EUROPEAN UNION - AFGHANISTAN

STATE OF PLAY JULY 2012

Overview of EU development cooperation

The European Union (EU) is one of the major donors providing official development and humanitarian assistance to Afghanistan. The EU set up a Delegation in Kabul in February 2002, immediately after the establishment of the Interim Transitional Authority. Between 2002 and end 2011 the EU committed some €2.5 billion assistance to Afghanistan, including €493 million in humanitarian assistance. By end 2011, the EU had disbursed more than €2 billion, i.e. 85% of the committed funds. New support programmes of a total value of €200 million are under preparation for commitment in 2012.

EU aid to Afghanistan 2002 – 2011 in € million

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Commitments</th>
<th>Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>2002</td>
<td>247.59</td>
<td>151.04</td>
</tr>
<tr>
<td>2003</td>
<td>285.55</td>
<td>213.90</td>
</tr>
<tr>
<td>2004</td>
<td>247.55</td>
<td>171.19</td>
</tr>
<tr>
<td>2005</td>
<td>224.48</td>
<td>206.11</td>
</tr>
<tr>
<td>2006</td>
<td>200.53</td>
<td>175.98</td>
</tr>
<tr>
<td>2007</td>
<td>195.90</td>
<td>224.59</td>
</tr>
<tr>
<td>2008</td>
<td>214.49</td>
<td>213.27</td>
</tr>
<tr>
<td>2009</td>
<td>269.83</td>
<td>285.65</td>
</tr>
<tr>
<td>2010</td>
<td>254.61</td>
<td>215.20</td>
</tr>
<tr>
<td>2011</td>
<td>347.00</td>
<td>261.41</td>
</tr>
<tr>
<td>Total</td>
<td>2487.53</td>
<td>2118.34</td>
</tr>
</tbody>
</table>

In Focus

EU-Afghanistan cooperation during the first semester 2012 was marked by a number of major events, culminating with the Tokyo conference, on 8 July and the launch of the negotiations of the Cooperation Agreement for Partnership and Development (CAPD).

Launched in March, in Kabul, the negotiations for a long-term EU agreement with Afghanistan are on-going. The CAPD will cover a broad range of sectors including trade, development and justice/home affairs. It will provide the legal basis for the EU’s enhanced cooperation and assistance to Afghanistan.

The NATO Chicago summit (May) a key counterpart to Tokyo, acknowledged the importance of security to sustainable development. It also recognised the importance of EU support to civilian policing within EU’s engagement in Afghanistan.

The 'Heart of Asia' Ministerial Conference, in Kabul on 14 June 2012, addressed regional cooperation as an important element for shifting the political focus away from conflict, towards encouraging trade and transit. A number of confidence building measures (CBMs) were agreed to follow up in Kazakhstan in 2013. Of the CBMs, the EU will support the implementation of: disaster management; counter narcotics; and commercial opportunities.

In Tokyo, the Government of Afghanistan presented its long-term strategy for the country, its priorities and commitments to reform. Donors have reaffirmed their support to Afghanistan’s transition and to a "transformation decade" based on partnership and mutual accountability. Commissioner Piebalgs confirmed that the EU will remain a steadfast partner for Afghanistan’s stability and development, will continue to prioritise and enhance support to Afghanistan"and will be "a champion for better donor coordination and alignment with the Afghan Government on the National Priority Programs".

Commissioner Piebalgs welcomed the mutual accountability framework adopted in Tokyo and Afghanistan’s commitments to:
- electoral reform, to bring about inclusive and credible presidential elections in 2014, and parliamentary elections in 2015;
- implementation of the IMF’s recommendations;
- better fiscal systems, to increase domestic revenue collection;
- guaranteed respect for human rights, especially for women; and to
- reform of the justice sector, to promote the rule of law.
Results of EU cooperation in Afghanistan

“[...] with the support of the international community, Afghanistan has made real progress. The EU has contributed more than 2 billion Euros in the last decade. Those contributions have supported the transformation of many Afghans’ lives.”

Commissioner Piebalgs, Tokyo, 8 July 2012

Some examples -

Afghanistan’s Health indicators, though still among the lowest in the world, have substantially improved in the last few years:

- Access to health improved thanks to an increased number of health facilities from 1,087 in 2004 to 1,784 in 2011.
- The number of Health Facilities with at least one female health worker increased to 74% in 2011 (from 45% in 2000).
- The Number of Health facilities providing Integrated Management of Childhood Illnesses services have increased from 245 in 2005 to 1307 in 2011.
- 65 % of Afghans live within a two-hour walk of a health facility.
- Under-5 mortality rate, as a result of these interventions (and including systematic immunisation), decreased from 257 per 1,000 live births in 2000 to 161 in 2008; a nation wide survey conducted in 2010 1, indicates a significant reduction to 97 per 1,000 live births.
- The same 2010 national wide survey2, indicates a remarkable decline of the maternal mortality rate to 372/100 000 (from 1600/ 100 000 in 2008-20093).
- A Health Strategic Plan has been recently developed by the Minister of Public Health and the health-related National Priority Programme was endorsed by the Joint Coordination and Monitoring Board, in June 2012.

Water resource management improved through the recent completion of the Khanabad Irrigation Scheme rehabilitation and modernisation of the Khanabad River’s main barrage and its secondary canals. Irrigation is provided to 35,000 ha of land serving an agricultural population of 50,000 people. Risks and damage caused by unregulated flows are now reduced.

Stronger rural communities:

- 390 district Development Assemblies have been set up, enabling community representation at a higher administrative level, and greater participation of communities in the design and implementation of development programmes.
- 2,317 Saving Groups (54% female) and 85 Enterprise Groups (45% female) have been created, contributing to an increase in savings, inter-loaning, and development of micro rural enterprises recording very low default rates.

Strengthened horticulture and seeds industry:

- A total of 24,000 tonnes of certified wheat seeds was produced in the past season, out of which 18,500 tonnes (77%) were sold and delivered to farmers for the agricultural season 2011-12.
- Six EU-funded Perennial Horticulture Development Centres are now recognised horticulture hubs in the country. They maintain the National Collection of fruit varieties (about 850 clones of 15 fruit species).
- An Afghan fruit tree catalogue is published every year by the Afghanistan National Nursery Growers Organization (ANNGO);
- Three laboratories of Pomology are operational and three more will be set up in the coming year.
- The Afghanistan National Nursery Growers Organization continues to implement the regulatory scheme for planting material and, in spring 2012, produced and successfully marketed the first batch of 500,000 ANNGO-certified fruit samplings.

How is EU aid delivered?

Assistance from the EU Budget is managed by the European Commission (EC), through the EU Delegation to Afghanistan in Kabul. Having as main legal basis the Development Cooperation Instrument (DCI). The EC legal and strategic framework for development cooperation with Afghanistan includes a Country Strategy Paper (CSP), and a Multiannual Indicative Programme (MIP). CSP and MIPs are formally agreed with the Government of Afghanistan.

---

1 Afghan Public Health Institute, et al, Afghanistan Mortality Survey 2010, 2011; to note that this survey uses different data and methodology.
2 The results of the Afghanistan Mortality Survey 2010, 2011, need to be interpreted carefully (different methodology and different data do not allow for direct comparison of results). However they clearly indicate a positive trend.
3 ICON Institute
These agreements are further implemented through Annual Action Programmes (AAP) and Financing Agreements, concerning the specific actions, signed with the Ministry of Finance. The first CSP and MIP (2003-2006) promoted stability and poverty reduction by supporting, mainly, rural development, food security, governance, infrastructure and health.

