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Strengthening EU Action in Afghanistan: Fourth Implementation Report October 2011

Introduction

During the reporting period the merger of the EUSR office and EU Delegation was further consolidated, resulting in stronger coherence of the EU Delegation in coordinating and steering the political and development agendas of the EU Member States and the wider International Community, through a range of mechanisms, such as Heads of Mission and Heads of Development meetings, weekly UNAMA meetings and the Standing Committees. This coordinated EU approach, which is supported by EU MS based in Kabul, has also improved EU cooperation with the Afghan Government.

This fourth Implementation Report describes the progress made by the EU and its Member States over the last six months, focusing on collective efforts in the EU priority areas as set out by the EU Action Plan; the EU Presidency Programme 2011; and the FAC Conclusions of 18 July 2011.

Main Political and Security Developments of the past six months

Stimulated by a number of Member States, with support of the EU Delegation and the European Institutions in Brussels, Afghanistan remains a priority on the EU political agenda. During the Foreign Affairs Council of 18 July, the EU Foreign Ministers adopted Council Conclusions on Afghanistan welcoming the start of the transition process, noting the momentum created by the death of Osama Bin Laden for the reintegration and reconciliation process, expressing their concern regarding various issues (IMF, electoral crisis, lack of progress in the areas of governance, rule of law and anticorruption, etc) and expressing their willingness to negotiate an ‘ambitious and balanced EU-Afghanistan agreement (following the recommendations of the EU HoMs outlined in the Third Implementation Report).

The crisis in the aftermath of the 2010 Parliamentary Elections continued throughout the reporting period, at times with a significant paralysing effect on the work of the legislature. The Wolesi Jirga (WJ) repeatedly called for the abolition of the Special Court (SC) that had been set up by the judiciary with support of President Karzai to review the election results following complaints from disgruntled candidates, many of whom were from the President's Pashtu constituency. After concluding recounts in all 34 provinces, the SC in late June announced 62 of these candidates as rightful winners and forwarded their cases to the Independent Election Commission (IEC) for implementation. The IEC throughout questioned the legitimacy of the Special Court and its jurisdiction over the election results. Eventually

under increasing pressure, the IEC and President arrived at an agreement to end the impasse that would affect only a limited number of MPs and was politically acceptable to both. The IEC reviewed a number cases of elected candidates disqualified for electoral misconduct by the former Electoral Complaints Commission (ECC) and in nine instances overturned the ECC decision. The Assembly itself remained divided over this decision turning the post-electoral into a parliamentary crisis but on 8 October, when member MPs of the dissenting “Rule of Law Coalition” finally returned to Parliament and the quorum was restored, the Wolesi Jirga resumed its work.

The **Kabul Bank issue and the IMF** impasse have been a complicating factor for most of this year although came close to a resolution by end of October. Following the IMF agreement (6 October) and approval of the recapitalization of Kabul Bank by the Afghan Parliament (15 October) the most significant outstanding issues had been addressed in the context of the benchmarks set for the GoIRA in seeking a solution to the problems created by the collapse of Kabul Bank. The Attorney General’s Office (AGO) stepped up efforts on the prosecution of those responsible for the Kabul Bank affair, and to date, 66 million out of 900 million USD is said to have been recovered. The Central Bank has also been implementing the necessary corrective measures concerning the Azizi Bank, on which an audit has started in September

The Standing Committees in July recommended 13 **National Priority Programmes** (NPPs) to the JCMB for endorsement (7 fully recommended and 6 in principle). The remaining 9 NPPs were under preparation and are to be presented to the next Standing Committees/JCMB. A meeting of the JCMB was continuously postponed, *inter alia* as a result of the absence of an IMF Country Programme. However, in view of the progress made with the IMF the JCMB finally convened on 19 October to adopt the 7 fully recommended NPPs. The 6 in principle accepted NPPs will need to be finalised ahead of adoption by the next JCMB meeting, planned for November.

Although the **Kabul Process** remained marred by slow progress, a number of positive developments created a careful sense of optimism amongst members of the international community. With the arrival of a new US team, both the US and Karzai seem focused on improving relations. Progress made with regards to the Kabul Bank (including more aggressive prosecution of the Bank’s defaulters), and the audit of the Azizi Bank, in combination with the prospects of a more stable Parliament, potentially present the building blocks of a good platform for the Bonn Conference, and could provide the necessary fresh stimulus for the Kabul Process.

Transfer of Security Responsibility from the NATO / International Security Assistance Force (ISAF) to Afghan security forces officially began with a first tranche in July. Bamyán was the first province where the transfer of security responsibility to Afghan institutions began on 17 July. Afghan forces also started to take over security responsibility in Mehtarlam, a city in the eastern province of Laghman, in Kabul province (except for the Surobi district), in the provinces of Panjshir and Herat and in the cities of Lashkar Gah (Helmand province) and Mazar-e-Sharif (Balkh province). NATO, together with the Afghan Government is currently preparing Tranche 2 of the Transition Process. President Karzai is expected to announce the second tranche of transfer of security responsibilities on occasion of the Istanbul Conference on 2 November.

As regards the **Reconciliation & Reintegration Process**, the High Peace Council, established in 2010, is seen as an institution of the Afghan Government which was created to bring forward the peace process. So far, it has made some progress, for example on outreach (including to PAK government officials) and prisoner release negotiations. The EU actively supported this process through a number of initiatives (for example supporting a national academic seminar on peace and reconciliation with the HPC which led to the formation of an advisory group of academics to the HPC; and the establishment of a new forum for peace between a group of Afghan and Pakistani women to raise their profile and enhance their credibility as equal peace actors). However, the HPC has failed to deliver substantive progress on reconciliation and is seen by many to lack the credibility to conduct substantive negotiations with the insurgent leadership. The assassination of HPC Chair Burhanuddin Rabbani on 20 September represents a major blow to the reconciliation process and it remains to be seen how the HPC will respond. As of 27 October a replacement had not yet been appointed. It is also unclear whether Minister Masoom Stanekzai, who was injured in the attack on Rabbani, will stay on in his role as Head of the HPC Joint Secretariat. This could result in a delay to progress on reintegration although implementation of the Afghan Peace and Reintegration Programme (APRP) continues.

Officials from ISAF have shown signs of optimism in the progress of the ongoing **military campaign** despite increasing violence and casualties on the ground, arguing that coalition and Afghan forces have made significant but 'reversible' gains and that intelligence suggest the senior Taliban are no longer convinced they can win the war. The **ANSF** continued to expand and areas they secured were being held by the Afghan Local Police (ALP). Continuing night raids across the country inflicted severe losses on mid-level Taliban leadership while causing serious tensions with President Karzai. In response, ISAF has been increasing Afghan involvement in and leadership of these operations and claims they account for less than 1% of **civilian casualties**. The recently arrived new COMISAF, General Allen, has stated ISAF's intention to maintain the military pressure on the Taliban, while increasing forward deployment of more ANSF on the battlefield and continuing the NATO training mission (NTM-A) to ensure the ANSF have the skills they need.

The overall **Security Situation** remains stable. The period from June to August 2011 saw a decrease of violence of -13,6% compared to the same period of 2010. Insurgents tried to regain territory lost in the previous fall and winter to the US-led coalition in Southern Afghanistan. Attacks intensified as militants tried to undermine confidence in the Afghan Government, which wants to show that it is capable of taking over security from ISAF as the US is beginning to withdraw some forces. The insurgents stepped up suicide attacks and bombings, targeting a number of ANSF and senior government officials while apparently seeking to target civilians to a lesser extent.

The Road to the Bonn Conference on 5 December continued to be shaped with the active collaboration of the EU. The International Contact Group for Afghanistan (ICG), in which HoD/EUSR and the Special Representatives for Afghanistan and Pakistan (SRAPs) of several Member States are actively involved, has met several times during the reporting period. Following an initial meeting in Jeddah in March, a subsequent ICG Meeting took place in Kabul on 26 and 27 June. The Istanbul Conference on Regional Cooperation will take place on 2 November, followed by an ICG meeting in Astana, Kazakhstan on 15 November. The central message of Bonn will be that the International Community (IC) will not repeat the mistakes of 1989 and is committed to Afghanistan for the long term. The motto of the Conference will be: "From Transition to Transformation". The intent is to seek and receive a

credible IC engagement for Afghanistan for the long term (beyond 2014) which should support the sustainable stabilization of the country in its region. The overarching aim will be to address the following topics: a) civil aspects of the transition process transferring responsibility to the Government of Afghanistan by 2014; b) long-term engagement of the international community in Afghanistan after 2014; and c) the political process and its endorsement by the region. The outcome of the Conference ought to be the clear message that the IC remains committed to Afghanistan after transition, i.e. the departure of combat troops. A civil society dialogue has started under the auspices of German political foundations in order to foster Afghan civil society's capacity building on the way to take over responsibility in its field. As a means to publicly strengthen this mechanism, a forum will take place in Bonn on 2-3 December including an invitation for two elected representatives of this dialogue to bring civil society's perspective to the Bonn Conference on 5 December.

EU Cooperation and Coordination

Two years after the 27 EU Foreign Ministers agreed to the Plan for Enhanced EU Engagement in Afghanistan and Pakistan (hereafter referred to as the 'EU Action Plan'), significant progress has been made with consolidating and coordinating the efforts of the 17 EU Member States present in Kabul and boosting EU visibility. During the last six months, HoD/EUSR Ušackas actively continued to further encourage joint EU action in Afghanistan. Through more coordinated political messaging and by working in close cooperation with UNAMA, NATO/ISAF, the US, and other international partners, the EU has successfully raised and addressed a number of key issues with the Government, particularly in the field of elections, but also related to transition, 'transformation', the Kabul Process, reconciliation, human rights, and so on, thereby contributing to shaping the positions of the broader international community and influencing policy decisions. In the run up to the Bonn Conference in December, the EU has also taken on a stronger coordination and guiding role vis-à-vis the wider international community as co-chair of the International Contact Group (ICG) Working Group on the International Community's Long Term Engagement.

EU Cooperation Priorities

Key areas of importance in the EU Programme for 2011 and subsequent years will include: (1) Capacity Building, (2) Sub-national Governance, (3) Police Reform, and 4) Reconciliation and Reintegration. For all of these areas, there is strong potential for further strengthening internal EU coordination and action.

Capacity Building, a long term undertaking in which the GoA has a keen interest, is the red thread running through the EU's assistance strategy, as all ongoing and future bilateral and multi-donor programmes to which the EU contributes from its General Budget contain a technical cooperation or capacity building component to ensure sustainability and increasing ownership on the part of the Government. Capacity development, in particular institutional capacity development, should be seen in a long-term, strategic way rather than as a series of short-term quick fixes of doubtful sustainability.

As stated in the EU Action Plan, building up public sector capacity in Afghanistan is an EU priority.

For **Public Administration Reform**, despite the large volumes of international aid to strengthen civilian capacity (including from the EU and Member States), significant capacity building needs remain. So far, efforts to tackle reform have not been particularly fruitful. A major element, reform of Pay and Grading, has not delivered the expected results, although a more strategic approach was adopted in policy dialogues with the Government in recent months. In addition, the massive presence of international donors and organisations has distorted the labour market by creating a parallel ('second') civil service with donor-supported staff benefiting from multiple salary top-ups, and by diverting existing human capacity from state institutions. The NPP on Efficient and Effective Government was delayed and no draft of this programme has been circulated as yet. In anticipation of the NPP, the EU is currently preparing its next contribution to a World Bank managed Capacity Building for Results Programme (CBRP), through the ARTF (40 million EUR for commitment in 2011).

