**Support to Payroll Management (SPM):** The Support to Payroll Management (SPM) project continued to work with the MoIA on non-fiduciary aspects of payroll related operations and functions for the ANP and the GDPDC. During the reporting period, the following were achieved:

- Updated policies implemented and business processes developed and applied: Communication products on compensation, remuneration and entitlements, including pay cycle management charts and back pay checklist were revised and disseminated to raise awareness of personnel on their entitlements and how to seek support when issues arise. The Internal Control Policy aimed at strengthening governance of the organization, developed in collaboration with the MoIA is approved and will be disseminated in the next year. The incentive system was also reviewed and following approval of the recommendations, the system will be implemented from the next year.
- Capacity of MoIA staff to undertake payroll processes improved: The core team of 20 MoIA staff were trained on payroll management processes, including internal validation and reconciliations. using the Training of Trainers (ToT) approach. Consequently, the trained staff used the cascade training strategy to transfer knowledge and skills to Provincial Finance Officers (PFOs) and Provincial Human Resources Officers (PHROs). The restrictions caused by the COVID-19 pandemic impeded implementation of planned training and capacity building activities for the SPM project resulting in virtual trainings and remote support being activated for the concerned staff.
- Payroll and HR systems updated and upgraded to support quality assurance and data migration to Afghan Personnel and Pay System (APPS): All 34 Police Headquarters (PHQs) were connected to the web-based electronic payroll system (WEPS) and the electronic payroll systems were functional on real time basis countrywide. For most of the payroll cycles, all 138 payroll stations processed payroll on time with delays in three pay cycles. On average, 109,332 ANP personnel comprising 106,903 men (97.78%) and 2,429 women (2.22%) were paid monthly. In addition, on average 7,076 GDPDC personnel comprising 6,752 men (95.42%) and 324 women (4.58%) were paid monthly.

The accumulated expenses for the period January to December 2020 totalled US\$ 145,406,123 with an overall delivery rate of 96.94 percent. Funds transferred from MPTF totalled US\$ 150,000,000 in 2020.

## SECURITY WINDOW

**Community Oriented Policing Services (COPS):** The COPS project which started in January 2020 seeks to improve relations between police and local communities in Afghanistan with the objective to improve the delivery of police services at the community level. This is expected to improve the overall security environment and security within communities, resulting in increased public trust towards rule of law and security institutions. During the reporting period, the following were achieved:

- Assessment of Police Headquarters and Police Districts: This assessment is aimed at identifying police infrastructure requiring rehabilitation. Preparatory discussions were completed on the organizational/functional review that will be implemented in the Police Headquarters and 19 targeted Police Districts of Kabul city.
- Improved Police Response to Community Needs and Priorities: This includes development of a development of capacity plan for *Police-e-Mardumi*, undertake community outreach initiatives. As a result of consultations with relevant stakeholders, community engagement activities were discussed and agreed to be implemented in six pilot Police Districts (4, 5, 6, 7, 8 and 12) in the next year.



- Standard Police Districts constructed/rehabilitated to support community-oriented policing: Detailed assessments of six PDs (4, 5, 6, 7, 8 and 12) on security and infrastructure needs were completed. The assessment findings are being used in the development of infrastructure, refurbishment, construction, and maintenance plans for the targeted Police Districts.

The accumulated expenses for the period January to December 2020 totalled US\$ 254,275 with an overall delivery rate of 5.09 percent. Funds from MPTF totalled US\$ 4,991,343 in 2020.

**COVID-19 project:** This project aims to support the implementation of the MOIA’s strategy for combating COVID-19 by extending: (a) Emergency support to respond to medical needs of affected police personnel and safety through provision of protective personal equipment (PPE), and (b) Raising awareness on preventive measures to be adopted to support infection prevention and control of the COVID-19 virus among the police in Afghanistan.