The Current CSP and MIPs cover 2007-2013, with a project approach and aligned with Government strategies, most of the funds are implemented through Multi-donor Trust Funds (MTDFs). In the context of Afghanistan and as long as the conditions for Budget support are not met, trust funds provide the best solution for bringing aid on budget. Trust Funds channel resources 'on-budget' and an increasing share of total funding is handled by the national Public Finance Management systems, improving transparency but also overall accountability for resource usage.

A significant advantage in the complex aid environment of Afghanistan – where there is a substantial fragmentation of donors and relatively weak government leadership - is the existence of two major multi-donor trust funds, namely the Afghanistan Reconstruction Trust Fund (ARTF) and the Law and Order Trust Fund for Afghanistan (LOTFA).

The ARTF began operating in 2002 and is administered by the World Bank. Until December 2011, the entire donor contribution to ARTF stands at USD 4.6 billion (circa € 3.7 billion). As of 2011, the EU has contributed € 291.95 million (circa USD 370 million) in commitments and € 274.91 million (circa USD 361.75 million) in disbursements.

The EU has initially supported the recurrent cost window, which serves as a coordinated financing mechanism for the Government’s recurrent budget, and the investment window, which finances priority reconstruction programmes and projects. Through the recurrent window, the EU contributed to financing civil servants' salaries or Government’s operations and maintenance expenditures.

Recently EU support has been provided to the Investment Window only. The EU supported investment programmes include the National Solidarity Programme (NSP), the National Rural Access Programme (NRAP), the Afghan Rural Enterprise Development Programme (AREDP) and the Afghanistan Justice Sector Reform Project. In 2011 the EU committed an additional € 60 million to support the National Priority Programmes on 'Efficient and Effective Government' (€ 40 million) and 'Law and Justice for All' (€ 20 million). The ARTF investment window has become a key source of predictable and pooled resources for the Government’s development budget.

As of December 2011, a total of USD 2.24 billion has been disbursed from the ARTF for recurrent Government expenditures and USD 1.4 billion has been disbursed in investment projects.

Through the ARTF recurrent cost window, an Incentive Programme (IP) was established as a mechanism to support Government reforms through a series of annual incentive payments in exchange for completion of agreed reforms.

In 2011 the ARTF went through a number of changes, including the implementation of a three-year investment framework, restructuring of its operations so that it can support national priority programmes. In this context, a review of the governance structure of the fund was recently completed.

LOTFA was established in 2002 and is managed by UNDP to enable civilian police to resume operations throughout the country. Since 2002, LOTFA has completed five project cycles and has focused on six priorities: (1) payment of police force salaries; (2) institutional development; (3) procurement and maintenance of non-lethal police equipment and supplies; (4) rehabilitation, maintenance and operation of police facilities; (5) gender orientation (selection, recruitment and training); and (6) payment of salaries of uniformed personnel employed by the Central Prisons Department. In 2012, the LOTFA sixth cycle, includes capacity building and reform.

With a total contribution of € 321 million to date (and a further € 30 million expected to be committed in 2012), the EU is one of the largest contributors to this Trust Fund (together with the US and Japan).

Multiannual Indicative Programme 2011-13

The current CSP covers the period between 2007 and 2013 and is implemented through MIP-I (2007-2010) and MIP-II (2011-2013). With a total budget allocation of € 610 million, the MIP-I defined EU interventions in three focal areas: rural development, governance, health, and three non-focal areas: social protection, mine action, regional cooperation.

A mid-term review of the CSP was carried out in 2010. The resulting MIP-II, covering the period 2011-2013 has an indicative financial allocation of € 600 million over a 3-year period (over 30%
increase of the yearly allocation, as compared to the previous 4-year period covered by the MIP-I 2007-2010.

In line with both the Kabul Process - transition to full Afghan leadership and responsibility - and the EU Action Plan – strengthening EU Action in Afghanistan -, the indicative funding under MIP II is as follows (MEUR):

<table>
<thead>
<tr>
<th>Multiannual Indicative Programme 2011 – 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Priority Areas/Sectors</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Rural Development</td>
</tr>
<tr>
<td>Local Development</td>
</tr>
<tr>
<td>Agriculture</td>
</tr>
<tr>
<td>Sub-Total</td>
</tr>
<tr>
<td>Social Sector</td>
</tr>
<tr>
<td>Health</td>
</tr>
<tr>
<td>Social Protection</td>
</tr>
<tr>
<td>Sub-Total</td>
</tr>
<tr>
<td>Governance &amp; Rule of Law</td>
</tr>
<tr>
<td>Police Reform</td>
</tr>
<tr>
<td>Sub-national Governance</td>
</tr>
<tr>
<td>Public Administration Reform</td>
</tr>
<tr>
<td>Justice Reform</td>
</tr>
<tr>
<td>Sub-Total</td>
</tr>
<tr>
<td>Non-focal</td>
</tr>
<tr>
<td>Regional cooperation</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

Annual Action programme (AAP) 2011 and 2012

The 2011 Annual Action Programme was dedicated to Governance, one of the three focal sectors set out in the CSP 2007-2013, integrating three specific actions: (i) support to the police salaries and police reform through LOTFA (€ 140 million); (ii) support to Justice Sector Reform (€ 20 million); and (iii) support for Public Administration Reform (€ 40 million) both through the World Bank’s administered ARTF.

The 2012 Annual Action Programme will include actions in the sectors of agriculture, health and social protection for a total budget of € 220 million.

Alignment with Government priorities

The EU is progressively aligning its development portfolio with the Government of Afghanistan’s priorities as set out in the Afghan National Development Strategy (ANDS), i.e. Afghanistan’s Poverty Reduction Strategy Paper (PRSP). The ANDS is structured around 3 pillars, namely Security, Governance - Rule of Law & Human Rights -, and Economic and Social Development.

Following the July 2010 Kabul Conference, the Government of Afghanistan decided to enhance the coherence of its policy action and create instruments to further facilitate the International Community's alignment with its priorities. As a result, ministries with responsibilities in homogeneous policy areas were clustered and cluster leaders were asked to develop 22 National Priority Programmes (NPPs). NPPs will serve as instruments for the implementation of the sector development strategies in areas such as governance, basic service delivery, agriculture and rural development and infrastructure. In the run up to the Tokyo conference (July 2012) intense consultations with donors have paved the way for the endorsement of 16 NPPs to date, which should now enter the implementation phase. Several NPPs, many of core importance for the EU development assistance portfolio, still require significant work and are expected to be finalised in the course of 2012. These include some of the NPPs for agriculture and rural development and especially the NPPs related to Justice and Public Administration Reform.

In line with the principles of aid effectiveness, the government asked donors to progressively align funding with national programmes, and use Government systems as much as possible, shifting from project to programme mode. The aim is to improve coordination and better target development.
assistance. The EU is already largely aligned behind national priorities and national programmes and is striving for further alignment, using Government systems as much as possible.

The 2009 EU Action Plan for Afghanistan and Pakistan, covering EU and Member States assistance, has identified areas for enhanced EU engagement in both countries. Its aim is to set out areas with a need for better alignment of EU programmes and resources. Rural development, policing, and justice have been highlighted as areas for further EU commitment in Afghanistan - areas in which the EU has already been active for many years. In addition, areas for enhanced collective EU actions such as sub-national governance and efficient and effective public administration were emphasised.

**Regional Cooperation** receives substantial attention with the purpose of improving transnational security and building stronger economic ties between the countries in the region. Programmes supported on both sides of Afghanistan’s borders include border management, customs, and institutional capacity building. EU support also addresses transnational threats such as narcotics production and trafficking.