As concerns **Sub-National Governance**, the NPP on Local Governance was delayed and circulated for donor consultation in early September only. Although the draft NPP sets out a roadmap, it as yet seems to lack a clear articulation of the relations between the central administration and sub-national tiers of governance. The Independent Directorate of Local Governance (IDLG) continued its work to develop a strategy to implement the SNG policy and its core elements. However, the actual SNG implementation framework is still to be released. EU and EU Member State support for SNG is mostly provided through multi-donor programmes such as ASGP II (IT, NL, UK), to which 12 million EUR were contributed from the EU Budget (commitment 2010). Various EU Member States however also provide bilateral assistance for sub-national governance, e.g. through the Performance Based Governors' Fund, and the District Delivery Programme (DK, FR, UK). FR is in the process of setting up an assessment mission for a two-year training programme for Deputy Governors.

For **Police Reform**, it can be said that in the broader context of Transition the international community has begun to sense a change of focus of the Afghan National Police (ANP) to a civilian directed police service. In addition there is increased awareness of the need to strengthen links between police reform and wider justice reform. Although improvements were made during the last few months with regards to civilian police reform, the ANP still faces the problems that were reported in the third EU Action Plan Implementation Report. In this context the EU continued to advocate that any growth decisions must be linked to a comprehensive and sustainable professionalization (training and capacity building) plan with a strong focus on quality rather than quantity. Through further professionalization of the ANP, increased involvement in institutional reform and stronger linkages between the police and justice sectors, EUPOL, together with the Afghan authorities and international actors, in particular NTM-A, is substantially contributing to the transformation of civilian policing in Afghanistan, inter alia by devising a long term comprehensive training strategy for the ANP jointly with the Ministry of Interior (MoI). The EU intends to commit 140 million EUR for the Law and Order Trust Fund for Afghanistan (LOTFA) in 2011; 15 million EUR from the Instrument for Stability were committed earlier in 2011.

As concerns **Reintegration & Reconciliation**, the reintegration element of the APRP has gathered pace. There are peace councils in each province charged with organizing reintegration in their area. The programme does continue to face challenges, including a lack of capacity within the Government at the sub-national level, and difficulties of getting women properly involved in the programme, which will be essential to its success. The HoD/EUSR continued to take an active role, in coordination with the IC in Kabul and in consultation with the GoA, in establishing regular engagements with the High Peace Council, as well as a wide

range of individual actors within Afghan society who could play a significant role in the Reconciliation Process. The EU has not yet contributed to the APRP due to the programme's low budget execution rate and because it awaits further details concerning the final management set-up and roll-out of the programme.

Other EU action points for priority implementation, to which EU Member States agreed and listed in the 'Implementation Scheme' include: Election review and reform, and economic development through agriculture and rural development. In addition to these priorities, justice, human rights and civil society, and regional cooperation, remain issues which the EU and Member States continue to address.

As concerns **Electoral Reform**, the EU will be lending support to the overall process and the EU Delegation will take a lead in facilitating a coordinated approach amongst donors and relevant stakeholders. The EU working group on parliament and political parties continued to share information and draft common EU messages on electoral affairs. The EU and Member States including DK, SE and the UK, also plan to support electoral reform financially through contributions to the UNDP ELECT II programme and to support complementary activities aimed at strengthening the capacity of domestic observer organizations. BE, CZ, and IT are also considering UNDP ELECT II contributions.

The **Justice Sector** continues to lag behind on the Kabul Conference commitments, which is leading the international donor community to become more realistic in its expectations for the sector given the lack of political will within the Justice Institutions (JIs) and indeed the wider Government. The JIs found it difficult to work together on the National Priority Programme "Law and Justice for All" and have been resistant to involving other actors, such as the World Bank, civil society or donors, in its design. The current version of the NPP has a strong focus on physical infrastructure and equipment, which is increasingly unpopular among European donors. The EU continues to work with the World Bank to ensure that the second phase of the ARTF-funded justice sector reform support programme, which is currently being designed, will be aligned with the NPP, while emphasising sustainability and human and institutional capacity. The EU intends to contribute 20 million EUR (commitment 2011).

The **Human Rights** situation has not seen tangible improvement in the past months. A UN report regarding the mistreatment of detainees in certain detention facilities of the NDS and Afghan National Police attracted considerable attention and the EU issued a respective statement on 10 October 2011. The EU and its Member States continued their dialogue with the Afghan Government, Parliament, national human rights institutions and civil society representatives to promote human rights, fundamental freedoms and democracy, focussing in particular on women's rights. The EU and its Member States continued to support the key role of civil society in promoting human rights and democratic reform and in consolidating political participation and representation.

The EU Delegation, together with political support from DE, FR and the UK, is currently promoting and facilitating the establishment of the **EU Chamber of Commerce in Afghanistan** (EUCCA). EUCCA, a private sector initiative, should be able to represent the EU business community, with the aim of developing and strengthening trade, commercial and industrial relations between the EU and Afghanistan. The initiative should also help Afghanistan to generate revenue and attract much-needed investment in the long term. The EUCCA should be registered in October, after the interim board is elected and will be based in the EU Delegation for its first year of operations. On 26 October, Euromines has hosted an

event in Brussels (co-hosted by Germany and under the auspices of PL Presidency) at which three Afghan Ministers (Finance, Economy and Mining) participated and met with private sector representatives, in particular the Mining Sector to discuss prospects of increased private sector investments in Afghanistan.

In the area of **Agriculture**, over the last six months the EU has been re-assessing how to support the capacity development of management within the Ministry of Agriculture, Irrigation and Livestock (MoAIL) and the Ministry of Rural Rehabilitation and Development (MRRD), and to bring its future funding "on budget" in line with the aims of the Kabul Process. The phasing out of the previous centralized implementation strategy (with grants and contracts directly managed by the Delegation) poses significant challenges but also offers opportunities to re-think the way EU delivers support to the agricultural sector.

The Government has been careful to build strong **Regional Relationships** in support of the nascent peace process particularly with Pakistan. Nonetheless, a number of undertakings, namely the timely initiative of the Afghan and Turkish Governments in holding the Regional Conference in Istanbul on 2 November within the framework of the International Contact Group, the establishment of a Joint Afghan-Pakistan Commission for Peace in June (including military and intelligence principals) and the setting up of the Core Group between the US, Pakistan and Afghanistan were positive developments. The EU continues to complement these countries' efforts in order to improve relations through an EU initiative, i.e. Afghan-Pakistani women's forum, planned for the end of September had to be postponed following the assassination of Head of High Peace Council Rabbani. To provide adequate follow-up, the Foreign Ministry (MFA) presented ambitious new plans for its Centre for Regional Cooperation (CRC) in September. Whereas a CRC had briefly existed within its Economic Affairs department, this new CRC would consist of four separate divisions within MFA, dealing with RECCA, other regional organizations, political cooperation, and bilateral and multilateral cooperation. The new CRC would be headed by a Director General who would report directly to Deputy-Minister Ludin, and the centre would be leading and coordinating economic and political regional policy across the relevant departments of the MFA and other line-Ministries. A concept note will be presented to donors in October. DK, the EU, the UK and Canada are considering providing support.

Conclusions and Recommendations for the Way Forward

The EU is strengthening coordination and cooperation between Member States, further aligning its development assistance with the NPPs, and increasingly speaking with 'one voice'. Through collective political messaging, the EU will continue to raise issues of concern and push for reforms. **In order to deliver effective results, however, the political and development dimensions of EU action (both through the EU General Budget and the EU Member States) should be synchronised through strong links and relations between Brussels, EU capitals and the EU missions in Kabul.**

In this fourth Implementation Report, the HoD/EUSR and HoMs take stock of the progress made on the implementation of the EU Action Plan, identify the scope for improvement in terms of coordination and cooperation, and present recommendations for the way forward. The following recommendations deserve particular attention:

- In order to better define its long-term engagement with Afghanistan, it is recommended that an official mandate to start negotiations on a **Cooperation Agreement on Partnership and Development** with Afghanistan should be presented at the International Afghanistan Conference in Bonn, as an agreement would demonstrate the EU's serious long-term commitment and reinforce the multi-faceted relations between the EU and Afghanistan.
- With the Government of Afghanistan taking the lead and looking beyond 2014, it is important to ensure that the Government itself can generate sufficient revenues to achieve financial autonomy and become a **self-reliant market economy**. EU Member States have commenced to explore options in this field, in particular in the area of **natural resource extraction and processing** (revenue from exports of processed goods will by far exceed the revenue from exports of raw materials) as well as to advocate for establishing transparent licensing system that will benefit the Afghan budget. **The Euromines Event in Brussels on 26 October will offer additional opportunities in this regard**. EU support to agriculture will remain a crucial element in supporting this process. The EU Delegation will also continue to facilitate the private sector-driven establishment of the **European Union Chamber of Commerce in Afghanistan (EUCCA)**.
- **Public Administration Reform (PAR)** will remain a priority. Without PAR there is little perspective of establishing a professional and efficient civil service, nor for retaining in the public service the staff trained with assistance of donors. The EU will maintain the major **capacity building** focus of its programmes across a range of sectors, including agriculture and rural development, public health, sub-national governance, social protection, regional cooperation, justice reform, and so on etc; (this support will be provided in line with the EU Backbone Strategy on Technical Cooperation, and the commitments made at the Kabul Conference).
- To strengthen the **Police Reform** process, the EU, through EUPOL, is in the process of establishing a National Police Staff College in Kabul and a Regional Police Training Centre in Bamian province. This will allow EUPOL to better carry out its mission on mentoring and training the Afghan National Police (ANP) on civilian policing skills. To define a common way ahead, it is recommended to a) achieve greater coherence of efforts between the EU Delegation and EUPOL; b) achieve further clarity on requirements pertaining to the Professionalization and Sustainability of the ANP; and c) define the future role of EUPOL with primary focus on Civilian Policing and the Rule of Law.
- As regards the **Political Process**, and the crucial role reconciliation and reintegration play in this regard, the EU will continue to encourage the Government to roll out the necessary structures at provincial level throughout 2011 and 2012. The EU will provide political support to the High Peace Council (HPC) and will work closely with its Executive Body and the six sub-committees. Further, the EU and EU Member States will continue to work with all parties to ensure that human rights, including women's rights, are fully respected in any political reconciliation process.