- Support MoIA, General Directorate of Health Services to operationalize a lab testing facility and hospital facilities to diagnose, quarantine and treat infected personnel: The COVID-19 project completed procurement and delivery of 52 out of 87 types of identified items (59.77%). The project also procured and delivered 432 out of 436 machine units (99.08%). In addition, the project procured and delivered all 11 types of the required hospital equipment. Due to challenges in procuring required consumables, overall, the project delivered 12,811 out of 61,880 (21.70%) hospital equipment and consumables. Furthermore, the project procured and delivered 225,214 of 234,235 units (96.15%) of lab reagents and supplies for the COVID-19 testing lab. Lastly, the project procured and delivered 14 out of 22 types of required medicine (67.82%). Two of the seven COVID-19 hospitals are now operational in Jalalabad and Gardez, each equipped with 40 beds.
- Police personnel are protected and aware of minimum risk reduction measures to prevent COVID-19 in the course of their day-to-day work: The project procured and delivered six out of eight PPE items (excluding PPE gowns and Chlorohexidine liquid) to the MoIA. So far, MoIA has distributed 26,000 PPE kits across six provinces of Balkh, Heart, Kandahar, Kunduz, Nangarhar and Paktia.
- MoIA communications on COVID-19 supported for extensive dissemination of preventive measures to ANP personnel in Afghanistan: The communication plan was revised in line with the envisioned communication needs of the ANP and the capacity of the MoIA communication department.

The COVID-19 pandemic did not spare Afghanistan as a country. The COVID-19 pandemic created a high demand for medical equipment, machines, and consumables on the global and national markets. Consequently, planned procurements were prolonged as some equipment and supplies were out of stock as well as disruption of international flights and subsequent movement restrictions.

The accumulated expenses for the period January to December 2020 totalled US\$ 6,809,718 with an overall delivery rate of 51.13 percent. Funds from MPTF totalled US\$ 13,319,395 in 2020.

## ANTI-CORRUPTION WINDOW

For the Anti-Corruption window, one TWG meeting was conducted in January 2020. Although UNDP presented a draft project document for the Anti-Corruption, Transparency, Integrity and Openness (ACTION) project at this TWG, owing to feedback including lack of baseline information for the Attorney

General's Office; there were prolonged discussions with the AGO to agree on this assessment. The Institutional Capacity Assessment for gathering of baseline information finally commenced in the third quarter of 2020. Consequently, in 2020, there were no projects under the Anti-Corruption thematic window funded through the MPTF.

## STEERING COMMITTEE

In 2020, LOTFA held one LOTFA Steering Committee on 15 December 2020. At this meeting, the Steering Committee approved seven decisions:

- [1] Approval of SPM 2021 Annual Work Plan;
- [2] Approval of US\$ 100 million fund allocation from MPTF to SPM;
- [3] Approval of once-off CSAR incentive (US\$ 10,300) to be processed by SPM project;
- [4] Approval of 2021 TFMU Annual Work Plan;
- [5] Approval of APPS informing pay to be fully implemented from February 2021 (subject to the stipulated conditions);
- [6] Approval of implementation of the Active Reserve Workflow in MOIA APPS (a holding period of 90 days); and
- [7] Approval of the transition of 11,549 Afghan Local Police (ALP) to ANP in 2021 with a full review of the ALP by 30 April 2021.

## SECTION 2: 2020 FINANCIAL REPORT

This chapter presents financial data and analysis of the Afghanistan LOTFA MPTF Fund using the pass-through funding modality as of 31 December 2020. Financial information for this Fund is also available on the MPTF Office GATEWAY, at the following address: <http://mptf.undp.org/factsheet/fund/LTF00>. The financial data in the report is recorded in US Dollars and due to rounding off of numbers, the totals may not add up.

### SOURCES AND USES OF FUNDS

As of 31 December 2020, 13 contributors deposited US\$ 306,046,922 in contributions and US\$ 2,727,938 was earned in interest. The cumulative source of funds was US\$ 308,774,860.