The 'Heart of Asia' process was initiated at the Istanbul conference in November 2011 and aims at promoting regional political and economic cooperation between Afghanistan and its neighbours. It has laid a useful basis for a process of political cooperation in Afghanistan's neighbourhood, owned and led by the region. On 14 June 2012, the Kabul Ministerial Conference prioritised building measures (CBMs) covering: disaster management, counter-terrorism, counter-narcotics, chambers of commerce, commercial opportunities, regional infrastructure and education. The EU welcomes the progress of the 'Heart of Asia' initiative and stands ready to support the CBMs (disaster management; counter narcotics; and commercial opportunities). CBMs will contribute to bring peace, and sustainable development to Afghanistan and the region. Foreign investment from the region could become an important piece of this vision, and the Government's efforts to improve the regulatory framework and rule of law in the country will be crucial to attract these resources.

**Facilitating economic growth** is high on the agenda of the Government of Afghanistan. A private sector development strategy was recently presented in the form of two National Priority Programmes aiming at the promotion of integrated trade and support to SMEs. Their focus is on the creation of the legal environment for business and investment, identification of competitive advantages, creating the capacities to develop industrial parks, and e-business. In this context, the European Union Chamber of Commerce in Afghanistan (EUCCA) started its activities in October 2011. EUCCA could be a key element in supporting Afghanistan business-conducive reforms in order to attract future investors.

---

**Donor coordination and dialogue with Government**

The Joint Coordination and Monitoring Board (JCMB), established in 2006, comprises Government and major donors and other international community actors. It is the main coordination mechanism for assistance to Afghanistan, supported by three Standing Committees (security, governance, socio-economic development) and a permanent forum on aid effectiveness, the High Level Committee on Aid Effectiveness (HLCAE). Most sectors have at least one donor/government working group at technical level. Regular consultations with the international community take place through weekly coordination meetings chaired alternately by the Ministry of Finance and United Nations Assistance Mission in Afghanistan (UNAMA).

The EU speaks with a single voice to promote a consolidated approach in interactions with the Government, both on political and development issues. This authoritative representation is effective since the entry into force of the Lisbon Treaty (January 2011). A single EU Delegation, combining the offices of EU Special Representative and the former EC Delegation, in Kabul, plays an important role in intra-EU donor coordination through frequent meetings of EU Heads of Mission and regular meetings of the EU Development Counsellors.

The 2009 EU Action Plan for Afghanistan and Pakistan has become a central plank of the EU Delegation's work programme. A fifth implementation report (October 2011 to March 2012) was presented to the EU Foreign Affairs Council on 14 May 2012. It reiterated the need to continue efforts to improve governance in Afghanistan and to explore the scope to accelerate public administration reform by conditioning more effectively EU support to improved governance. A review of the EU action Plan, after Tokyo (July 2012) was recommended. In the future, the EU High Representative and the Commission are to report to the Council once per year on the two countries.
In December 2011 the Bonn Conference took stock of the achievements within the Kabul Process and paved the way for the Tokyo Conference (July 2012) focusing on the Government of Afghanistan's strategy for sustainable development and economic growth, beyond the security transition set for 2014. The Tokyo Conference resulted in clear commitment by all donors to remain engaged throughout the "Transformation Decade" ($16 billion for the next 4 years). But Tokyo also stressed the need for the Afghan Government to make good on its commitments. These are spelt out in the Conference Conclusions which include a Mutual Accountability Framework (i.e. Tokyo Framework) and related, measurable benchmarks.

**Aid effectiveness**

The European Union plays an active role in supporting the efforts of the Ministry of Finance on a wide range of aid management issues, which are discussed and monitored by the High Level Committee on Aid Effectiveness. Core initiatives in this area, such as the Joint Evaluation of the Paris Declaration in Afghanistan and the Paris Declaration Monitoring Survey, prove the commitment of the Government and donors to make aid more effective.

The EU is involved in dialogue on the strengthening of Public Finance Management, with a view to paving the way for budget support in specific sectors. Based on the “principles of effective partnership” discussed at the Kabul Conference, a Public Finance Management (PFM) Road Map was prepared to improve budget execution, formulation, transparency and accountability. The Government is expected to meet these conditions in order enable donors to deliver on their London and Kabul commitments (2010), namely: “channelling at least 50% of development aid through the Afghan Government’s core budget within 2 years” and “align progressively development assistance behind the National Priority Programs with the goal of achieving 80% of alignment within the next 2 years”. Donors, including the EU, are planning to increasingly channel their support to National Priority Programmes, many of which are included in the Government’s core budget, often via the ARTF investment programmes.

Almost 40% of EU aid provided between 2002 and December 2010 has been channelled through multi-donor trust funds, substantially contributing to the government’s core budget, such as the Afghan Reconstruction Trust Fund (ARTF) and the Law and Order Trust Fund for Afghanistan (LOTFA). Other major contributors to the multi-donor trust funds include EU Member States such as the United Kingdom, Germany and the Netherlands, as well as Canada, Japan and the US.

Recent developments within the Health sector – Government-led sector wide approach and strong donor coordination - have allowed the EU to envisage its support to the Health sector also on-budget (through the ARTF) starting in 2013, outperforming the Kabul benchmarks.

**Technical cooperation** is vital for improving government capacity, but must be demand-driven, results-oriented and coordinated. The Government has set up a Civilian Technical Assistance Programme (CTAP) in an effort to consolidate and prioritise technical cooperation. This is in line with the principles of the EU Backbone Strategy on reforming technical cooperation, which aims at making technical cooperation demand-driven and oriented towards capacity building. These principles underpin the design of all future EU support programmes for Afghanistan.

**New Deal for Engagement with Fragile and Conflict Affected States (The New Deal)**

The EU supports the efforts of the Government of Afghanistan to make the New Deal for Fragile States operational through the development of a new Aid Management Policy.

It has been clear for some years that the poorest - fragile and conflict-affected – states are generally not improving and are off track to achieve the MDGs.

In trying to clarify priorities in fragile states, the "New Deal" sets out five goals — legitimate politics, justice, security, economic foundations and revenues and services (41 countries and organisations, including the EU have endorsed the New Deal).

In Busan (2011), Afghanistan endorsed the New Deal and committed to undertake the necessary reforms to ensure trust. Donors, by adopting the New deal have committed to provide aid and manage resources more effectively and to align these resources for results: enhancing transparency, risk management to use country systems, strengthening national capacities and timeliness of aid, improving the speed and predictability of funding to achieve better results.

The adoption of the "New Deal" by the EU implies a set of significant challenges. These are being addressed through the introduction of a number of changes in the cooperation instruments and tools that will address the 2014-2020 financing cycle, including, inter alia: the institutionalisation of joint
fragility assessments; linking diplomatic, security, humanitarian and development engagements; a specific modality of budget support linking state-building and improved risk management (State Building Contracts).

The EU is ready to work with the Government of Afghanistan on the roadmap towards achieving the necessary conditions (e.g. Tokyo Framework) and to actively engage in the International Dialogue on Peacebuilding and Statebuilding that will track the implementation of the New Deal.

### Cooperation with civil society, sub-national governance, gender

**Cooperation with civil society organisations:** Civil society organisations are essential partners in the implementation of EU assistance (e.g. in health, social protection, agriculture, refugees) and are key partners in dialogue on assistance strategies. In addition to the sectoral programmes, EU support to civil society includes specific funding to improve their capacity in the field of human rights and democratic governance. Regular calls for proposals are launched with a particular focus on supporting the active role of **women and other under-represented groups** in the development agenda of Afghanistan, especially at the local and sub-national levels. Other areas of EU support to civil society include funding for projects linking relief, rehabilitation and development through food security interventions.