Progress on Implementation of the EU Action Plan (April 2011 – October 2011)

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1. Scene Setter and Introduction

Two years after the 27 EU Foreign Ministers agreed to the Plan for Strengthening EU Action in Afghanistan and Pakistan¹ (hereafter referred to as the 'EU Action Plan'), significant progress has been made with consolidating and coordinating the efforts of the 17 EU Member States present in Kabul² and enhancing EU visibility. During the last six months, HoD/EUSR Ušackas has actively continued to further encourage joint EU action in Afghanistan. Through more coordinated political messaging and working in close cooperation with UNAMA, NATO/ISAF, the US and other international partners, the EU has successfully raised and addressed a number of key issues with the Government of the Islamic Republic of Afghanistan (GoIRA), particularly in the field of elections in view of the developments related to the 2010 parliamentary elections, but also related to transition, transformation, the Kabul Process, reconciliation, human rights, etc, thereby contributing to shaping positions of the broader international community and influencing policy decisions. In the run up to the Bonn Conference in December, the EU has also taken up a stronger coordination and guiding

¹ The EU Action Plan: <http://www.consilium.europa.eu/uedocs/cmsUpload/110789.pdf>

² BE / BG / CZ / DE / DK / EE / ES / FI / FR / HU / IT / LT / NL / RO (opened a mission in August 2011) / PL / SE / UK

role vis-à-vis the wider international community as co-chair of the International Contact Group (ICG) Working Group on the International Community's Long Term Engagement.

Over the last six months (April – October) Afghanistan saw high level visits from the European Union. Development Commissioner Andris Piebalgs came to Afghanistan on a joint visit with German Development Minister Dirk Niebel, accompanied by senior DEVCO and EEAS staff, in June visiting Kabul and Mazar-e-Sharif. The visit offered an opportunity to showcase the achievements of EU assistance, and provided a timely opportunity for high-level exchanges with the GoIRA, including with President Karzai and Minister of Finance Zakhilwal, as well as with the donor community and civil society, on a host of urgent issues, most notably the IMF crisis. Representing HR/VP Ashton, Polish Foreign Minister Sikorski visited Kabul at the beginning of August. Sikorski met with President Karzai and Foreign Minister Rassoul, and inter alia discussed the implications of NATO / ISAF plans to withdraw their forces by 2014, ensuring the GoIRA of the EU's long-term commitment. He also met with the new ISAF Commander General Allen to discuss security and visited Herat. In October EEAS DSG Popowski paid a visit to Kabul with particular focus on EUPOL's operations. A number of EU Member State Ministers and state officials also came on short-term missions to Afghanistan, visiting Kabul and the provinces where the majority of their troops and development projects were based.

Stimulated by a number of Member States, with support of the EU Delegation and the EEAS in Brussels, Afghanistan remains a priority on the EU political agenda. During the Foreign Affairs Council of 18 July, the EU Foreign Ministers adopted Council Conclusions on Afghanistan³ welcoming the start of the transition process, noting the momentum created by the death of Osama Bin Laden for the reintegration and reconciliation process, expressing their concern regarding various issues (Kabul Bank/IMF, electoral crisis, insufficient progress in the areas of governance, rule of law and anticorruption, etc) and expressing their willingness to negotiate an 'ambitious and balanced EU-Afghanistan agreement (following the recommendations of the EU HoMs outlined in the Third Implementation Report).

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2. The main Political and Security Developments of the last 6 months (April – October)

2.1 Political Context

Aftermath of the 2010 Parliamentary Elections

The row between the three branches of power over the 2010 parliamentary election results continued throughout the reporting period, at times with a significant paralysing effect on the work of the legislature. The Wolesi Jirga (WJ) repeatedly called for the abolition of the

³ Council Conclusions on Afghanistan (18/07/2011):
http://www.consilium.europa.eu/uedocs/cms_Data/docs/pressdata/EN/foraff/123930.pdf

Special Court (SC) which had been set up by the judiciary with support of President Karzai to review the election results following complaints from disgruntled candidates, many of whom were from President's Pashtu constituency. After concluding recounts in all 34 provinces, the SC in late June announced 62 of these candidates the rightful winners and forwarded their cases to the Independent Election Commission (IEC) for implementation. The prospect of 62 MPs being replaced triggered the formation of an ethnically and politically broad 'Coalition in Support of Rule of Law' (CSRL) in July that began to gain considerable support in parliament for its agitation against the Palace, SC and judiciary. The IEC throughout questioned the legitimacy of the Special Court and its jurisdiction over the election results. Eventually under increasing pressure, the IEC and President managed to arrive at an agreement to end the impasse which would affect only a limited number of MPs and was politically acceptable to both. The IEC reviewed a number cases of elected candidates disqualified for electoral misconduct by the former Electoral Complaints Commission (ECC) and in nine instances overturned the ECC decision. Several of them are former warlords and all appear more influential politicians with stronger local platforms than those MPs they will replace.

The IEC decision has challenged the unity of the CSRL with some members continuing to stage protests, supported by Dr Abdullah Abdullah's Hope and Change Coalition and Amrullah Saleh, and some supporting negotiations with the Palace to seek concessions and a long-awaited cabinet list for approval in return for their support for the change. A new 'pro-Karzai' bloc has also formed, the 'Reformists', which has added to the momentum in the parliament to accept the IEC decision and move onto issues such as the US-Afghanistan Strategic Partnership. The judiciary continued to support the protesting remaining candidates, led by former MP Sultansoy. The crisis has resulted in a loss of support for the IEC within the parliament and the various shifting political dynamics are likely to have longer term consequences across the Afghan political spectrum.

The EU and MS embassies continued to monitor the developments closely. In August an EU statement was issued expressing the hope that the IEC's decision would end the political crisis and that protracted debates over the correctness of election results could be avoided in the future. UNAMA issued a statement supporting the IEC decision and commending President Karzai for leaving the IEC with the sole authority to finalize the election results. Both received some negative response from the parliament and media being branded as foreign interference, which has since subsided. In view of the divisions, the post-electoral had turned into a parliamentary crisis but on 8 October, when member MPs of the dissenting "Rule of Law Coalition" finally returned to Parliament and the quorum was restored, the Wolesi Jirga resumed its work. It remains difficult to predict how the troubled relationship between the three branches of state will play out, although it is unlikely that this will be the last crisis of this nature.

The Kabul Process, Kabul Bank, IMF and the ARTF

The Kabul Bank issue and the IMF impasse have been a complicating factor for most of this year although came close to a resolution by end of October. Following the IMF agreement (6 October) and approval of the recapitalization of Kabul Bank by the Afghan Parliament (15 October) the most significant outstanding issues had been addressed in the context of the benchmarks set for the GoIRA in seeking a solution to the problems created by the collapse of Kabul Bank. Furthermore, the Attorney General's Office (AGO) has stepped up efforts on the prosecution of those responsible for the Kabul Bank affair, and to date, 66 million out of 900 million USD is said to have been recovered. The Central Bank has also been implementing

the necessary corrective measures concerning the 'second bank' (the Azizi Bank) on which an audit has started in September

The lack of an IMF Country Programme throughout the reporting period had negatively affected the ability of donors to provide assistance, including the EU and Member States. The Afghanistan Reconstruction Trust Fund (ARTF) 'Incentive Programme' (IP) for example, which disburses a lump sum grant to the Government if certain macro-economic reform benchmarks are met, is conditioned upon an IMF programme being in place. As a result, USD 70 million which had been earmarked for the IP was not disbursed as foreseen. Disbursements under the Recurrent Cost Window (RCW), which is de facto a form of budget support – were also suspended. Most critical however is the situation of the Investment Window. With donors withholding their contributions from April onwards, the World Bank issued a warning in June that funding shortfalls were hampering the effective implementation of a number of key government programmes (including the National Solidarity Programme, the Skills Development Programme, Capacity Building for Results Programme and the Justice Sector Reform Project) and that these programmes would be obliged to scale down or cease their activities. In September the World Bank reported that to keep the ARTF investment window in operation, a minimum of USD 235 million would be needed in fresh funding before December 2011. Although ARTF donors were at first reluctant to back down, a number of them (including many EU Member States) have recently indicated that they are in principle willing to disburse parts of their planned contributions in the coming months to keep the ARTF Investment window operational.

Against this background, the IMF's announcement on 6 October that it had reached agreement with the Government to resume its programme is a particularly positive development during the reporting period.

National Priority Programmes

The Standing Committees in July recommended 13 **National Priority Programmes** (NPPs) to the JCMB for endorsement (7 fully recommended and 6 in principle). The remaining 9 NPPs were under preparation for presentation to the next Standing Committees/JCMB. A meeting of the JCMB was continuously postponed, *inter alia* as a result of the absence of an IMF Country Programme. Although the **Kabul Process** remained marred by slow progress, a number of positive developments created a careful sense of optimism amongst members of the international community. With the arrival of a new US team, both the US and Karzai seem focused on improving relations. Progress made with regards to the Kabul Bank (including more aggressive prosecution of the Bank's defaulters), and the audit of the Azizi Bank, in combination with the prospects of a more stable Parliament, the agreement with the IMF all potentially present the building blocks of a good platform for the Bonn Conference, and could provide the necessary fresh stimulus for the Kabul Process.

In the second week of October, JCMB co-chairs had agreed on the criticality of getting the Kabul Process back on track with the support and consensus of the IC in Afghanistan. This was particularly important in view of the upcoming Bonn Conference on Afghanistan, which will take place in Germany on 5 December. The Government of Afghanistan with the support of the IC remained keen to seize the opportunity over the coming six weeks to ensure a coordinated and coherent approach before Bonn to discuss a forward looking Governance, Development and Security Agenda. The JCMB and its associated Standing Committees are

fundamental to the Kabul Process and serve as the one mechanism which provides an opportunity for stakeholders to meet in Afghanistan to discuss and agree on critical Governance, Development and Security issues. Coupled with the momentum and positive outlook on the IMF-Program moving forward, the JCMB finally convened on October 19 and adopted the 7 National Priority Programmes (NPPs) recommended for endorsement at the Standing Committees' held on July 25/26.

In June, the Ministry of Finance outlined three desired financing modalities for the NPPs: Bilateral Funding on-budget, Pooled Funding (ARTF, LOTFA, etc), and off-budget funding (following the principle of the Government "Operational guide for Effective Off-budget Development Financing). Donors have however been quick to point out that for them to consider moving towards direct on-budget funding, substantial progress needs to be made by the Government in terms of public financial management.

Moreover, the Government does not seem to realise that the environment is different from the one in the run-up to the Kabul conference and that many of the resources pled for the Kabul process might not materialise. In this context it is essential that the Government leads a sequencing or prioritisation exercise. In the absence of such an Afghan-led process, donors will cherry pick amongst programmes, with the result that the funded programmes will correspond to the donors' priorities. Sequencing or prioritising will however be difficult for the Ministry of Finance as would imply grading different ministries in a situation already characterised by very volatile cabinet equilibriums. In addition to this, it should also be recognised that donors have been reluctant to communicate their overall resource envelope for the short and medium term, which has not facilitated the task of the government.

2.2 Security Context

Transition

Transfer of security responsibility from the NATO / International Security Assistance Force (ISAF) to Afghan security forces officially begun with a first tranche in July and a second tranche imminent at the end of October. Bamyan was the first province handed over to Afghans on the 17 July. Afghan forces have also assumed security responsibility in Mehtarlam, a city in the eastern province of Laghman, in areas around Kabul (except the Surobi district), in the provinces of Panjshir and Herat and in the cities of Lashkar Gar (Helmand province) and Mazar-e-Sharif (Balkh province). The transfer of power to Afghan security forces reached another milestone on July 20 as NATO forces handed over control of Lashkar Gar, the capital of the troubled Helmand Province. Analysts regard the handover in Helmand as the sternest test yet for Afghanistan's fledgling security forces. Critics however say the timetable is politically motivated and not reflective of Afghan abilities to deal with the insurgency with violence at a 10-year high. Militants have stepped up their attacks in an effort to derail the security transfer process.