Of this amount, US\$ 181,601,011 has been net funded to 1 Recipient Organization, of which US\$ 159,417,555 has been reported as expenditure. The Administrative Agent fee has been charged at the approved rate of 1% on deposits and amounts to US\$ 2,496,427. Table 1 provides an overview of the overall sources, uses, and balance of the Afghanistan LOTFA MPTF as of 31 December 2020.

**Table 1. Financial Overview, as of 31 December 2020 (in US Dollars)**

	Annual 2019	Annual 2020	Cumulative
<b>Sources of Funds</b>			
Contributions from donors	108,304,118	168,649,270	306,046,922
Fund Earned Interest and Investment Income	1,508,900	1,188,925	2,727,938
Interest Income received from Recipient Organizations	-	-	-
Refunds by Administrative Agent to Contributors	-	-	-
Fund balance transferred to another MDTF	-	-	-
Other Income	-	-	-
<b>Total: Sources of Funds</b>	<b>109,813,019</b>	<b>169,838,195</b>	<b>308,774,860</b>
<b>Use of Funds</b>			
Transfers to Recipient Organizations	40,000,000	128,310,738	168,310,738
Refunds received from Recipient Organizations	-	-	-
<b>Net Funded Amount</b>	<b>40,000,000</b>	<b>128,310,738</b>	<b>168,310,738</b>
Administrative Agent Fees	1,083,041	1,289,504	2,496,427
Direct Costs: (Steering Committee, Secretariat...etc.)	-	6,480,000	13,290,273
Bank Charges	1,701	3,140	4,843
Other Expenditures	-	366,947	366,947
<b>Total: Uses of Funds</b>	<b>41,084,742</b>	<b>136,450,329</b>	<b>184,469,228</b>
<b>Change in Fund cash balance with Administrative Agent</b>	<b>68,728,276</b>	<b>33,387,866</b>	<b>124,305,632</b>
Opening Fund balance (1 January)	22,189,490	90,917,766	-
<b>Closing Fund balance (31 December)</b>	<b>90,917,766</b>	<b>124,305,632</b>	<b>124,305,632</b>
Net Funded Amount (Includes Direct Cost)	40,000,000	134,790,738	181,601,011
Recipient Organizations' Expenditure (Includes Direct Cost)	3,500,906	155,916,649	159,417,555
<b>Balance of Funds with Recipient Organizations</b>			<b>22,183,456</b>

## PARTNER CONTRIBUTIONS

Table 2 provides information on cumulative contributions received from all contributors to this Fund as of 31 December 2020.

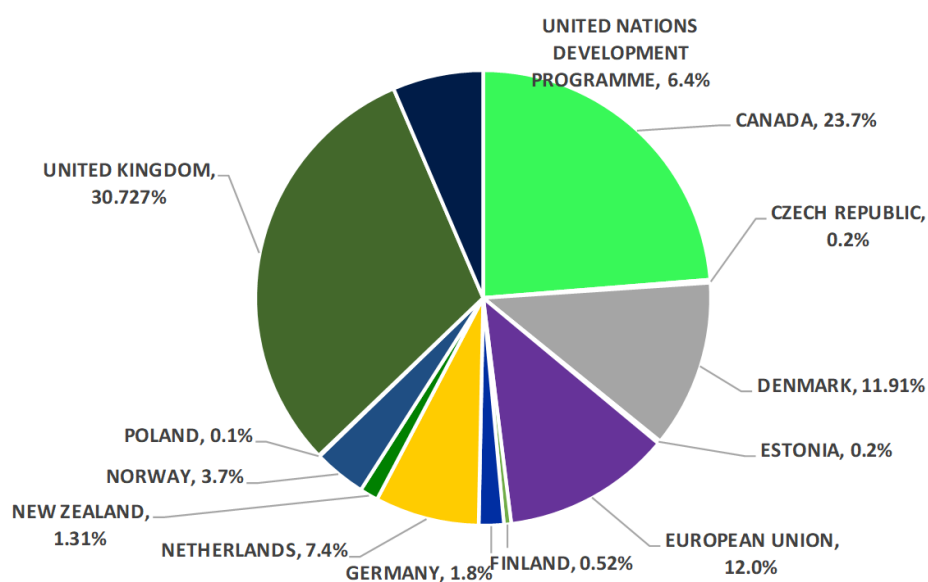
The Afghanistan LOTFA MPTF Fund is currently being financed by 13 contributors, as listed in the table below.