**Local governance:** The EU strongly supports the development of a system of local governance through its participation in the **Afghan Sub-national Governance Programme**. This support has so far contributed, among others, to the approval of the first Afghan Sub-National Governance Policy (2010). Components aiming at strengthening provincial, district and village governance are increasingly included in all EU programmes. This dimension has been strongly integrated in the Government’s cluster approaches for agricultural and rural development – although at village and district level only – as well as governance. The EU is an active participant in policy dialogue with the Independent Directorate for Local Governance (IDLG).

**Gender:** Since 2005 EU has been committed to mainstream gender in all its development programmes. Until now, the EU has financed a variety of projects – more than € 12 million - in support of women's rights in Afghanistan. Projects focus on issues such as legal aid, centres for victims of family violence, psychological counselling, research studies, training of women and development of technical capacities and skills of women-led civil society organisations, support to family welfare centres dealing with reproductive health services, support to women in media, women leaders.

Moreover, specific instruments promote the involvement of civil society organisations in development and address gender issues in a more direct way. These are the European Instrument for Democracy and Human Rights (EIDHR) and the Non-State Actors – Local Authorities (NSA-LA).

### Humanitarian Aid

The European Commission's Humanitarian Aid Directorate General (ECHO) is responsible for humanitarian assistance to third countries, bringing support to victims of conflict or disasters, both natural and manmade all over the world. ECHO operates mainly through its implementing partners (UN agencies, Red Cross/Crescent movements and NGOs).

ECHO manages humanitarian assistance in favour of populations affected by humanitarian crises and promotes disaster preparedness. It assesses humanitarian needs in emergency situations and evaluates and closely monitors the humanitarian situation in the field as well as the implementation of operations, among other activities. This is done in coordination with other humanitarian donors and agencies. ECHO is also involved in linking relief, rehabilitation and development.

Between 2001 and 2011, ECHO has provided € 493 million of humanitarian aid to Afghanistan. The budget allocated for the 2012 Humanitarian Implementation Plan provides a further € 30 million. ECHO essentially focuses on protection, general support to conflict-affected populations including Internally Displaced Persons (IDPs), returnees and refugees in neighbouring countries, responses to natural disasters, and food assistance (in remote areas and in coordination with the EU’s food security thematic programme and the Food Facility). ECHO also supports the UN Office for the Coordination of Humanitarian Affairs in Afghanistan, as well as humanitarian flights (PACTEC) and the NGOs safety network (ANSO).
More Information
A summary of the major EU-funded programmes and projects is set out as follows:

1: Agriculture and rural development
2: Social sectors
3: Governance
4: Regional cooperation
5: Other interventions

1 – EU Support to Rural Development

Afghanistan remains one of the poorest countries in the world. About 80% of the population depends on agriculture and associated livelihoods. Seasonal and chronic unemployment are common and increasing. The result is a high degree of food insecurity, a socio-economic environment that is conducive to instability, an illicit economy, and extreme poverty. The Afghan Agriculture and Rural Development strategy focuses on the development of prosperous rural and pastoral communities.

Non-Governmental Organizations (NGOs) have played a significant role in providing services and inputs to farmers during the last three decades. Through their respective areas of activities, NGOs have developed an in-depth understanding of the social fabric and socio-economic aspects of the Afghan communities. The National Priority Programmes (NPP) developed in the wake of the Kabul Conference are significantly changing the political and economic development environment. They are putting the Government in a leadership position with regard to development strategies and the proportionate allocation of donor funds to specific sub-sectors.

One of the components of the NPP2, the National Comprehensive Agriculture Production and Market Development programme, will guide the hand-over of responsibilities for the provision of agricultural inputs and services to the public and private sector, while officially engaging NGOs into the agricultural development mechanisms designed by the Government of Afghanistan.

The EU support portfolio is structured in two sub-sectors: agriculture and local development. The former sub-sector is further divided into three components, namely (i) water and natural resources management, (ii) animal health and (iii) seed and horticulture. The latter sub-sector is further divided into (iv) a research component geared to enhance the understanding of the needs of rural communities and effective development policies, and (v) the strengthening and development of rural local communities.

Sub-Sector 1  Agriculture – Water and Natural Resources Management

River Basin Management covers rehabilitation of irrigation infrastructure, water management by users, protection of catchment areas and the creation of River Basin Agencies. Since 2004, the EU has contributed some € 93 million to this subsector. Technical assistance has been provided to the Government in the preparation of the Water Law, signed by the President in 2009, and implementation of the institutional and management changes related to it. This provides the legal foundations for an Integrated Water Resource Management in River Basins approach, based on devolution and outsourcing of services. Assistance has also been provided to the Ministry of Energy and Water (MEW) to strengthen the Ministry’s general management capacity and to manage private contractors in the rehabilitation of 70 major hydraulic schemes covering a command area of 160,000 ha.

The results so far are more than 65,000 tonnes of additional cereal production, with almost half a million direct beneficiaries. A total of 95 water user associations were already created and trained by NGOs in more efficient operation of the canal system. These have improved water use efficiency and increased the area under double cropping from 5 to 15% of the total canal area. In coordination with the Government and other donors, the EU has concentrated in six sub-basins of the Panj-Aamu River in Northern Afghanistan, which represent 40% of the Afghan water resource. The EU Programme in the water sector, the first pilot project addressing all components of the Integrated Water Resource Management approach, has also targeted about 40 upper catchments (watersheds) which have been extensively protected by community based actions.

Of particular significance is the completion of the long-awaited Khanabad Irrigation Scheme Rehabilitation Project on the Taloqan River, a contributory river to the Amu Darya. Focus was placed on the rehabilitation and modernisation of the main barrage and its two main canals. The project has been operational since June 2011 providing improved irrigation for 35,000 ha and serving an agricultural population of 50,000 people. The advantageous results of the intervention extend also to environmental protection as the physical environmental damage caused by unregulated flows is now reduced. Works on the main canals have been finalised and focus has shifted to improving Operations and Maintenance of the system and to
participatory rehabilitation and improvement of the infrastructure in secondary canals.

**Sub-Sector 2  Agriculture - Animal Health**

Since 2004, EU support to animal health amounts to some € 23 million and includes technical cooperation with the Ministry of Agriculture, Irrigation and Livestock (MAIL) for institutional reform and building service delivery capacity in epidemiology surveillance and animal health service provision: rehabilitation of two border inspection posts, sub-national public veterinary offices and diagnostic laboratories, a Central Veterinary Diagnostic & Research Laboratory (CVDRL) and privatisation of over 200 veterinary services providers.

![Distribution map of veterinary field units (updated 2010)](image)

Work is underway to revise the current animal health legislation in Afghanistan and develop 3 overarching pieces of legislation, the Animal Health & Veterinary Public Health Act, Veterinary Professionals and Para Professionals Act and Veterinary Medicinal Products Act. Care is being taken to ensure all Acts and associated legal instruments are both relevant for the Afghan context and reflect good practice found in other countries and international bodies, such as the World Organisation for Animal Health (OIE).