Political Reconciliation

As regards the **reconciliation & reintegration process**, the High Peace Council, established in 2010, is seen as an institution of the Afghan Government which was created to bring forward the peace process. So far, it has made some progress, for example on outreach (including to PAK government officials) and prisoner release negotiations. The EU actively

supported this process through a number of initiatives (for example supporting a national academic seminar on peace and reconciliation with the HPC which led to the formation of an advisory group of academics to the HPC; and the establishment of a new forum for peace between a group of Afghan and Pakistani women to raise their profile and enhance their credibility as equal peace actors). However, the HPC has failed to deliver substantive progress on reconciliation and is seen by many to lack the credibility to conduct substantive negotiations with the insurgent leadership. On 20 September, the HPC experienced a substantial blow, when Chairman of the HPC, Professor Rabbani was assassinated in his house by an alleged member of the Taliban. The attacker, named Esmatullah, had come to Kabul to deliver an important message from the Taliban on reconciliation to Professor Rabbani. He carried an IED in his turban and detonated it while greeting Mr. Rabbani. Rabbani was killed, whilst Mohammad Masoom Stanikzai, Head of the Joint Secretariat of the HPC and a broker by the name of Wahidyar survived with injuries. For now, it remains to be seen how the HPC will react. As of 25 September a replacement had not yet been appointed. It is also unclear whether Minister Masoom Stanekzai, who was injured in the attack on Rabbani, will stay on in his role as Head of the HPC Joint Secretariat. This could result in a delay to progress on reintegration although implementation of the Afghan Peace and Reintegration Programme (APRP) continues.

Current talks with the Taliban involving the Americans have not yet made significant headway for many reasons. There does not appear to be any regular talks with groups such as Hezb-e-Islami Gulbuddin or the Haqqanis. Many Afghans are deeply concerned that a final peace 'deal' may mean losing the freedoms they have gained in the last ten years; and also for civil society and victims groups who wish to see justice for those who have suffered during the conflict.

Security Developments

Against positive developments registered by ISAF particularly over June and July, the UN reported a 40% increase in overall violent incidents in its quarterly report in September, as the Taliban and other insurgents tried to regain territory lost in the fall and winter to the US-led coalition in southern Afghanistan. Attacks have intensified as militants try to undermine confidence in the Afghan government, which wants to show it is capable of taking over security from ISAF as the US is beginning to withdraw some forces. The Taliban have also increasingly turned to infiltrators dressed as Afghan soldiers or police to attack foreign troops. The insurgents have stepped up suicide attacks and bombings, targeting a number of ANSF and Afghan senior government officials. Most notably was the murder on the 12 July of Ahmed Wali Karzai (AWK), the younger half-brother of President Hamid Karzai, Head of the Kandahar Provincial Council and one of the most powerful men in Afghanistan. The killing was a major blow to President Karzai politically, who relied heavily on his half-brother as the key power broker in the stronghold of the Taliban. Over the last few months a number of other senior advisors and members of Parliament from the south, including the influential Mayor of Kandahar City, have also been assassinated or attacked. And there have been several complex suicide attacks in Kabul and other cities, including the attack against UNAMA in Mazar-e-Sharif on 1 April, a suicide attack on the Ministry of Defence in Kabul on 18 April, shootings at Kabul International Airport on 27 April, a suicide attack on the Kabul Military Hospital on 21 May, a complex attack on the InterContinental hotel on 28 June, the attack against the British Council on 19 August, and the attack on 13 September targeting the US Embassy, NATO/ISAF HQ and the NDS (all of the latter in Kabul).

Over the past months, Pakistani forces have allegedly fired over 700 artillery shells into a number of Afghanistan's eastern provinces. Security forces on both sides of the disputed border have issued claim and counter-claims over cross-border rocket and guerrilla attacks that have reportedly killed dozens of residents and forced hundreds of others to flee. The escalating border conflict has increased bilateral tensions and officials from Pakistan and Afghanistan have agreed to hold more high-level talks to defuse the crisis.

Military Campaign

Officials from ISAF have shown signs of optimism in the progress of the war despite the increasing violence and casualties on the ground, arguing coalition and Afghan forces have made significant but 'reversible' gains and that intelligence suggests the senior Taliban are no longer convinced they can win the war. The ANSF continues to expand and areas they have secured are being held by the Afghan Local Police (ALP). The continuing night raids across the country have inflicted severe losses on the Taliban mid-level leadership although they have caused serious tensions with Karzai. In response, ISAF have been increasing Afghan involvement and leadership of these operations and claim they account for less than 1% of civilian casualties. The recently arrived COMISAF General Allen has stated ISAF's intention to maintain the military pressure on the Taliban, while increasing forward deployment of more ANSF on the battlefield and continuing the NATO training mission (NTM-A) to ensure the ANSF have the skills they need.

While 2010 was focused on a surge in combat activity, this year is about consolidation as international troops begin their draw-down – the first US contingent of 10,000 troops left in July and a number of EU Member States followed with announcements that they too would be withdrawing their troops in the coming months and years.

The military campaign will increasingly shift to the east, particularly Khost, where the Haqqani network and other militant groups (believed to be based in Pakistan), have continued to push back international forces. Security bubbles around Kabul will be expanded with a special focus on the provinces of Kapisa, Laghman and Parwan.

However, there are continued reports of serious attrition within the ANSF with significant numbers leaving within a few months of recruitment. August has also been the deadliest month for NATO / ISAF troops, with the US alone losing 66 of its service members, including 30 soldiers killed in a single attack on a US-helicopter. Average monthly coalition losses are close to the level of 2010. On the Afghan side, both the ANP and the ANA are also paying a very high price (1,555 policemen killed by mid-year, double the figure of the previous year). The total figures (coalition troops, ANP, ANA, Taliban and civilians) show a gradual increase in the number of fatalities and increasingly deteriorating security in Afghanistan.

The UN Mid-Year Report on Civilian Casualties in its main findings shows that civilian casualties have increased slightly in comparison to last year (UNAMA documented 1,462 civilian deaths in the first six months of 2011, an increase of 15 percent over the same period of 2010), and that the main cause for civilian casualties are IEDs used by anti-government elements. The Report said insurgents accounted for 80 percent of all deaths and that NATO troops were responsible for 14 percent of killings, with half of all casualties caused by bomb attacks.

3. EU Cooperation and Coordination

During the reporting period the merger of the EUSR office and EU Delegation has been further consolidated, resulting in strong coherence of the EU Delegation in coordinating and streamlining the political and development agendas of the EU Member States and the wider International Community, through a range of mechanisms, such as Heads of Mission and Heads of Development agency meetings, weekly UNAMA meetings and the Standing Committees. This coordinated EU approach, which has been welcomed by EU MS based in Kabul, has also improved the cooperation with the Afghan Government.

The weekly Heads of Missions, and working group meetings organised by the EU at working level (on e.g. elections, reconciliation and reintegration, human rights and civil society, economic development, etc), as well as regular Development Counsellor meetings, ensure timely and adequate **information sharing, and close coordination** between the EU Delegation and the EU Member States. The absence of a secure electronic system of communication between the EU Missions in-country can however at times pose significant obstructions to timely consultation and reporting.

To ensure coherence of effort and in order to continuously strengthen the EU's voice in Afghanistan, the EU HoD/EUSR, in most cases, speaks on behalf of EU MS present in Afghanistan, for example at high-level (donor) coordination meetings (e.g. Standing Committees, weekly UNAMA general Ambassadors' meeting, etc) with the backing of the Member States, based on prior coordination and consent through the weekly EU HoMs meetings. In accordance with his mandate, the EU HoD/EUSR also issues **statements on behalf of the Member States in Kabul**. Other European countries, such as Norway and Switzerland, often make use of the opportunity to associate themselves with the local EU Statement. In this context, discussions with the HoMs will be initiated shortly to continue to further improve coordination and coherence with respect to Statements.

With regards to the **pooling of Member State funding**, Trust Funds, such as ARTF and LOTFA⁴ remain positive examples. The trust funds ensure a more coherent sector approach, whilst also giving the EU more political clout and a stronger steer on the direction of national programmes and policies. In addition to the EU as bilateral donor, BE, DE, DK, the EU, FI IT, NL, PL, SE and UK for example all contribute to the ARTF, and CZ, DE, DK, FI, EL, IT, NL, and UK contribute to LOTFA.

In terms of EU and Member State cooperation in the **delivery of assistance programmes**, there still remains significant scope for improvement. Although examples of co-financing and joint initiatives exist (see chapter 4: State of Play per EU Priority Area for examples) these efforts should be stepped up to ensure that EU action becomes more coherent and effective in line with the policy priorities set out by the GoIRA. The possibilities for joint-programming should be more seriously considered by both sides (EEAS and EU Member States). EU Member State programming documents and strategies should be shared (ideally also with each other not only with the EEAS/ Commission) either at working level or through the Working Groups (e.g. COASI), and the exploration of joint-programming possibilities should be brought forward in the programming process of both the EU and the individual Member States. This will ensure improved coherence and consistency of EU assistance with the

⁴ Afghanistan Reconstruction Trust Fund (ARTF) and Law and Order Trust Fund (LOTFA) and

policies of Member States and vice-versa, which could lead to the definition of new synergies and complementarities and a more effective and efficient division of labour.

3.1. Cooperation with other Donors

The single representation in Kabul (resulting from the merger of the EUSR office with the EU Delegation in May 2010) in combination with the new Presidency responsibilities assumed since January 2011, has strongly reinforced the EU's presence and visibility in Afghanistan, thereby also enabling improved coordination and cooperation with Afghan counterparts, as well as other actors of the international community, such as the UN Assistance Mission to Afghanistan (UNAMA), the US, Canada, etc. To improve relations with other donors and other international community actors, HoD/EUSR Ušackas has visited a number of countries including Saudi Arabia (Jeddah in March) and the United Arab Emirates (Dubai in September) within the framework of the International Contact Group, and the US in July, next to maintaining regular contacts with Kabul based representatives of Russia, Japan, India, Iran, Pakistan and others.

3.1.1 UNAMA

On 6 July, the UN Security Council discussed the three-monthly report by Secretary General Ban Ki-moon on "**The situation in Afghanistan**", which was combined with a presentation by UNSRSG De Mistura. The Acting Head of the EU Delegation to the UN, Mr. Serrano, delivered a statement on behalf of the EU, inter alia condemning the Mazar-e-Sharif attack and stressing the EU's support for UNAMA's crucial role in the transition process. The statement had been coordinated by the EU New York Delegation and based on the contributions of the EEAS, EU Delegation to Afghanistan and the EU Member States. On Thursday 29 September the UN Security Council had a debate on the third 2011 three-monthly SG report on "The situation in Afghanistan".