The table below includes commitments made up to 31 December 2020 through signed Standard Administrative Agreements, and deposits made through 2020. It does not include commitments that were made to the fund beyond 2020.

**Table 2. Contributors' Commitments and Deposits, as of 31 December 2020 (in US Dollars)**

Contributors	Total Commitments	Prior Years as of 31-Dec-2019 Deposits	Current Year Jan-Dec-2020 Deposits	Total Deposits
CANADA	80,697,345	28,142,779	44,438,792	72,581,571
CZECH REPUBLIC	660,097	431,807	228,290	660,097
DENMARK	36,453,993	23,861,017	12,592,976	36,453,993
ESTONIA	600,000	300,000	300,000	600,000
EUROPEAN UNION	36,694,719	-	36,694,719	36,694,719
FINLAND	1,587,500	1,587,500	-	1,587,500
GERMANY	5,424,715	-	5,424,715	5,424,715
NETHERLANDS	22,646,630	16,666,815	5,979,815	22,646,630
NEW ZEALAND	4,000,000	-	4,000,000	4,000,000
NORWAY	11,409,702	-	11,409,702	11,409,702
POLAND	239,513	239,513	-	239,513
UNITED KINGDOM	94,038,967	49,462,883	44,576,084	94,038,967
UNITED NATIONS DEVELOPMENT PROGRAMME	19,709,514	16,705,337	3,004,177	19,709,514
<b>Grand Total</b>	<b>314,162,696</b>	<b>137,397,652</b>	<b>168,649,270</b>	<b>306,046,922</b>

**Figure 1: Deposits by contributor, cumulative as of 31 December 2020**



## INTEREST EARNED

Interest income is earned in two ways: 1) on the balance of funds held by the Administrative Agent (Fund earned interest), and 2) on the balance of funds held by the Recipient Organizations (Agency earned interest) where their Financial Regulations and Rules allow return of interest to the AA.

As of 31 December 2020, Fund earned interest amounts to US\$ 2,727,938. Details are provided in the table below.

**Table 3. Sources of Interest and Investment Income, as of 31 December 2020 (in US Dollars)**

Interest Earned	Prior Years as of 31-Dec-2019	Current Year Jan-Dec-2020	Total
<b>Administrative Agent</b>			
Fund Earned Interest and Investment Income	1,539,014	1,188,925	2,727,938
<b>Total: Fund Earned Interest</b>	<b>1,539,014</b>	<b>1,188,925</b>	<b>2,727,938</b>
<b>Grand Total</b>	<b>1,539,014</b>	<b>1,188,925</b>	<b>2,727,938</b>

## TRANSFER OF FUNDS

Allocations to Recipient Organizations are approved by the Steering Committee and disbursed by the Administrative Agent. As of 31 December 2020, the AA has transferred US\$ 168,310,738 to 1 Recipient Organizations (see list below).

Table 4 provides additional information on the refunds received by the MPTF Office, and the net funded amount for each of the Recipient Organizations.

**Table 4. Transfer, Refund, and Net Funded Amount by Recipient Organization, as of 31 December 2020 (in US Dollars)**

Participating Organization	Prior Years as of 31-Dec-2019			Current Year Jan-Dec-2020			Total		
	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded	Transfers	Refunds	Net Funded
UNDP	40,000,000		40,000,000	128,310,738		128,310,738	168,310,738		168,310,738
<b>Grand Total</b>	<b>40,000,000</b>		<b>40,000,000</b>	<b>128,310,738</b>		<b>128,310,738</b>	<b>168,310,738</b>		<b>168,310,738</b>

## EXPENDITURE AND FINANCIAL DELIVERY RATES

All final expenditures reported for the year 2020 were submitted by the Headquarters of the Recipient Organizations. These were consolidated by the MPTF Office.