The CVDRL and associated regional and provincial laboratories is one of the achievements of the EU and the Government’s joint strategy to improve agricultural production in quantity and quality. To date, the Veterinary Diagnostic Laboratory network comprises 4 regional and 10 provincial laboratories and is closely linked to the public private sanitary mandate contracting (SMC) activities. Close links have been developed between farmers, local animal health professionals and other public and private actors. The success of this scheme is demonstrated by the interest of other donors, actors and research organisations in using it as a vehicle to enhance the passive and active disease surveillance activities carried out on notifiable and zoonotic diseases. Expansion of the scheme is a positive step in terms of sustainability of this important epidemiological network which allows Afghanistan to fulfil its internal and external reporting requirements for animal diseases.

**Sub-Sector 3  Horticulture and Seeds Industry**

In this sub-sector, EU support (€ 51.5 million) takes the form of technical cooperation with the Ministry of Agriculture Irrigation and Livestock (MAIL) for (i) horticulture policy reform, (ii) government research farms, (iii) completion of a 'National Collection of Fruit and Nut Varieties', (iv) dissemination of quality planting and grafting material, (v) support to farmers and about 1,000 nursery growers in 58 districts of 21 provinces for tree nursery and orchard development. It also includes (vi) support for the emergence of professional associations such as 28 nursery growers’ associations, a National Almond Industry Association and an umbrella organisation aiming at nationwide coordination of the horticulture industry development.

Further support is provided through the UN (FAO), which manages a Variety and Seed Industry Development Project to improve the productivity of major staple crops. Assistance is given to the Agricultural Research Institute of Afghanistan to develop varieties and produce breeder seed. In addition, support is provided for enterprises to produce foundation seeds - existing and newly released varieties - and for the establishment of a system to commercialise quality certified seeds to farmers. There are currently a total of 104 private enterprises in 28 provinces producing up to 30,000 tonnes of certified wheat seeds annually. Some enterprises have also begun producing seeds of other crops including vegetables. The seed sector has become better regulated with the enactment of a Seed Law and adoption of a National Seed Policy. Regulations are being formulated for implementation of the seed law while the six-year old seed policy is also being revised through broad stakeholder consultations. The upcoming EU Agricultural Support Programme (under preparation in 2012) will further strengthen this last objective by raising awareness among farming communities about the relevance of planting newly introduced improved wheat varieties, developing a viable seed market between farmers and producers, while moving away...
from the current donor demand-driven approach. In the meantime, EU has engaged with partners in a progressive hand-over of all responsibilities related to the public seed sector from FAO to MAIL.

Moreover, the EU collaborates with other donors and implementing agencies such as the World Bank in ensuring complementarities to further strengthen the supply of agricultural inputs including seeds, in Afghanistan.

As concerns perennial crops, the EU supports a newly created Horticulture Directorate, established within MAIL and, at the same time, it assists MAIL in the establishment of a provincial horticulture structure, pinpointing the existing 6 EU-funded Perennial Horticulture Development Centres (PHDCs). The 6 PHDCs are recognised horticulture hubs in the country and maintain the National Collection of fruit varieties which include about 850 clones of 15 fruit species.

In the 6 PHDCs, the national collection description continues (Afghan fruit tree catalogue published by ANNGO every year), 3 laboratories of Pomology are operational and 3 more will be set up in the coming year. From the National Collection, the best clones are released to the nursery industry. The Afghanistan National Nursery Growers Organization is continuing to implement the regulatory scheme for planting material and, in Spring 2012 it has produced and successfully marketed the first batch of 500 thousand ANNGO certified fruit saplings.

In parallel, the three main Afghan National Horticulture Associations are progressively building up their reputation, providing the private horticultural sector with stronger representation at national, regional and international levels.

A total of 24,000 tonnes of certified wheat seeds was produced in the past season, out of which 18,500 tonnes (77%) were sold and delivered to Afghan farmers for the agricultural season 2011-12. Additionally 15 seed storage and processing facilities have been completed and handed over to beneficiary private seed enterprises and construction works are progressively underway in the remaining 24 sites. Additionally, agricultural equipment has been provided to beneficiary Private Seed Enterprises (PSEs), Agricultural Research Institute for Afghanistan (ARIA) and Improved Seed Enterprise (ISE) stations while 11 new varieties of wheat, 3 varieties of maize, and 2 varieties of mung bean have been released and registered.

Sub-Sector 4   Research: Data & Surveys

The EU is funding the fourth round of the National Risk and Vulnerability Assessment (NRVA), a multipurpose household survey with country wide coverage, which provides key information on the socioeconomic profile of the Afghan population. Final results are expected to be available at the end of 2012. The relevance and importance of the programme in terms of enabling policy-making based on quality information is highlighted by the tight partnership and coordination that the EU has developed around the programme with institutions such as World Bank and DFID, as well as the wide use that developmental organisations make out of it. The programme aims not only at delivering a quality socio-economic profile, but also at strengthening capacities of the Central Statistics Office (CSO), so that future surveys may benefit from its increasing leadership. Despite numerous challenges (e.g. organisation, security), the programme is now well underway, with data collection taking place throughout the 34 provinces of the country. Quarterly based rounds of data collection, carefully take account the seasonality of specific livelihood parameters. Throughout 2012 the EU expects to launch a call for tenders that will ensure two additional rounds of NRVA (2013-2015). Additional resources have been earmarked for research programmes supporting institutions working within the rural development sector, including strategic research on the opium economy. In 2012, the EU expects to dedicate further resources for research programmes within the areas of rural governance, service delivery in fragile states, and state building, aiming to achieve relevant policy making objectives in the medium term.
Sub-sector 5  Strengthening and Development of Rural Communities

The EU support to Afghanistan's rural development sector has been steady throughout the decade 2001-2010, with considerable support given to the National Solidarity Programme (€ 48.54 million) and to the National Rural Access Programme (€ 10.29 million).

In December 2010, the EU allocated € 75 million to Rural Development and Local Governance:

- € 34 million through the ARTF to support the programmes of the Ministry of Rural Rehabilitation and Development (MRRD) such as the National Solidarity Programme (rural infrastructures at village level), National Rural Access Programme (tertiary roads), and Afghanistan Rural Enterprise Development Programme (micro-enterprise development);

- € 31 million through UNDP for the National Area-Based Development Programme and the Afghanistan Sub-national Governance Programme II, which are two inter-linked nation-wide programmes with a strong focus on local governance and livelihoods, rural infrastructure, and comprehensive area-based approaches.

The current portfolio on local infrastructures (rural roads, water points, sanitation systems, irrigation schemes, micro energy plants) intervenes at two different levels of the administrative organisation (village and district) highlighting the relevance that the EU puts on local development and local governance.

Achievements to date include:

- Construction of 738 Km of tertiary roads (plus an additional 398 Km ongoing) and the emergency maintenance of 213 Km;

- Creation of 31,190 Community Development Councils at village level, serving both as embryo entities for local governance and participative project implementation units for a wide array of productive infrastructures in rural areas (projects: 12,818 transportation; 12,079 water & sanitation; 9,350 irrigation; 6,618 energy; 5,934 education; 2461 livelihood);

- Establishment of 390 district Development Assemblies enabling community representation at a higher administrative level, and the design and implementation of development programs with a wider area approach;

- Mobilisation of communities in five provinces, creating 2,317 Saving Groups (54% female groups) and 85 Enterprise Groups (45% female groups) contributing to an increase in savings, inter-loaning, and development of micro rural enterprises with very low default rates record;

- Creation of "Village Savings & Loans Associations” building on an increased financial maturity of underlying Saving Groups, thus allowing for further financial integration into a wider network;

- Identification of business plans and technical support for effective development of 106 Small Medium Enterprises, benefiting from exposure visits to key district centres in the Region.