Following the request of Afghan Foreign Minister Rassoul to "conduct a comprehensive **review of UNAMA's mandated** activities and the UN's support in Afghanistan, including UNAMA's presence throughout the country by the end of 2011" (which he sent to UNSG Ban Ki-Moon in March at the occasion of the UNAMA mandate renewal), preparations by the UN are underway. This was confirmed during HoD/EUSR Ušackas' visit to New York in July. The actual review will be conducted from September until November and the outcomes should inform the negotiations for a new UNAMA mandate next year.

The EU and EU Member States represented in Kabul continue to participate in weekly Heads of Mission (Palace 7) meetings organised by UNAMA to discuss political and security developments, with the UN and other actors. The heads of EU development cooperation agencies also participate in weekly UNAMA-organised meetings, focussing on cooperation and coordination issues.

3.1.2 International Contact Group (ICG) and the International Afghanistan Conference Bonn

The HoD/EUSR and the Special Representatives for Afghanistan and Pakistan (SRAPs) of several Member States are actively involved the ICG, which has been tasked with the preparations for the Bonn Conference of 5 December. Four Working Groups have been set up for that purpose⁵.

The WG on Regional Cooperation met in Istanbul on 3 June to bring all interested parties together for an initial preparatory meeting to outline the scope of the working group. The meeting was attended by HoD/EUSR Ušackas and the SRAP of various other EU Member States. In the last few months, HoD/EUSR Ušackas also organised various informal brainstorming sessions with the other co-chairs of the WG on Long Term IC Engagement, as well as with the EU HoMs, the former NATO SCR Sedwill and other donors and members of the International Community, which resulted in a non-paper on the IC's long term engagement listing recommendations in the areas of political process/frameworks, strategic partnerships, regional cooperation and economic sustainability.

On 26 and 27 June the ICG met in Kabul. After a day of working group meetings on the 26th, the findings were presented by the co-chairs in a plenary session on the 27th, chaired by DE SRAP Steiner. All participants agreed on the need for a comprehensive, inclusive and long-term approach, in which the regional dimension (political and economic) would have to feature prominently.

On 11 September a joint meeting of the WG on Civilian Aspects of Transition and the WG on Long Term IC Engagement was held with the aim of aligning the work of the two working groups to showcase the strong linkages between the Transition and the Post-2014 periods, identifying areas for common agreement between the GoIRA and the IC at the Bonn Conference, and preparing draft recommendations to be discussed at next ICG plenary.

Another ICG has been scheduled for 15 November in Astana, Kazakhstan, after the Istanbul Conference on Regional Cooperation on 2 November, to finalise the preparations for the Bonn Conference on 5 December.

4. State of Play per EU priority area

The EU priority areas for joint action in Afghanistan have been based on the following reference documents: The EU Action Plan of October 2009; the Implementation Scheme of December 2009 (prioritizing amongst the Action Plan objectives); the EU Programme 2011; and the FAC Conclusions of 18 July 2011.

⁵ ICG Working Groups: 1) WG on Long Term IC Engagement (co-chaired by Minister of Finance Zakhilwal, the UAE and the EU); 2) WG on Reintegration (co-chaired by Dr. Stanekzai, the UK and Japan); 3) WG on Civilian Aspects of Transition (co-chaired by Dr. Ashraf Ghani, Australia, Sweden and NATO SCR Simon Gass); and 4) WG on Regional Cooperation (co-chaired by Deputy-Minister of Foreign Affaires Ludin, UNAMA and Turkey).

4.1. Public Administration Reform and Civilian Capacity Building

Despite the large volumes of international aid to strengthen civilian capacity (including from the EU and Member States), significant capacity building needs remain. So far, government's efforts to tackle Public Administration Reform have not been particularly fruitful. Reform of Pay and Grading, a major element of reform, has not delivered the expected results, although a more strategic approach has been adopted in policy dialogues with the GoIRA in recent months. An additional problem is that the presence of international donors and organisations has distorted the labour market by creating a parallel ('second') civil service with staff benefiting from multiple salary top-ups from donors, which also diverts existing human capacity away from state institutions.

The NPP on Efficient and Effective Government has been delayed and no draft of the programme has been circulated as yet. The programmes financed from the EU general budget therefore all contain a technical cooperation or capacity building component geared towards ensuring ownership and sustainability which will become increasingly significant in view of the transition process.

In anticipation of the new NPP on Effective and Efficient Government, the EU is currently preparing its next three year contribution in support to the WB implemented Capacity Building for Results Programme (CBRP), through the ARTF⁶. The EU, UK and WB have been working together on the design of this programme together with the Independent Administrative Reform and Civil Service Commission (IARCSC) and the Afghan Ministry of Finance to provide major additional assistance to develop and strengthen the Afghan civil service. The 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 budget execution and service delivery of some key ministries through capacity injection and harmonised salary top-ups for some major posts. Other EU (and non-EU) donors are likely to support this programme.

Various Member States also support PAR and civilian capacity building through either bilateral or joint-programmes. An EU-promoted Network for Public Administration Education in Afghanistan was inaugurated in May as a joint effort by IARCSC and the Ministry of Higher Education to improve Afghan civil service training capacities. The network was launched with the technical support of DE (GIZ) to establish a faculty of public administration at the University of Balkh, and IT is planning to develop a similar concept for Herat University. FR has trained Afghan members of parliament on matters related to the state budget and legislative drafting, and contributes to seminars and language classes within the Afghan Parliamentary Institute. FR also assists the Wolesi Jirga in the review of rules and procedures related to the privileges and immunities of MPs. The UK provides support to the Afghan Civil Technical Assistance Programme (CTAP). Various Member States (EE, IT, LT, PL) also organise study tours / visits as capacity building projects for Afghan civil servants.

⁶ A EUR 60 M EU contribution to ARTF is planned for high priority government reform actions in justice and public administration reform (EUR 40 M through the NPP for Efficient and Effective Government and EUR 20 M through the Justice Services Delivery Project which are both still in the design phase).

RO is working on a proposal to grant scholarships to students and academics for e-learning programmes.

4.2 Strengthening of Sub-National Governance (SNG)

The NPP on Local Governance has been delayed and was only circulated for donor consultation in early September. Although the draft NPP sets out a roadmap, it seems to lack a clear articulation of the relations between the central administration and sub-national tiers of governance. The Independent Directorate of Local Governance (IDLG) continued its work to develop a strategy to implement the SNG policy and its core elements, which relate to the new legal framework, SN planning and financing, and strengthening the four layers of governance (municipal, district, provincial and national layers). However, the actual SNG implementation framework is still to be released. A World Bank-supported pilot project on provincial budgeting was launched during a symposium in May with the aim of increasing provinces' involvement in the budget development process.

EU and EU Member State support for SNG is mostly provided through multi-donor programmes such as ASGP II⁷. Various EU Member States however also provide bilateral assistance for sub-national governance, e.g. through the Afghanistan Sub-National Governance Programme (IT, NL and UK, DE through off-budget measures in cooperation with the US in the North), the Performance Based Governors' Fund, and the District Delivery Programme (DK, FR and the UK)⁸. FR is in the process of setting up an assessment mission for a two year training programme for deputy-Governors. ES is supporting Governors' and Ministries' capacities in the Badghis province and funds several training activities for provincial civil servants.

A significant part of Member State funding for capacity building, PAR and sub-national is also tied to specific provinces or districts (mostly linked to troop presence). CZ for example is involved in the preparation of training programmes for provincial public administration officials. DE set up two flexible funds for strengthening the administration at sub-national level in Northern Afghanistan in a kind of "training on the job" approach (Regional Capacity Development Fund and Regional Infrastructure Development Fund). IT provides direct technical assistance to the Governorate of Herat province and various line-Ministries. LT provides funding for training programmes for representatives of the provincial administration at the Civil Service Training Centre in Chaghcharan. The UK supports the Helmand Institutional Building Programme.

4.3 Election Review and Reform

The last election experience in 2010 was again marred by significant allegations of fraud exacerbated by the deteriorating conditions in security, but saw vast improvements in the administration of the election, especially on the central level. The results of the 2010 parliamentary elections, however, left circles inside and outside the Government discontent with the electoral system and the legal framework for elections. The long dispute over the right to call the final results further highlighted the need to clarify the mandate of electoral

⁷ The Afghanistan Sub-National Governance Programme (ASGP) phase II is supported by Italy, NL, and the UK.

⁸ Additional UK funding (EUR 24 million) to support DDP until 2014 has been approved.

and other institutions and bolster the independence of electoral management bodies. The GoIRA has however so far failed to act on its commitment to set up a national commission on electoral reform and the intentions of the Wolesi Jirga to take the lead in electoral law reform have yet to materialise.

The Independent Electoral Commission (IEC) has however shown some progress. IEC undertook a comprehensive strategic planning process, which is reflected in the project document for UNDP ELECT II that was presented to donors in September. It outlines support to IEC's activities in the period until the next national election cycle in 2014-15. However, significant political will be needed to move the reform agenda forward and achieve lasting results with regard to voter register, electoral boundaries and reform of the electoral system.

The EU Delegation will be lending services to the overall process and take the lead in facilitating a coordinated approach amongst donors and relevant stakeholders. The EU working group on Parliament and Political Parties continues to share information and draft common EU messages on electoral affairs. The EU and Member States including DE, DK, SE and the UK also plan to support electoral reform process financially through contributions to the UNDP ELECT II trust fund and to support complementary activities aimed at strengthening the capacity of domestic observer organizations. BE, CZ, and IT are also considering UNDP ELECT II contributions.

4.4. Civilian Police Reform

In the broader context of Transition the international community has begun to sense a change of focus of the Afghan National Police (ANP) from a military-oriented security force to a civilian directed police service. In addition there is an increased awareness among the actors in theatre of the need to strengthen links between police reform and wider justice reform. This was also one of the main conclusions of the EUPOL Rule of Law Meeting for international justice actors on 29 August, hosted by the EU Delegation. The participants also agreed on the need for more affordable, realistic and sustainable rule of law interventions by the IC taking sensitive to Afghan culture and existing systems, and on the need to improve coordination within the IC and with Afghan agencies. The meeting was a preparatory one for a larger-scale event later this year which will also involve Afghan counterparts.

A necessary next step after the recent increase in ANP numbers is the further professionalization towards civilian policing capabilities, which will require substantial training and capacity building efforts. Although significant improvements have been made during the last few months with regards to civilian police reform, the ANP still faces the problems that were reported on earlier this year (in the third EU Action Plan Implementation Report): recruitment, vetting and selection procedures are still not up to professional standards despite donor efforts, while training and education have been under political pressure for quick fixes with a strong focus on infrastructure. Significant scope for improvement still exists as regards mechanisms required for strengthening civilian policing, such as public prosecution services, re-integration mechanisms, and court and detention systems. And fiscal sustainability of the Afghan National Security Forces (including the ANP) still remains a major long-term issue. In this context the EU continued to advocate that any growth decisions must be linked to a comprehensive and sustainable professionalization (training and capacity building) plan with a strong focus on quality rather than quantity.