Project expenditures are incurred and monitored by each Recipient Organization, and are reported as per the agreed upon categories for inter-agency harmonized reporting. The reported expenditures were submitted via the MPTF Office's online expenditure reporting tool. The 2020 expenditure data has been posted on the MPTF Office GATEWAY at <http://mptf.undp.org/factsheet/fund/LTF00>.

### Expenditure by Project by Window

In 2020, US\$ 128,310,738 was net funded to Recipient Organizations, and US\$ 152,470,117 was reported in expenditure.

As shown in table below, the cumulative net funded amount is US\$ 168,310,738 and cumulative expenditures reported by the Recipient Organizations amount to US\$ 152,470,117. This equates to an overall Fund expenditure delivery rate of 91 percent.

**Table 5.1: Expenditure by Project within Window, as of 31 December 2020 (in US Dollars)**

Window / Project No. and Project Title	Participating Organization	Project Status	Total Approved Amount	Net Funded Amount	Total Expenditure	Delivery Rate %	
<b>MOIA Payroll</b>							
00119365	Support to payroll management	UNDP	On Going	150,000,000	150,000,000	145,406,123	96.94
<b>MOIA Payroll: Total</b>				<b>150,000,000</b>	<b>150,000,000</b>	<b>145,406,123</b>	<b>96.94</b>
<b>Security</b>							
00120128	Community-oriented Policing Se	UNDP	On Going	4,991,343	4,991,343	254,275	5.09
00121382	Support to Ministry of Interior	UNDP	On Going	13,319,395	13,319,395	6,809,718	51.13
<b>Security: Total</b>				<b>18,310,738</b>	<b>18,310,738</b>	<b>7,063,993</b>	<b>38.58</b>
<b>Grand Total</b>				<b>168,310,738</b>	<b>168,310,738</b>	<b>152,470,117</b>	<b>90.59</b>

### Expenditure by Category

Project expenditures are incurred and monitored by each Recipient Organization and are reported as per the agreed categories for inter-agency harmonized reporting. See table below.

#### 2012 CEB Expense Categories

1. Staff and personnel costs
2. Supplies, commodities and materials
3. Equipment, vehicles, furniture and depreciation
4. Contractual services
5. Travel
6. Transfers and grants
7. General operating expenses
8. Indirect costs

**Table 5.2 Expenditure by UNDG Budget Category, as of 31 December 2020 (in US Dollars)**

Category	Expenditure			Percentage of Total Programme Cost
	Prior Years as of 31-Dec-2019	Current Year Jan-Dec-2020	Total	
Staff & Personnel Cost	-	27,925	27,925	0.02
Suppl, Comm, Materials	-	4,336,982	4,336,982	2.93
Equip, Veh, Furn, Depn	-	1,247,613	1,247,613	0.84
Contractual Services	-	141,882,032	141,882,032	96.01
Travel	-	-	-	
Transfers and Grants	-	-	-	
General Operating	-	278,657	278,657	0.19
<b>Programme Costs Total</b>	-	<b>147,773,210</b>	<b>147,773,210</b>	<b>100.00</b>
<sup>1</sup> Indirect Support Costs Total	-	4,696,907	4,696,907	3.18
<b>Total</b>	-	<b>152,470,117</b>	<b>152,470,117</b>	

## COST RECOVERY

Cost recovery policies for the Fund are guided by the applicable provisions of the Terms of Reference, the MOU concluded between the Administrative Agent and Recipient Organizations, and the SAAs concluded between the Administrative Agent and Contributors, based on rates approved by UNDG.

The policies in place, as of 31 December **2020**, were as follows:

- The Administrative Agent (AA) fee: 1% is charged at the time of contributor deposit and covers services provided on that contribution for the entire duration of the Fund. In the reporting period US\$ 1,289,504 was deducted in AA-fees. Cumulatively, as of 31 December 2020, US\$ 2,496,427 has been charged in AA-fees.
- Indirect Costs of Recipient Organizations: Recipient Organizations may charge 7% indirect costs. In the current reporting period US\$ 4,696,907 was deducted in indirect costs by Recipient Organizations. Cumulatively, indirect costs amount to US\$ 4,696,907 as of 31 December 2020.