The EU, while supporting community-driven rural development programs, recognizes the merits of the Ministry for Reconstruction and Rural Development (MRRD) in developing, through a programme approach, sub-national entities at village and district level.

So far, two approaches have clearly shaped the sub-national governance landscape: Ministry of Reconstruction and Rural Development's (MRRD) own programmes and the Independent Directorate for Local Governance’s (IDLG) Sub-National Governance Policy. The remaining key objective is to have policy convergence and both programmes taking the lead in designing the way forward. Considerable work has been done at policy level over the last quarter of 2011 and the first semester of 2012, showing strong government commitment to design a system responsive to development, coordination and representation needs.

The Annual Action Programmes for 2012 and 2013 are expected to allocate additional € 115 million for programmes across the two areas of rural development and local governance.

2 – EU support to Social Sectors

Social sectors (health and social protection) have been chosen as core areas of EU development cooperation. Each of these sectors differ significantly in terms of maturity and aid absorption capacity. Whereas the health sector is one in which the Government of Afghanistan has shown the strongest
leadership towards a sector policy with an emerging SWAp expected in 2012, social protection policy is relatively weak. EU support, focusing mostly in urban areas, has proved essential in contributing to cover the needs of the most vulnerable people in an extremely poor society.

Sub sector 1  Health

Afghanistan’s health indicators are among the most worrying in the world. Afghanistan has taken a devastating toll during three decades of war, with human and socio-economic indicators hovering near the bottom of international indices. However, the health sector has shown considerable progress in the last decade. Access to primary health care services has increased to around 65%. Such progress is largely due to the implementation of a Government-led Basic Package of Health Services (BPHS) and an Essential Package of Hospital Services (EPHS) implemented by NGOs and funded by USAID, the World Bank and the EU.

Since 2001, the EU has committed a total of € 216 million in support of the health sector (including health policy & administration management, infectious disease control and basic health care). By funding non-state actors for the delivery of BPHS and EPHS, the EU supports the provision of basic health care services to more than 5 million Afghans in 10 provinces (Daikundi, Ghor, Kunar, Kunduz, Laghman, Logar, Nangarhar, Nuristan, Uruzgan and Zabul), these include some of the most insecure and underserved areas of the country.

The BPHS has been critical in ensuring that all stakeholders focus on the common strategy established by the Ministry of Public Health (MoPH). This approach has made BPHS shorthand for a series of policies and strategies focused on the delivery of high impact primary health care, with adequate resources and efforts dedicated to improving service coverage to rural populations, equity in access to services and maintaining the focus on the poor, carefully monitored and evaluated.

EU institutional support to MoPH at central and provincial levels focuses on better linking service delivery and sector governance as well as on improving sector stewardship, as essential milestones towards a sector-wide approach to health. Pivotal governance areas (policy, planning, health care financing, human resources management, procurement and financial management, pharmaceutical affairs) have gradually become more prominent in EU support. Areas linked to health service delivery include streamlining care for disability, mental health and prison health. In addition, the Provincial Health Directorates (PHDs) have been supported to play a key role in supervising the performance of NGOs’ service delivery and provision of technical advice. Progressively, PHDs are expected to assume regulatory functions at province level and be able to work effectively with the for-profit sector.

In 2010, the EC allocated a fresh € 73 million to ensure the continuation of its support to the Afghan Public Health and Nutrition Sector. Institutional support to the Ministry of Public Health continues to produce positive results in terms of the health and nutrition status of the Afghan population. Under the supervision of the MoPH, BPHS and EPHS service delivery continues to be ensured by NGOs in the 10 provinces supported by the EU.

EU financial support under preparation for commitment in 2012 (€ 125 million) is expected to build on the increased capacities of the MoPH and of the Provincial Health Departments (PHDs), to support the National Priority Programmes Health for All Afghans and Human Resources for Health and to encourage strong Government-led donor coordination towards a Sector Wide Approach (SWAp).

Sub-sector 2  Social Protection

State-provided assistance in the social protection sphere has long been restricted to a number of specific interventions targeting a very limited number of beneficiaries (state-run orphanages, kindergartens, direct cash transfers to war-induced ‘martyrs’, and income generation support). The capacity of the Ministry of Labour, Social Affairs, Martyrs and Disabled (MoLSAMD) to broaden the scope of social services beyond these interventions has so far been limited. The EU has therefore pursued a twin-track approach of both building the capacity of the MoLSAMD through a long-running Technical Cooperation programme, and funding NGOs to provide a range of social services in a public-private partnership, targeting in particular specific, very vulnerable, categories of people: children, women and people with disabilities. While endogenous community-based social protection mechanisms remain strong in rural areas, albeit weakened by decades of conflict, such mechanisms do not exist to the same extent in urban settings. The current EU programme therefore has a strong urban focus.
Services provided by NGOs include counselling, medical care, protection, support to people with disabilities, reintegration into school for children at risk (street children, exploitative child labour, child trafficking), legal aid and mediation for women facing gender-based discrimination and support to community-based activities (e.g. income generation, job placement). In 2008, the EU adopted a comprehensive € 24 million Social Protection programme to strengthen national and institutional service mechanisms for people affected by social/cultural and economic marginalisation. This intervention is consistent with the Government of Afghanistan's five-year social protection plan and the partnership between government and NGOs as service providers with the involvement of local and community organisations.

Since 2001, the European Union has committed more than € 120 million in projects and programmes in the area of social protection.

EU supported activities addressing vulnerable people in Afghanistan take place more and more within the framework of national strategies and programmes (e.g. Health, Agriculture and Rural Development, Justice, Rule of Law) increasing ownership and strengthening institutional capacities to deliver services to all the population, particularly those that are in most vulnerable situations. While it is expected that the Government fulfils its commitments and gradually assumes its service delivery responsibilities within an inclusive and sustainable development strategy, the EU is gradually shifting its project approach to support to the national priority programmes and strategies and hence fulfilling its commitments on aid effectiveness and within the Kabul Process.

However, the situation of women in Afghanistan, one of the most vulnerable groups in the country, or in the world for that matter, justifies a dedicated approach with direct targeted interventions aiming at providing legal and mediation services, referral to social services; capacity building of the government in specific related areas; and advocacy and awareness raising activities to affect legislative and attitudinal change.

In 2012, the EU is expected to commit € 5 million to support Afghan women and promote gender balanced.

3 – EU Support to Governance

The Governance portfolio covers five different sub-sectors: (i) police reform, (ii) public administration reform, (iii) justice, (iv) sub-national governance and (v) elections.

Sub-Sector 1 Police Reform

Since 2002, the EU has been providing support to police salaries and police reform, mainly through the Law and Order Trust Fund for Afghanistan (LOTFA). The current phase of LOTFA (LOTFA VI, January 2011 – March 2013) presents more diverse priorities than previously, with a stronger focus on capacity development in the Ministry of Interior (MoI) and a new component on police-community partnerships, while maintaining LOTFA’s primary role as a disbursement mechanism for police salaries. The total budget for LOTFA Phase VI is forecast to be around USD1.4 billion.

In late 2011, the EU made a EUR140 million commitment for 2011 - 2013 of which almost EUR40 million has already been disbursed. This envelope will not only pay for the salaries of Afghan police officers, but also support capacity building of the police and MoI, as well as foster community-based police projects. With a contribution total of € 321 million to date, the EU is one of the largest contributors to this Trust Fund (together with the US and Japan).