Several EU Member States conduct bilateral activities in support of civilian police reform. DE is providing police training via the German Police Project Team (GPPT) in Kabul, Mazar-e-Sharif, Kunduz and Faizabad. DE is also active in the area of literacy courses for police. CZ and LT provide funding via their PRT for equipment and the construction of checkpoints for example. FR has carried out training programmes covering precursor chemicals, professionalization of the VIP Protection Unit, and combating violence against women. New trainings are planned to start in October and is also considering the construction of a special laboratory near Herat Airport to combat documentary fraud. The UK developed a project to support the Ministry of Interior to improve the capability and accountability of the Ministry which started in July. IT provides training to the Afghan Border Police (ABP) in Herat. Member States also provide staff for EUPOL, the International Police and Coordination Board (DK, NL, EI, FI), and NTM-A (DK, EE, FI, FR, IT and UK).

4.4.1 EUPOL

Through further professionalization of the ANP, increased involvement in institutional reform and stronger linkages between the police and justice sectors, EUPOL together with the Afghan authorities and international actors, in particular NTM-A, is substantially contributing to the transformation of civilian policing in Afghanistan, inter alia by devising a long term comprehensive training strategy for the ANP jointly with the Ministry of Interior (MoI).

EUPOL has continued its training activities to advance the professionalization of the ANP, its advisory capacity to further encourage institutional reform in the Ministry of interior, and continued to strengthen the rule of law and implement the City Police and Justice Programs (CPJP's) in its 13 field offices. During the reporting period, EUPOL has trained 1700 policeman, 300 police trainers in train-the trainers programmes, over 200 prosecutors from 16 provinces, 30 defence lawyers and 20 judges and provided over 3528 hours of mentoring.

EUPOL is now operating in temporary Police Staff College facilities at full capacity and delivering leadership training to Senior Police Officers. More than 300 students have undergone leadership training⁹. The temporary regional training centre in Bamyan is currently operational. The curriculum for the Crime Investigation Department (CID) has been developed and courses have already delivered in temporary facilities. Funding possibilities via LOTFA for the CID are currently being explored. The EU, together with EUPOL, is working to advance the construction of the Staff College and Bamyan Training Centre.

Jointly with NTM-A, EUPOL has been closely involved in supporting institutional reform through the Professional Development Board, the International Advisory Council (IAC) and the International Police Policy Development Board (IPPD). The first step of the IPPD process is to create more oversight. On the basis of an organization and functions manual proposals will then be suggested to improve governance and policy development in the MoI. EUPOL is also currently supporting the Afghan authorities in the establishment of an emergency call and response system. With regards to Human Rights and Gender issues in policing the Rule of Law Component has been building capacities of the Elimination of Violence against Women Units at the AGO and the Family Response Units in the ANP.

⁹ Limited accommodation at the temporary facility will impact on the number of students who can be trained at any one time.

As to enhancing cooperation between Police and the wider Justice system, the integrated Police-Prosecutor training (CoPP-training) played an important role in Kabul and in the provincial areas. EUPOL also supported the AGO “Training Committee” for the development of an AGO training strategy. In anti-corruption EUPOL has been involved in the review of Standard Operating Procedures, governing the cooperation between Police and Prosecutors. Further anti-corruption activities include the review of the legal framework governing the MoI, in particular in context with IPPD, as well as contributions to enhanced accountability and oversight mechanisms within the MoI. In close cooperation with the Afghan Independent Human Rights Commission, EUPOL has also been involved in a project to establish the Office of Police Ombudsman, an independent complaints and police oversight body.

NB. EUPOL’s current state of deployment is: 313 internationals (180 police officers + 53 Rule of Law officers + 84 civilian experts + 4 Brussels support elements). Member States¹⁰ have so far contributed to the missions as well as four “third states” (Canada, Croatia, New Zealand and Norway).

4.4.2 LOTFA

The EU (via the general budget) is currently preparing a new EUR 140 million contribution to the sixth phase of the Trust Fund (LOTFA VI) for the 2012-14 period. These funds are likely to be earmarked for the remuneration of police salary payments, capacity building of civilian policing, as well as community policing and will so contribute to the gradual attainment of the preconditions for transition. EU Member States also contributing to LOTFA include CZ, DE, DK, FI, EL, IT, NL, and UK.

4.5. Justice

The Justice Sector continues to lag behind in its progress on reform and Kabul commitments forcing the international donor community to become more realistic in its expectations for the sector given the lack of political will within the Justice Institutions (JIs) and GoIRA. The JIs found it difficult to work together on the National Priority Programme "Law and Justice for All" and have been extremely resistant to involving other actors, such as the World Bank, civil society or donors, in its design. The first draft was finally circulated at the end of June and the Justice Board of Donors provided substantial feedback, which has yet to be acted upon. The current version of the NPP has a strong focus on physical infrastructure and equipment, which is increasingly unpopular among European donors. The EU is working with the World Bank to ensure that the second phase of its ARTF-funded "Justice Services Delivery Project"¹¹, currently being designed, will adhere to the preferences expressed in the NPP, while emphasising sustainability and human and institutional capacity. Other donors to this programme are likely to be IT, the UK, Australia, Canada, and the US.

¹⁰ EUPOL staff contributions per EU Member State in October 2011: AT (7), BE (6), BG (2), CZ (8), DE (48), DK (17) EE (4), EL (4), ES (3), FI (37), FR (7), HU (12), IE (14), IT (16), LT (3), LV (2), NL (27), PL (4), PT (1), RO (22), SE (17), SK (2), UK (28)

¹¹ A EUR 60 M EU contribution to ARTF is planned for high priority government reform actions in justice and public administration reform (EUR 40 M through the NPP for Efficient and Effective Government and EUR 20 M through the Justice Services Delivery Project which are both still in the design phase).

Justice service delivery at the sub-national level is still poor. Legal awareness initiatives, funded by DE, DK, the EU, the UK, Norway, Switzerland and Canada (managed by UNDP), have a relatively low impact according to a recent external evaluation. The second phase of the World Bank ARTF justice reform project seeks to improve justice service delivery at sub-national level and should complement and improve this.

The Central Prisons Department (CPD) is being transferred back from the Ministry of Justice to the Ministry of Interior, despite the efforts of the international community to prevent this. This is likely to weaken the achievements of the EU technical assistance project on human resource management provided to the CPD.

Several EU Member States have bilateral programmes in the justice and rule of law sector. DE funds judicial training and legal aid activities. FR has a programme targeting the Parliament, Supreme Court, MoI, MoJ and the Law Faculty of Kabul University to reinforce security systems and rule of law. IT supports juvenile justice, the Independent Bar Association and NGOs providing legal aid to vulnerable people and funding projects of legal awareness. NL, in close cooperation with DE, has set up a rule of law support programme for Kunduz Province. The UK is providing training and infrastructure support to judges and prosecutors, supports secretariat of the new anti-corruption monitoring and evaluation committee (MEC), also supported by DK, and has funded the Afghan Independent Bar Association to deliver nationwide training to female defence lawyers.

4.6. Human Rights and Support to Civil Society

The human rights situation has not shown signs of improvement in Afghanistan in the past months. The EU and its Member States have continued their dialogue with the Afghan Government, Parliament, national human rights institutions and civil society representatives to promote and further human rights, fundamental freedoms and democracy, focussing in particular on women's rights. Several Member States support the Afghanistan Independent Human Rights Commission (BE, DE, DK, FI, NL), and a number of Member States also provide bilateral support to improve human rights e.g. assistance to BBC Afghanistan to broadcast radio programmes on human rights by BE; support to the Human Rights Support Unit in the Ministry of Justice and human rights sensitisation projects for teachers and police by DE; the creation of a support system for women and children by EE, based on private donations; the establishment of a partnership by FR between Afghan and French BAR associations; the provision of technical assistance to the Legislative Office of the Ministry of Justice by IT; the support for projects to reduce the violence against women by IT via ActionAid; the sponsoring of sports events by LT to facilitate people-to-people contacts); the awareness campaigns on gender issues and the support to women productive associations financed by ES; or support through multi-lateral agencies such as UNICEF (BE and FI), and UN Women (FR, SE).

The EU Human Rights and Gender Working Group continues to coordinate the EU stance to human rights issues. The EU Human Rights Country Strategy for Afghanistan was approved by the Working Group and HoMs and forwarded to COHOM/COASI for validation on 15 May. Some additional recommendations have been received and a revised version of the Strategy was sent out to EU HoMs on 21 September.

The Government's draft regulation on women's shelters, for which the EU was actively pressuring the GoIRA to amend the text, based on the input from both the international community, Afghan civil society and women's organisations, has been approved by the Council of the Ministers on 5 September.

The EU and its Member States continue to support the key role of civil society in promoting human rights and democratic reform and in consolidating political participation and representation. Projects range from strengthening media actors in political reporting to supporting the development of a code of conduct against ethnic discrimination. Several women's organisations receive financial assistance to implement projects that foster awareness and advocacy for women's rights, including one project to monitor and improve the implementation of UN Security Council Resolution 1325. FI for example is launched their support for the preparation of Afghanistan's national action plan on women, peace and security in June, to inter alia improve the opportunities for women to participate in peace building, reconstruction and conflict prevention.

The most recent EU Delegation call for proposals under the European Instrument for Democracy and Human Rights (EIDHR) has been adapted to attract smaller Afghan NGOs that do not have the financial capacity to manage large grants, with a view to gradually expanding and strengthening national civil society. Six proposals have been selected and will be contracted shortly. DK, SE, the UK and Norway established a Trust Fund in August to support advocacy activities of civil society organisations and to encourage them to hold the GoIRA to account. FR has also created a Social Development Fund so support micro-projects to reduce poverty and reinforce civil society. Opportunities for combining these three NGO/CSO financing mechanisms should be considered.

DE finances an inclusive, Afghan-owned consultation process in which civil society develops its message for the International Afghanistan Conference in Bonn and the preceding Civil Society Forum.

IT sponsored a civil society conference organized in March in Kabul by the Afghan network of civil society organisations. This was followed by a similar event which took place in Rome in May, with the aim of strengthening the role of civil society in Afghanistan.

The EU's work on civil society and human rights complements its work on justice, rule of law and transparency in public administration, by fostering active and informed public debate and empowering citizens and the media to contribute to policy formulation. The EU also supports action and discussion on Transitional Justice. It has organised meetings with Transitional Justice civil society groups and supports their work, mainly on gathering and preserving evidence, helping victims to build networks and offer mutual support and on keeping the issue on the political and public agenda.

4.7. Reconciliation and Reintegration: the APRP

After a slow start, the reintegration element of the APRP has gathered pace with over 2300 formally reintegrated individuals now registered with the process and receiving demobilization training and transition assistance followed by support to re-enter employment such as on demining projects. There are peace councils in each province charged with organizing reintegration in their area. The programme does face ongoing challenges including

the lack of capacity within the Government at the sub-national level, and the difficulties of getting women properly involved in the programme, which will be essential to its success. The APRP is financially supported by DE, DK, EE, ES, FI, IT, NL, and the UK.

Some EU Member States also have bi-lateral activities in support of reintegration. LT for example conducts monitoring supervising and coaching for the reintegration process in the Ghor province, supports the public awareness campaign on reconciliation and reintegration and provides direct funding support for the Provincial Joint Secretariat Team. The UK contributes a UK-based staff member to the Force Reintegration Cell (FRIC). DE contributes national experts to the HPC and FRIC.