## ACCOUNTABILITY AND TRANSPARENCY

In order to effectively provide fund administration services and facilitate monitoring and reporting to the UN system and its partners, the MPTF Office has developed a public website, the MPTF Office Gateway (<http://mptf.undp.org>). Refreshed in real time every two hours from an internal enterprise resource planning system, the MPTF Office Gateway has become a standard setter for providing transparent and accountable trust fund administration services.

The Gateway provides financial information including: contributor commitments and deposits, approved programme budgets, transfers to and expenditures reported by Recipient Organizations, interest income and other expenses. In addition, the Gateway provides an overview of the MPTF Office portfolio and extensive information on individual Funds, including their purpose, governance structure and key documents. By providing easy access to the growing number of narrative and financial reports, as well as related project documents, the Gateway collects and preserves important institutional knowledge and facilitates knowledge sharing and management among UN Organizations and their development partners, thereby contributing to UN coherence and development effectiveness.

## DIRECT COSTS

The Fund governance mechanism may approve an allocation to a Recipient Organization to cover costs associated with Secretariat services and overall coordination, as well as Fund level reviews and evaluations. These allocations are referred to as 'direct costs'. In the reporting period, direct costs charged to the fund amounted to US\$ 6,480,000. Cumulatively, as of 31 December 2020, US\$ 13,290,273 has been charged as Direct Costs.

**Table 6: Direct Costs**

Recipient Organization	Net Funded Amount	Expenditure	Delivery Rate
UNDP	13,290,273	6,947,438	52%
<b>Total:</b>	<b>13,290,273</b>	<b>6,947,438</b>	<b>52%</b>

## Annex 1: LOTFA Strategic Framework

Window	Strategic objective	Institution	Indicative Programmatic Activities
Security	Strengthen institutional capacities for increased effectiveness and accountability of security service delivery.	MOIA	Security sector reform and coordination strategies and initiatives Institutional development initiatives and activities within the MOIA (including support to civilianization and internal control and accountability mechanisms); Police professionalisation initiatives and activities within the MOIA and the ANP; Recruitment and training activities (with emphasis on female police); Specialized investigative capacities (i.e. forensic investigations); Rehabilitation and social reintegration initiatives in Prison and Detention Centres.
	Assess and support development of security sector infrastructure and operational capacities, including equipping and capacitating such facilities as required.	MOIA	Conduct feasibility studies for new infrastructure and support design of new infrastructure works; Rehabilitation/infrastructure support services; Provision and acquisition of non-lethal equipment and supplies;
	Strengthen policing capabilities and service-delivery to communities and citizens' voice mechanisms for improved public trust.	MOIA CSOs	Police and community engagement initiatives and activities (Police-e-Mardumi and complaints mechanisms); Police response and referral mechanisms for women and children (Family Response Units); Community-based monitoring and oversight activities on security service provision; Strategic communication/public outreach initiatives between Government and communities to inform on institutional strategies, plans, policies and reforms efforts and to receive citizen's feedback on these.
Justice	Strengthen institutional capacities for improved justice service delivery for all Afghans, particularly vulnerable groups.	MOJ AGO AIBA Judiciary Office of 2 <sup>nd</sup> VP	Justice sector reform and coordination strategies and initiatives; Institutional development initiatives and activities within the MOJ, including support to legislative drafting department and the human rights support unit; Institutional development initiatives and activities within the AGO; Training of judicial staff, prosecutors and lawyers.
	Strengthen the gender justice chain to improve access to justice for Afghan women.	Judiciary AGO MOIA MOWA AIBA	Establishment of EAW court system at central and sub-national levels; Training of judicial staff, prosecutors and lawyers on EAW law; Inter-institutional coordination between gender justice service providers; Establishment of formal and informal victim support systems.