For the disbursement of salaries, an Electronic Payroll System (EPS) now operates in all 115 payroll stations in 34 provinces nationwide. According to the latest LOTFA reports, EPS coverage is around 99% and around 80%. Of policemen receive their salaries through Electronic Fund Transfers (EFT). The introduction of a nationwide ID card system has also strengthened control. After intensive discussions, the Ministry of Finance agreed for the first time in November 2010 to start covering police base salaries (3% in 2011 and 7.5% in 2012), as well as incremental parts of food allowances (60% in 2011 and 73% in 2012) from the Government’s general budget. This development reflects the willingness of the Government to progressively take over recurrent remuneration costs from its own resources, thereby ensuring the long term financial sustainability of police costs.

Under the Instrument for Stability, the EU is providing funding for the construction of two police training centres, the Staff College in Kabul and a Regional Training Centre in Bamyan, with a special wing for women police officers. The project also
includes three EUPOL-run capacity building projects. The first aims to pilot specific community policing units in seven provincial headquarters, while the two others aim to foster links between police and the justice sector. This is being carried out through strengthening specific units of police and prosecutors’ ability to deal with crimes of violence against women and through promoting communication between police and legal aid providers in order to ensure that persons deprived of freedom are given legal representation. These activities also promote linkages between the justice and policing sectors.

The EU is an active participant in all policy discussions, including the International Police Coordination Board (IPCB) and the LOTFA Steering Committee. The EU Delegation and EU Special Representatives Office also work closely with the EU Police Mission (EUPOL) and Member States to ensure the overall coherence of EU efforts in police reform.

Sub-Sector 2 Public Administration Reform

Since the start of its activities in the country, the EU has been actively involved in supporting capacity building and administrative reform. Institutional support has been provided to the Independent Administrative Reform and Civil Service Commission for human resource organisation, public sector reform at provincial level, and training. The EU also helped to define several options for civil service reform and assisted the Government in its priority to support ministries’ reforms through "reform implementation and management units”, including by focusing on those institutions dealing with focal areas of EU assistance such as health and justice.

An in-depth evaluation of previous EU support to Public Administration Reform (PAR), completed in 2011, was instrumental in the development of the current EU approach to support PAR. The evaluation showed that previous donor support had been largely ineffective and so had Government’s efforts to tackle PAR. Reform of pay and grading, a major element of reform, has not brought the expected results. Furthermore, the presence of major donors and international organisations that distort the labour market in the short/medium term does not create a favourable environment for reform. Demonstrating that capacity building needs remain great despite the large volumes of international aid (including from the EU) disbursed for that purpose in the past decade, the evaluation proposed a radically revised approach of the 2011 - 2013 EU support to PAR.

In anticipation of the National Priority Programme on Efficient and Effective Government (NPP 3- the overall framework under which all future assistance should be aligned), the EU is currently preparing a € 40 million contribution in support of the WB implemented Capacity Building for Results Programme (CBRP). This programme aims to draw the Government and international community together around a coordinated, five-year response to Public Administration Reform needs. A rational pay structure is at the core of the CBRP, which intends to increase the budget execution rate and service delivery capacity of certain key ministries through support for reforms and harmonised salary top-ups for major posts. Another major component of the programme will be the enhancement of training capacities, in cooperation with the relevant Afghan institutions. The CBRP has been formally launched by the Programme’s Steering Committee, the Minister for Finance and the Chairman of the Independent Administrative Reform and Civil Service Commission (IARCSC) in May 2012.

Following an extensive and detailed review process of the initial version of NPP3 (from December 2011), the IARCSC, leading the PAR process has recently shared an updated and revised version of NPP3 with national and international stakeholders for a new round of consultation. The NPP3 is expected to be ready for approval by mid-August 2012.

Sub-Sector 3 Justice

Between 2008 and 2010, the EU contributed € 20 million in support of the justice sector, including: (1) support to the National Justice Programme (NJP) through the ARTF (€ 10 million) with the aim of strengthening the centralised state justice system and increasing access to justice for the Afghan people; (2) remuneration of uniformed prison personnel at the Central Prisons Department (€ 2 million through LOTFA); (3) further support to the UNDP programme "Justice and Human Rights in Afghanistan”, in particular its district level activities (€ 5 million); and (4) technical cooperation to continue activities first financed under the EU’s Instrument for Stability in 2007 (€ 2.3 million) to build the capacity of the three Justice Institutions (Ministry of Justice, including the Central Prisons Department, Attorney General’s Office and Supreme Court) in the implementation of Human Resource Management Reforms and in the management of the national Legal Aid system.
Activities funded under the ARTF and UNDP-managed programmes include training for justice officials, establishment of legal aid and legal outreach offices across the country, upgrading of law libraries, construction and refurbishment of provincial and district justice facilities and awareness-raising campaigns for community members, religious leaders and school children.

The EU fielded an expert to support the justice institutions in preparing the National Priority Programme (NPP) Law and Justice for All early on in the process. Two drafts of the Justice NPP were consulted by the Government with donors in 2011. However, in early 2012, after significant delays from the Justice Institutions and upon request from the Ministry of Finance, which oversees the process, the EU provided another expert to support finalising the document. On the eve of the Tokyo conference of July 2012, it did not look likely that the NPP would be ready for endorsement before the autumn.

In late 2012, the EU committed EUR20 million for a new EU support programme, which will be based on the priorities identified in the NPP. This is expected to provide funding for the second phase of the World Bank managed, ARTF funded justice sector reform project, now entitled the Justice Services Delivery Project (JSDP). The EU has worked closely with the World Bank and the Justice Institutions to design the project and ensure maximum alignment with the NPP. However, this has been complicated by the delays in its finalisation and EU and World Bank internal time constraints. The World Bank project was formally launched on 1st June 2012 and will include several components. These are a “Partnership for Justice” to foster links between formal and informal methods of delivering justice; legal aid, legal outreach and awareness; and continued capacity building and institutional strengthening of the state justice institutions. The total budget is USD 85 million, of which the EU plans to contribute € 20 million.

Throughout the negotiation of the JSDP, the EU has taken the lead in coordinating donor input into its design and holding the World Bank to account. The EU continues to take active part in coordination and policy dialogue.

Sub-Sector 4 Sub-national Governance

Besides its regular contribution to the national policy dialogue process, the EU has been actively supporting sub-national governance through the funding it provides to the UNDP-managed Afghanistan Sub-National Governance Programme (ASGP) with € 5 million for phase I (2007-2010) and € 12 million for phase II (2010-2013). This programme focuses on capacity building at central and sub-national levels to improve democratic and participative development processes. Due to its national coverage, it is the only such programme to have a country-wide outreach. While ASGPI has been instrumental in supporting the Independent Directorate for Local Governance (IDLG) to develop its capacity and to design the SNG Policy, the second phase of the programme (ASGP II), which started in late 2010, has been more focused on supporting provinces, districts and municipalities. However, an external review of ASGP conducted in June 2011 concluded that the ASGP design may have been 'overwhelmingly overambitious' given the circumstances prevailing in Afghanistan. Since then, efforts have been made to give the ASGP Project better coherence, to have a more responsive engagement with key stakeholders and lift the performance of the implementing team to better meet the expected deliverables. The EU is committed to furthering improved sub-national governance and has integrated it in many of its programmes, such as the Rural Governance and Local Development support programme. Thus, besides its support to IDLG through ASGP, the EU is also supporting the Ministry of Rural Rehabilitation and Development (MRRD), another important actor in local governance, which has been administrating the National Solidarity Program (NSP), implemented through a network of village level Community Development Councils, and the National Area-Based Development Program (NABDP) focused on the formation of District Development Assemblies, now present in most districts of the country. In the absence of formally elected district councils, both the USAID funded Afghanistan Social Outreach Program (ASOP) and the UNDP/NABDP have been focused on strengthening district-level governance to facilitate interaction between the government and communities. However, the current attempt to rationalize existing SNG structures, especially at the district level with the prospect of establishing District Coordination Councils should give a further opportunity to clarify roles and responsibilities in the area.