4.8. Economic Development (including support to the Private Sector, Agriculture and Rural Development)

In view of the EU's role as a co-chair of the ICG Working Group on the International Community's Long-Term Engagement, the EU initiated a new working-level meeting group on economic development. The main objective of the EU working group which would bring together various actors of the international community (both civil and military) at expert level, including AKDN, NATO/ISAF, the World Bank and the EU Member States, to prepare joint messages for the ICG Working Group, in preparation for the Bonn Conference. The first meeting has been scheduled for 25 October and the group will be used as a forum to develop a common understanding on the impact of transition on the Afghan economy (up to 2014 and beyond) by sharing information (research, lessons learned, best practices) and hosting analytical discussions in view of devising common political messaging for the international donor community.

Support for the Private Sector and attracting Investment

The EU Delegation, together with political support from DE, FR and the UK, is currently promoting and facilitating the establishment of the **EU Chamber of Commerce in Afghanistan** (EUCCA). EUCCA, a private sector initiative, should be able to represent the EU business community, with the aim of developing and strengthening trade, commercial and industrial relations between the EU and Afghanistan. The initiative should also help Afghanistan to generate revenue and attract much-needed investment in the long term. The EUCCA should be registered in October, after the interim board is elected and will be based in the EU Delegation for its first year of operations.

Member States are also supporting national efforts to improve the business climate and attract investment. EE for example has launched trainings on establishing private enterprises at the universities of Kabul and Mazar. IT and DK support the Micro-finance Investment Support Facility for Afghanistan (MIFSA) and IT promoted several business missions to Herat. NL organised an Afghanistan Agriculture Conference in June aimed at attracting Dutch and other European entrepreneurs to invest and do business in Afghanistan. PL provides support to SMEs via its PRT in Ghazni. Some Member States also provide experts and advisors to either Ministries or Afghan business support agencies at both national and provincial level (DE, DK).

The **Mining Sector** is also increasingly receiving attention from EU Member State governments and business communities. LT for example conducted a geological expedition in

Ghor province to explore possible mineralisation occurrences. The UK held a mining event entitled 'Mining in Afghanistan: Going Global' at the end of June in London, and DE organised a similar event in Frankfurt a few weeks later. Finnish Geological Survey is working together with the Ministry of Mines to develop mining sector in Afghanistan. IT attended with both institutional and business presence the International Marble Conference in Herat last May. Euromines, the European association of mining industries, has hosted a mining conference on October 26 in Brussels, with political support from DE and the EU. The aim of the conference has been to discuss business opportunities and potential challenges for foreign investors in Afghanistan. The mining sector would serve as an example to introduce the legal framework for doing business in Afghanistan and the outcomes and conclusions of the meeting are to be fed into the preparation process for the 5 December Bonn Conference.

Agriculture and Rural Development

Over the last six months the EU has been assessing opportunities to further support the capacity development of management within the Ministry of Agriculture, Irrigation and Livestock (MoAIL) and the Ministry of Rural Rehabilitation and Development (MRRD), and to bring its funding "on budget" in line with the aims of the Kabul Process. The phasing out of the previous centralized implementation strategy (with grants and contracts directly managed by the Delegation) poses significant challenges but has also offers opportunities to re-think the way EU delivers support to the agricultural sector.

During the last few months, the MoAIL has identified a number of structural weaknesses in the development of a comprehensive and cohesive strategy under the Agriculture NPP¹². To address these issues the MoAIL and EU jointly drafted a concept note focusing on the development of an efficient and effective services and input provision framework. To date, MoAIL and EU coordinated have closely coordinated on the way forward and reached an agreement on their respective responsibilities, in consultation with the major agricultural stakeholders, laying the path for the design of the NPP2_A programme. In parallel, the EU supported the MoAIL's policy dialogues with regard to the development of the national sanitary and phyto-sanitary mandate and the national Plan on Rangeland Management.

EU's support to MRRD is characterised by a strategic choice to support on-budget programmes such as the National Solidarity Programme (NSP), the National Rural Access Programme (NRAP), and Afghanistan Rural Enterprise Development Programme (AREDP) through the ARTF. EU support for the National Area-Based Development Programme (NABDP) is channelled via UNDP. The EU is also funding research programs through the Afghanistan Research and Evaluation Unit on rural livelihoods, enabling institutions and poppy cultivation. Crosscutting to all socio-economic ministerial programmes, is the National Risk and Vulnerability Assessment, a multipurpose household survey co-funded by the EU, which should be finalised by September 2012.

NL and the UK have also supported the MoAIL by focussing on 'change management', and the EU is currently considering technical assistance support to the current Change Management programme of the MRRD, which could possibly merge into the Capacity Building for Result designed by the WB. Others Member States also support MoAIL and MRRD programmes in the areas of agriculture and rural development such as the NSP (DK, ES, IT, FI, FR, SE), NRAP (ES and IT), AREDP (DK, EU through the ARTF, FI, SE) and the

¹² National Priority Programme 2, component A (NPP2_A): "National Comprehensive Agriculture Production and Market Development / Improved Agriculture Production and Farms Economics"

NABDP (DK, ES, IT). The UK continues to fund the Comprehensive Agriculture and Rural development Facility (CARD-F). BE provides assistance to improve the horticulture value chain in the Northern provinces through AKDN. CZ is providing support for agriculture and processing operations via its PRT in Logar. DK is planning to contribute funding to the UK-led Helmand Growth Programme. IT also supports an initiative entitled 'support to agriculture and rural development in the Herat, Farah, Baghdis, and Ghor provinces'. LT provides agriculture training for provincial representatives in Ghor (including study visits to LT for veterinary specialists) and for the Chagcharan High School of Agriculture. ES built a farm for agricultural training, helped replanting communal pistachio forests and is currently building a Research and Training Center for Agricultural and Rural Development in Qala i Naw.

Infrastructure

Several EU Member States also provide support in the areas of infrastructure and transport. CZ, FI, LT and PL provide assistance to construct smaller scale infrastructure works via their PRT in Logar, Ghor and Ghazni. DE has established a Regional Infrastructure Development Fund for the North of the country. DK continues to support the rehabilitation of the Gereshk Hydro Power Plant together with UK (DFID) and the Asian Development Bank. IT and SE support to rehabilitation rural roads, bridges and other rural infrastructure via UNOPS in Herat, Samangan, Sar-e-Pul, Jowzjan and Balkh provinces. Italy is negotiating soft loans for the implementation of transport infrastructure in the province of Herat (new International Airport, Bypass, roads). In Badghis, ES built a landing strip, is rehabilitating rural roads and established a Provincial Machinery Park, essential for the maintenance of these infrastructures. FR held in the context of its G8 Presidency a conference on regional railway development in July.

The US has presented plans in June for a New Silk Road outlining 22 priority infrastructure projects with the aim of reinforcing regional economic growth and resource corridors in Afghanistan, financed through donor 'transition dividends'. On the margins of UNGA, on 22 September, these projects were discussed at ministerial level as preparations for the Istanbul Conference with its focus on regional cooperation are underway. At the same time, however, the World Bank has released preliminary results of a study on the impact of transition on the general budget. The transfer of O&M related expenditures on the general budget is likely to plunge the budget deficit to over 30% of GDP. With evidence of overspending in infrastructure becoming more and more evident, new interventions in this sector should be carefully assessed in terms of sustainability and economic and financial viability.

Transport: Civil Aviation

The Civil Aviation Law is currently being considered by the Office of the Administrative Affairs of the President, will have to be approved by President Karzai's cabinet before being presented to the Parliament. The law inter alia foresees the establishment of an independent Civil Aviation Authority (CAA).

After a long delay, a first Civil Aviation Development Donor Coordination Board meeting was hosted by the Ministry of Transport and Civil Aviation (MoTCA) on 27 July. Donors, including the EU, will provide experts to staff the Board. MoTCA, who already sends regular "Flight Safety Progress Reports" to the European Commission, outlining the progress made towards de-blacklisting Afghan airlines, should also provide such reports to the Donor Board. The next Donor Board meeting will take place in October.

DE supports the Afghan civil aviation sector through a variety of measures, such as the rehabilitation of Mazar-i-Sharif airport, the set up of an M-LAT system (satellite-based air traffic control) and of a Civil Aviation Training Institute, the training of air traffic controllers and border police and advising MoTCA on setting up relevant structures to support the de-blacklisting.

4.9. Regional Cooperation

The Afghan Government has been careful to build strong regional relationships in support of the nascent peace process particularly with Pakistan. The establishment of a Joint Afghan-Pakistan Commission for Peace in June (including military and intelligence principals) was a positive development as was the Core Group between the US, Pakistan and Afghanistan. The EU is complementing the countries' efforts to improve relations by organising an Afghan-Pakistan women's forum to be held at the end of September.

Afghanistan has increased its bilateral actions with a number of other regional countries, namely Iran, India, China and the Central Asian states in an attempt to build a consensus around the peace process and to counter concerns about Afghanistan's own foreign policy and independence from the US. The Istanbul Conference on 2 November should provide a useful opportunity to agree, if possible, a regional security 'mechanism' to improve stability and reduce tensions. This mechanism is currently being worked out by the ICG co-chairs of the WG on Regional Cooperation (deputy-Foreign Minister Ludin, UNAMA and Turkey).

Whereas the Afghanistan-Pakistan Transit Trade Agreement (APTTA) should have entered into force before the summer, political considerations continue to mar its effective implementation. Similar to other major regional projects and initiatives (e.g. TAPI, CASA, etc) the underlying political tensions provide barriers to actual cooperation. To remedy these and to provide adequate follow-up, the Afghan Foreign Ministry (MFA) presented ambitious new plans for the Centre for Regional Cooperation (CRC) within the MFA in September. Whereas a CRC had briefly existed under the Economic Affairs department, this new CRC would consist of 4 separate divisions dealing with RECCA, other regional organizations, political cooperation, and bilateral and multilateral cooperation. The new CRC would be headed by a Director General who would report directly to Deputy-Minister Ludin, and the centre would be leading and coordinating economic and political regional policy across the relevant departments of the MFA and other line-Ministries. The MFA is in the process of developing a concept note on this new CRC, which will be presented to donors in October. DK, the EU, the UK and Canada are considering providing support for the new Centre.

Several EU Member States provide assistance to support regional cooperation. DE is supporting the Pakistan-Afghanistan Regional Integration programme (PATRIP) aimed at improving cross-border cooperation. DK will be funding the deployment of a regional economics and trade specialist to UNAMA to further regional cooperation and coordination. Further, DK is supporting UNAMA's reconciliations efforts through the Salaam Support Group. The UK continues to work with the Central Asian Regional Information and Coordination Centre (CARICC) under the heading of the Afghanistan Pakistan Cooperation Process (formerly known as the 'Dubai Process') which the EU also supports politically.

4.10. Humanitarian Assistance

There is still a lack of recognition of the extent and even existence of a conflict-induced humanitarian crisis in large parts of Afghanistan. The security situation limits the access of Humanitarian Agencies to vulnerable people and information. It also increases the risks for humanitarian aid workers to address the needs of the population. Large parts of the country (notably the South) are inaccessible for most of the humanitarian stakeholders (except ICRC to some extent). Access concerns even apply to areas which used to be considered safe a year ago.