Window	Strategic objective	Institution	Indicative Programmatic Activities
	Strengthen Civil Society capacities to enhance legal support, oversight and human rights' protection and promotion.	AIBA AIHRC CSOs	Support to legal aid service providers; Legal awareness and public outreach initiatives and activities; Community-based monitoring and oversight activities on justice service provision; Psychosocial support and victims' assistance; Promotion and protection of Human Rights.
	Strengthen justice sector coordination with informal justice mechanisms to increase access to justice for Afghan people, in accordance with human rights standards.	MOJ CSOs Informal justice providers	Establish coordination and referral mechanisms between formal and informal justice service providers; Legal awareness and outreach initiatives and activities to support informal justice service providers.
Anti-corruption	Strengthen legal and institutional framework and capacities to effectively prevent and combat corruption and impunity within the Security and Justice sectors in line with international standards.	ACJC STAR MOIA Judiciary AGO HOA Civil Service Commission SAO MOFA MOF	Institutional development of ACJC; Support capacity development for the verification of asset declarations; Capacity development initiatives and activities for asset recovery mechanisms; Capacity development initiatives and activities for internal disciplinary mechanism and complaint mechanisms; Technical support on relevant legislation and strategies; Support to the Anti-Corruption Caucus at the Parliament; Support to Ministerial Anti-Corruption reforms and implementation plans.
	Strengthen engagement of Civil society, media and communities engaged in promoting a culture of transparency and integrity, and increased trust in the Government.	Media Network CSOs Oversight Commission on Access to Information AIHRC	Training on investigative journalism; Support to the implementation of the Access to Information Law; Community-based monitoring of public service; Civic education; Support the private sector in anti-corruption certification.
MOIA Payroll	Provide financial resources to the MOF for the timely and accurate payment of salaries to eligible officers of the ANP and GDPDC <sup>1</sup> .	MOF	Timely disbursements to the MOF for the payment of salaries; Assurance services on the use of LOTFA funds through the third-party independent Monitoring Agent; Management of advances and reconciliation for salary payments.

<sup>1</sup> Salary payment will be limited to formally registered officers, on Tashkeel, and to those MOIA civilian officers which have been recruited as part of the MOIA civilianization process. ANP and GDPDC officers eligible for payment under LOTFA funds are those as described in the Annual LOTFA Commitment Letter. The LOTFA Commitment Letter does not cover payment to police reservists. When the full roll-out of the Afghan Personnel and Pay System (APPS) is completed, only those officers registered in the Afghanistan Human Resource Information Management System (AHRIMS) will be eligible for salary payment.

## Annex 2: Indicator Based Performance Assessment

Description	Achieved Indicator Targets	Reasons for Variance with Planned Target	Source of Verification
Community Oriented Policing Services (COPS) Project			
<b>Strategic Objective: Assess and support development of security sector infrastructure and operational capacities, including equipping and capacitating such facilities as required.</b>			
Feasibility studies for new infrastructure and support design of new infrastructure works conducted. <b>Baseline: N/A</b> <b>Planned Target: Infrastructure rehabilitation roadmap agreed with MOIA</b>	Detailed assessment of 6 PDs focusing on security needs, water, electricity, toilets (women and men), kitchens and dining spaces, PeM meeting halls, detention cells and family response units conducted. Detailed report with recommendations and cost estimates to improve these facilities for each PD is completed.	N/A	PD Assessment Report
Rehabilitation/infrastructure support services implemented. <b>Baseline: N/A</b> <b>Planned Target: 6 PDs rehabilitated in Kabul</b>	While the assessments have been completed and needs identified, no rehabilitation work started in 2020.	Further discussions are required with LOTFA donors and MOIA to secure resources and approval to implement infrastructure related activities.	PD Assessment Report
<b>Strategic Objective: Strengthen policing capabilities and service-delivery to communities and citizens' voice mechanisms for improved public trust.</b>			
Police and community engagement initiatives and activities (Police-e-Mardumi and complaints mechanisms) implemented. <b>Baseline: N/A</b> <b>Planned Target: Assessments are completed, and recommendations reflected in PHQ planning.</b>	Community and Police Perception Survey completed for Kabul covering 19 PDs. There were around 7,000 respondents, of which 20% respondents were police officers. This activity will be re-aligned in 2021 PeM work.	N/A	2020 Community and Police Perception Survey Report
COVID-19 Project			
<b>Strategic Objective: Assess and support development of security sector infrastructure and operational capacities, including equipping and capacitating such facilities as required.</b>			
Output: General Directorate of Health Services is supported to operationalize a lab testing facility and hospital facilities to diagnose, quarantine and treat police personnel infected with COVID-19	Two out of seven COVID-19 hospitals for ANP staff were operationalized in Jalalabad and Gardez cities.	Operationalization of the hospitals was delayed due to delays in procurement and delayed transportation of the procured items to the	COVID-19 Annual Progress Report