Sub-Sector 5 Elections

The ELECT (Enhanced Legal and Electoral Capacity for Tomorrow) programme - managed by UNDP and to which the EU contributed € 33 million - closed in 2011, after supporting the electoral cycle started in
2009. In order to consolidate progress in the inter-election period, a follow-up project was designed. The new ELECT II programme, also implemented by UNDP, is operational since January 2012 and is expected to reinforce institutional, technical and operational capacity of the Independent Electoral Commission (IEC), supporting its capacity to undertake voter registration and to inform the electoral reform agenda ahead of the 2014-15 elections.

The EU is contributing to the ELECT II basket fund €10 million from its Instrument for Stability (IFS) and is also playing an important donor coordination role in support of the programme.

### 4 – EU support to other areas

On top of the core portfolios described above, which correspond to the focal areas of the MIP II, the EU is also continuing support to the non-focal area of regional cooperation, as well as implementing the regional programme on aid to uprooted people and thematic programmes in support of civil society and food security. The latter set of activities – in particular – builds on the humanitarian support provided by the EU through ECHO.

### Regional Cooperation

A major strand of EU support for regional cooperation focuses on border management. Ongoing EU support to the Afghan Customs Department (ACD) includes providing infrastructure at selected border crossing points, such as the construction of the customs facilities at Torkham (border with Pakistan), Sher-Khan Bandar (Tajikistan border) and Heiratan (Uzbekistan border). The Heiratan Border Crossing Point (BCP) in particular will receive further EU funding for the construction of administration buildings at the site of the newly built railway station, within the premises of the customs facilities. The presence of this railway infrastructure, and the adjacent river port on the Amu Darya, make Heiratan BCP a significant transport hub in the North-Eastern part of the country. The border post at Torkham is operational since November 2007 and accounts for almost 25% of total Afghan Government revenues (according to March 2010 ACD figures). With its customs programme, the EU supports the Government in establishing the most vital customs facilities at border crossings into three out of six neighbouring countries. The total overall EU contribution to this sector is in the range of €65 million.

To improve coordination and effectiveness, the EU has initiated an Informal Customs Network (ICN), a platform for information exchange and policy discussions between the major international stakeholders. Continuous consultation with the Ministry of Finance and its Customs Department ensures that projects remain aligned with government priorities.

The EU also supported the Border Management in Badakhshan (BOMBAF) Programme, implemented by UNDP-Tajikistan from 2007-2010. The programme focused mainly on the physical rehabilitation of three major border crossing points to Tajikistan and the training of border police, especially on narcotics trafficking. The facilities at Sher-Khan-Bandar were handed over to the Government of Afghanistan in October 2009. As part of the AAP 2010, the EU continues to support regional cooperation between Afghanistan and its Northern neighbours through a follow-up project (Border Management Northern Afghanistan BOMNAF), which extends the intervention to the entire Tajik and Uzbek border with Afghanistan. In addition to infrastructure and supplies, the programme focuses on capacity building. Another component is the support to the construction of the permanent Customs Training Academy, expected to increase the capacity of key officials in the Afghan Customs Department.

The EU is also committed to supporting the capacity of Afghan institutions to engage fruitfully in the regional dialogue. To this end, resources have been already committed for the establishment of the Afghanistan Railway Authority and the development of the Regional Cooperation Directorate within the Ministry of Foreign Affairs. In particular, the role of the latter is expected to be crucial also in the "Heart of Asia" process.

A new €15 million regional envelope foreseen is for commitment in 2013 and is currently under preparation.

### Civil society

EU support to civil society is primarily channelled through the European Instrument for Democracy and Human Rights (EIDHR), including its country-based support scheme (CBSS), and the Non State Actors and Local Authorities in Development (NSA-LA)
programmes. All of them aim to strengthen the role of local civil society and NGOs in their capacity to plan and carry out activities and advocate for specific issues.

NSA-LA aims to promote and strengthen a broad-based and inclusive civil society in Afghanistan, which is capable and willing to engage with communities and Government authorities at all levels on policy, economic and social issues, with a view to promoting dialogue and the accountability and transparency of state entities. The EIDHR CBSS supports similar goals, but with a specific focus on human rights and democratic reform, supporting the peaceful conciliation of group interests and consolidating political participation and representation, as well as transitional justice. Both programmes strongly promote the active participation of women in public life in Afghanistan.

Since 2005, around € 4 million have been allocated to EIDHR projects for activities such as truth-seeking and victim support, empowering Afghan women to participate in political life through radio programming, public discussions and debates, and supporting freedom of expression by promoting the role of the Afghan media. For example, recent projects have contributed to improving links between community-based and state justice mechanisms, lowering the number of conflicts within those communities, or have resulted in the drafting of a code of conduct on non-discrimination. The CBSS for 2011-2013 continues to promote these goals with a foreseen allocation of around € 0.9 million per year.

Since 2008, some € 5.5 million have been made available in support of NSA, with another projected € 2 million to be provided per year until 2013. A number of current projects are contributing towards community participation and peace building, youth empowerment and public participative dialogue on the current peace talks and transition process. The programme particularly encourages the active role of women in the development of Afghanistan, including political processes, peace building and reconciliation efforts, especially at the local and sub-national levels.

**Aid to Uprooted People**

Since 2002 the EU has funded projects for the reintegration of returnees and refugees in Afghanistan and neighbouring host countries, essentially Iran and Pakistan. € 17 million was allocated in the second semester of 2009 to sustain these efforts. Through the AAP 2009 for Pakistan, the EU is contributing € 40 million to the Refugee Affected and Hosting Areas (RAHA) programme. The programme is implemented through International Organisations with long-standing expertise in support to refugees in the region (UNHCR, UNHABITAT) and international NGOs such as HELP. Activities include a comprehensive range of reintegration interventions, including shelter, income generation, water supply, and small infrastructure in selected sites and communities. The programme also supports legal aid, human rights protection, urban community organisation, vocational training, and support to the Government of Afghanistan’s "Land Allocation Scheme". A new commitment is planned for 2011 for an amount of € 27 million.

**Food Security**

From 2001 to 2008, over € 92 million of EU assistance was disbursed to improve the food security situation of the most vulnerable. In 2009, € 24 million were committed and contracted from the "Facility for rapid response to soaring food prices in developing countries" (the "Food Facility") including € 13 million for a project with FAO to expand certified seed production and €11 million as direct support to farmers delivered through NGOs.

During 2010, grants with a total value of € 7.5 million were awarded to link food security relief programmes to rehabilitation and development. As part of promoting an innovative approach to food security, the EU is also supporting the nutrition component of the Government's health policy with grants of some € 2 million. In 2011, the EU will continue to support food security programmes linking relief to rehabilitation and development with a total budget of € 66 million.

A new food security strategy is under preparation. This will define more precisely how to tackle food insecurity and its links with short-term humanitarian actions and with the other portfolios managed by the Commission. In this context, food security actions will strive to improve synergies with actions carried out under the rural development portfolios, while at the same time exploring how to enhance support to marginalised urban populations. The new strategy will consider crucial aspects such as impact, sustainability as well as enhanced sharing of lessons learned on actions carried out at field level. The strategy is being developed in close consultation with other donors, as well as humanitarian actors (especially ECHO) and NGOs.