Poverty and vulnerability across wide areas of Afghanistan are compounded by natural disasters such as regular droughts over the last few years, floods and recent earthquakes. This means that many communities in Afghanistan have exhausted their traditional coping mechanisms and are very vulnerable.

Given the tight timeframe of the handover of security responsibilities to Afghan authorities, there is pressure on the government, the international military forces, private contractors and the NGO community to deliver basic services across the country, reinforce the presence of the administration and, to a certain extent, get the population to support the central state. This “integrated approach” also includes humanitarian interventions conducted by non-humanitarian actors. This creates confusion and jeopardises the security and access of humanitarian aid workers, leading to a clear restriction of the humanitarian space. Globally, humanitarian actors have limited and weak channels of communication with political and military actors, which negatively impacts their ability to raise their concerns and be heard, ultimately resulting in the lack of knowledge of a humanitarian crisis by decision makers.

In 2011, the European Commission through its humanitarian office, ECHO, funded a EUR 33 million humanitarian aid package to provide assistance mainly to conflict and disaster affected populations as well as to new returnees. ECHO supports protection, food, shelter, water and sanitation as well as emergency health and epidemics response interventions in vulnerable areas of the country. Additionally, ECHO has been active from the first days when a potential drought was announced. This was done through strong involvement in the Food Security and Agriculture Cluster (FSAC) as well as through needs assessments in two specific missions in central highlands and northern Afghanistan.

Almost all EU Member States provide humanitarian assistance to Afghanistan, either via Afghan Ministries or agencies (LT via the Afghanistan National Disaster Management Authority), bilaterally (e.g. DK support for the 'Region of Origin Initiatives' for the reintegration of Afghan refugees from Pakistan and Iran, IT support for vulnerable populations in Herat, and 'humanitarian demining' in Kabul and Herat) or through international and multi-lateral agencies such as the ICRC / IFRC (BE, IT, PL, SE, UK), OCHA (SE), UNHCR (FI, IT, NL, SE), UNICEF (IT), the WFP (ES, FI, NL, PL), and NGOs.

Drought

In May, warnings on the drought which was affecting the Northern provinces of Afghanistan were issued by the UN Food and Agriculture Organization (FAO), World Food Programme (WFP) and Fewsnat. A drought monitoring system was activated in August and the FAO, WFP, the GoIRA as well as humanitarian partners, carried out an Emergency Food Security

Assessment (EFSA) in 14 provinces at the request of the FSAC. Findings have been circulated in early October 2011.

Humanitarian agencies, including ECHO, have been analysing the extent and severity of the drought through field missions and EFSA results. It was clear that the insufficient rainfall earlier in the year had resulted in food shortages, a depletion of available stocks, and an animal feed deficit. However, a careful analysis of people affected at community level is necessary in order to provide an adequate humanitarian response. Although the drought is a reoccurring phenomenon, it is not the main cause of the chronic (food) crisis which is deeply rooted in a weakened socio-economic context and a poorly managed national agricultural market. Chronic vulnerability will therefore need to be addressed by more sustainable medium and long-term measures of the GoIRA with support of the international donor community.

5. Conclusions and Recommendations for the Way Forward

Although significant improvement has been made in enhancing EU action in Afghanistan since the EU Foreign Ministers agreed on the EU Action Plan in October 2009, scope for improving EU coordination and cooperation remains. In view of the Bonn Conference in December however, the EU will have a unique opportunity to coordinate and shape the long-term commitment of not only the EU, but also that of the wider international community. Coherence of EU and Member States efforts, and consistency in messaging will be crucial in this respect.

The EU HoMs' recommendations for the way forward in the run up to the Bonn Conference are listed below, and will ensure that the EU aims to strengthen EU action can be effectively furthered.

General Recommendations

- EU HoMs recommend that the preparations for the EU-Afghanistan Cooperation Agreement on Partnership and Development (CAPD) are stepped up, so that a negotiation mandate can be obtained in time for the 5 December Bonn Conference.
- The EU and Member States should agree on common messages regarding the EU's long term engagement to Afghanistan beyond 2014 in the areas such as political reform, reconciliation and reintegration, sustainable economic development, and regional cooperation. The EU and Member States need to align their activities to Afghanistan's National Priority Programmes, and to encourage the authorities to remain committed to their implementation and to focus on sustainability.
- The EU and Member States should actively promote participation of civil society, and particularly representation of Afghan women organisations, in the Bonn Conference, and encourage the Afghan government to take recommendations of Civil Society Actors into account.

EU Cooperation and Coordination

- Discussions with the Member States (HoMs in Kabul and Member State representatives in Brussels) should be initiated shortly to better manage the issuance of local statements and the EU representation in meetings and fora in-country, to avoid giving the impression of a lack of unity and further improve the EU coherence in the future.
- Given that a number of Member States require agreement or instructions from capitals before being able to consent to a local EU statement, it is recommended that the matter of issuing local statements should be addressed at Headquarters level through the appropriate Working Groups (e.g. COASI). Improved internal coordination (Member States and their capitals), a more decentralised approach (with more authority/flexibility for missions in country) and more direct communication lines should therefore be established.
- EU HoMs recommend that the possibilities for implementing a secure electronic system of communication between the EU Missions in-country should be explored so that consultations, exchanging sensitive information and reports can be enabled in a secure and timely manner.
- The possibilities for joint-programming should be more seriously considered by both the EEAS and EU Member States. EU Member State programming documents and strategies should be shared at working level and the exploration of joint-programming possibilities should be brought forward in the programming process of both the EU and the individual Member States. This should ideally be acted upon before the programming start for the new EU financial perspectives (2014-20).

Public Administration Reform and Civilian Capacity Building

- The possibilities for interlinking the capacity building initiatives of individual EU Member States (including the smaller-scale study tours and visits) should be explored to further the concept of an EU Network for Public Administration Education in Afghanistan.

Sub-National Governance

- The EU and EU Member States should encourage the GoIRA to adopt a strategy which clearly articulates the relations between the central administration and sub-national tiers of governance in an effective and balanced way.
- The EU and EU Member States should continue to coordinate and cooperate closely to advocate PAR reform at national and sub-national levels in policy dialogue with the Afghan government and support its objectives in a coordinated way.

Election Review and Reform

- It is important that the EU continues to be a key player in the electoral reform process. Before Transition ends, the EU and the wider international community must assist putting in place legal, political and funding mechanisms that increase and guarantee the independence of crucial electoral bodies, as well as strengthen the capacity of domestic observer organizations.

- The EU should continue to strengthen relations with the Wolesi Jirga and Meshrano Jirga, and emerging political parties.
- The EU plans, under the Instrument for Stability, to support the UNDP ELECT II trust fund in the inter-election period. Initiatives to assure EU support for future elections, including the next Afghan electoral cycle in 2014-15 under the post 2014 CPS/MIP, should continue.

Civilian Police Reform

- EUPOL, supported by the EU and Member States, will continue to provide support to police institutional reform through the International Police Coordination Board, the International Police Policy Development Board and the International Advisory Council.
- More attention will have to be given to the broader cooperation between the international and European actors in their Rule of Law activities and a further harmonization of activities in Kabul and in the provinces.
- The EU together with EUPOL, will continue its active role in the further professionalization of the Afghan National Police with the MoI and relevant international stakeholders, and support the capacity development and training of the Afghan police to facilitate greater cohesion in training approaches and standards and in particular put emphasis on special training courses in areas like Crime Investigation Development.
- Although it is recognised that sufficient training facilities will be required in order for EUPOL, NTM-A and other actors to deliver (civilian) police trainings, a serious debate will need to be initiated with Afghan counterparts / GoIRA officials and other donors on the Operations & Maintenance needs and sustainability projections in the run up to 2014.
- The EU and EUPOL will push for stronger linkages between police and justice sector reform efforts.

Justice

- The EU and Member States should continue to support and encourage the Justice Institutions to work together to deliver a realistic NPP, accompanied by an implementation plan which shows clear sequencing and prioritisation.
- The EU and Member States should encourage the Government and Justice Institutions to show a clear will to engage in reforms seriously.
- Work closely with the World Bank to ensure that the second phase of the ARTF-funded justice reform project is in line with Afghan priorities and that it takes a long-term, realistic and feasible vision for justice sector reform.

Human Rights and Civil Society

- In line with the EU Human Rights Country Strategy which proposes a course of action to take in response to the human rights situation in Afghanistan, specific attention will be

paid to further engaging with civil society and human rights defenders, including women's rights defenders, promoting freedom of expression, freedom of religion, and children's rights, in the coming months.

- The EU and its Member States will continue to raise issues of concern with the GoIRA.
- The EU will award small to medium size grants for civil society actors for a combined total of some EUR 5.8 million in 2011 and 2012, on the basis of calls for proposals. Several EU Member States are in the process of establishing a CSO fund for similar purposes.
- The EU and Member States should look into the potential for complementarity between their respective funding mechanisms in support of CSOs.

Reconciliation and Reintegration

The next six months will be important for the peace process particularly within the context of the second phase of transition and a more aggressive military campaign to clear the remaining difficult; areas. The EU and its Member States should focus on the following priorities:

- The EU and its Member States should support greater active participation of women in the peace process wherever possible and through both quiet and public diplomacy.
- Encouraging the Government to be more transparent and clear about the purpose and parameters of the peace process and continuing the positive outreach towards civil society especially around the need to improve justice and accountability mechanisms.
- Use collective influence to put more pressure on regional partners, particularly Pakistan, but also India, to take a more pragmatic and constructive approach towards the peace process in Afghanistan.
- Improve coordination amongst each other, particularly around the substance of the political process with regard to agreed red lines.

Economic Development

- The EU Delegation, with the support of EU Missions in Kabul should continue to assist the European private sector representatives in setting up the EU Chamber of Commerce in Afghanistan (EUCCA).
- The outcome of the Euromines conference of 26 October 2011 in Brussels should be combined with the findings of the Enabling Environment Conference of 2007, and an updated Roadmap or set of recommendations should be presented to the GoIRA at the Bonn Conference.
- The EU should continue to engage private sector representatives and organise informal brainstorming sessions so that the outcomes of these meetings and sessions on how to improve the business and investment climate in Afghanistan can also feed into the preparations for Bonn.

- Whereas the mining sector is expected to have a strong positive impact on central government revenues, expectations of the magnitude of the impact on overall economic growth are not conclusive. With 80% of the population still relying on agriculture and agriculture related activities as a main livelihood, care should be taken to ensure that investments in this sector will result in more balanced welfare gains for the broader population.
- When it comes to infrastructure, donors should strive to factor in the O&M implications of their investments in order to ensure long term sustainability. Considerations on the economic return on certain infrastructures should be weighted against their financial sustainability. In view of the relatively weak tax collection capacity of the government, infrastructure which has a more immediate financial return (for example through user fees) should be favoured to pure public goods.

Regional Cooperation

- The EU and Member States should further encourage the ownership and leadership displayed by the GoIRA in enhancing regional cooperation by supporting the GoIRA's plans to agree to a binding agreement / regional security 'mechanism' between neighbouring countries to improve stability and reduce tensions in the region.
- The EU and Member States should engage the GoIRA in a constructive debate on the set-up and scope of the Centre for Regional Cooperation which would provide policy guidance and active follow-up of initiatives, projects and programmes aiming to improve and strengthen regional cooperation.