Description	Achieved Indicator Targets	Reasons for Variance with Planned Target	Source of Verification
<p>Indicator: Rehabilitation/infrastructure support services implemented.</p> <p><b>Baseline: N/A</b></p> <p><b>Planned Target: Seven 40-bed hospitals established/activated in Herat, Helmand, Kandahar, Balkh, Kunduz, Nangarhar and Paktia provinces, plus a laboratory in Kabul</b></p>		<p>provinces, mainly due to insecurity.</p>	
<p>Output: Police personnel are protected and aware of minimum risk reduction measures to prevent C-19 in the course of their day to day work.</p> <p>Indicator: Provision and acquisition of non-lethal equipment and supplies.</p> <p><b>Baseline: N/A</b></p> <p><b>Planned Target: Deliver PPE to the ANP Staff.</b></p>	<p>Six out of eight PPE items (excluding PPE gowns and Chlorohexidine liquid) procured and delivered to the MoIA. The MOIA has distributed 26,000 PPE kits to ANP staff across six provinces of Balkh, Heart, Kandahar, Kunduz, Nangarhar and Paktia.</p>	<p>Procurement of the remaining items was delayed due to unavailability of the items in international market.</p>	<p>COVID-19 Annual Progress Report</p>
<p>Support to Payroll Management Project (SPM)</p>			
<p><b>Strategic Objective: Provide financial resources to the Ministry of Finance (MoF) for the timely and accurate payment of salaries to eligible officers of the ANP and GDPDC.</b></p>			
<p>Output: UNDP transferred funds to MoF for payment of salaries.</p> <p>Indicator: Timely disbursements to the MOF for the payment of salaries.</p> <p><b>Baseline: 100%</b></p> <p><b>Planned Target: 100% of payroll stations that process monthly salaries within 15 days of close of the solar month.</b></p>	<p>A total 99% of the payroll stations were able to process monthly salaries within 15 days of close of the solar month.</p>	<p>N/A</p>	<p>SPM Annual Progress Report</p>
<p>Indicator: Assurance services on the use of LOTFA funds through the third-party independent Monitoring Agent.</p> <p><b>Baseline: N/A</b></p> <p><b>Planned Target: 2019 MA Reports completed, and</b></p>	<p>Fiduciary oversight and payroll assurance for 2019 completed and annual report produced.</p>	<p>N/A</p>	<p>SPM Annual Progress Report</p>

Description	Achieved Indicator Targets	Reasons for Variance with Planned Target	Source of Verification
Annual Report produced			
<p>Indicator: Management of advances and reconciliation for salary payments.</p> <p>Baseline: N/A</p> <p>Planned Target: <b>UNDP disburses 100% salary advances against the 2020 Commitment Letter</b></p>	<p>UNDP disbursed AFN25.35 billion (US\$329.50 million) against the 2020 commitment letter for ANP and GDPDC salary payments. Records from the AFMIS suggest salary expenditure of AFN 25.21 billion (US\$329.25 million) which is equivalent to 99.2% of the total advances.</p>	N/A	SPM Annual Progress Report