



IMPLEMENTATION OF THE AFGHANISTAN COMPACT

JOINT COORDINATION AND MONITORING BOARD

7th JCMB Meeting, 5-6 February 2008

TOKYO, JAPAN

Report to JCMB VII

The information presented in this report is primarily intended to update JCMB members on the status of the short-life benchmarks and progress on actions taken on decisions of the previous JCMB meeting, held on 3 October 2007.

I. INTRODUCTION

1. ***Two years after agreeing the Afghanistan Compact, significant challenges still remain.*** Violent conflict and increased drug cultivation, production and trafficking undermine stability, security and the rule of law. Greater emphasis is required to strengthen centre-province relations, to enhance institutional effectiveness and to stamp out corruption. Even after 6 years of reconstruction and development assistance totaling billions of dollars, unemployment rates remain very high, food prices have gone up by 70% in the last year, a large proportion of the population still does not have access to basic services and 80% are without access to electricity. Even in Kabul, which is experiencing one of the coldest winters in recent history, the majority of people have no access to electricity.

2. ***Insecurity is a key concern for Government, particularly in the south and south-eastern parts of the country - where opium cultivation continues to be high – thereby hampering efforts towards establishing a secure democratic government and a stable environment for investment.*** This situation challenges the core of the Afghan state at a decisive time when the central government is attempting to deliver improved services to its people. Improved international aid coordination and greater support through the budget to strengthen centre-provincial relations are essential pre-conditions for addressing these challenges in a more comprehensive way. The recent attack by the terrorists on the Serena Hotel in Kabul demonstrated a change of tactics in targeting international civilians.

3. ***In strengthening the Afghan government at all levels of administration to deliver on its commitment to peace, development and poverty reduction, the Government has developed with full consultation its Afghan National Development Strategy (ANDS).*** The process has been Afghan led, to strengthen public policy dialogue over key security, economic and poverty issues and is premised on the need to meet its citizens basic and long term needs. For the first time in Afghan history, this national planning and budgeting exercise has also involved the elaboration of

Provincial Development Plans (PDPs), established through consultation on prioritization on needs in all provinces. This process of consultation therefore was both top down and bottom up, allowing the voices of ordinary citizens to engage in the national development process.

4. ***Combined, the ANDS and Afghanistan Compact form a shared vision for the future of Afghanistan, to achieve our Millennium Development Goals.*** The ANDS which will comply with the World Bank Poverty Reduction Strategy Paper (PRSP) requirements will be completed by spring 2008. This will support implementation of the IMF's Poverty Reduction Growth Facility (PRGF) including access to debt relief under the Heavily Indebted Poor Country (HIPC) initiative.

II. SUMMARY

5. The key issues highlighted in this update are:

- i. ***Enhancing Counter-Narcotics Efforts:*** Significant increases in poppy cultivation in the South, West and East of the country, especially in Helmand, as well as in heroin processing and trafficking, once again underscore the need for clear implementation priorities and a sharper provincial focus to enhance effectiveness; while tackling the narcotics industry will take time, delivery must start now;
- ii. ***Strengthening the Afghan National Police:*** Stakeholders must agree to a unified, integrated vision for the police, addressing the needs of both security and law enforcement including an improved vetting process;
- iii. ***Improving Aid Coordination:*** The Donors' Joint Response to the ANDS, to be completed by June 2008, requires strong coordination among the international community. Clear structures and guidelines for the delivery of assistance through the core and external budgets in accordance with ANDS funding requirement should be developed within the framework of the prioritization process;
- iv. ***Strengthening the Afghan National Army:*** The present 70,000 ceiling of the army needs to be raised to a force structure of 80,000 (86,000 with "manning margin") in order to adequately respond to the current threat level.
- v. ***Establishing Core DIAG Capabilities:*** A DIAG unit of 180 personnel should be set up in the Counter-Terrorism Department of the Ministry of Interior. This requires an increase of 180 in the *tashkeel* of MoI.
- vi. ***Funding the National Justice Program:*** The National Justice Program has been developed as part of the Justice Sector Strategy of ANDS in accordance with the recommendation of the Rome Conference. Funding requirements must urgently be addressed;
- vii. ***National Elections:*** Urgent decisions are needed on the election law, national voter registration program, electoral calendar, and funding requirements,

- viii. ***Financing Census Enumeration:*** The funding gap of \$28.5 million must be addressed by end of February 2008 in order to meet the census enumeration schedule starting April 2008; and,
- ix. ***Provision of Basic Energy:*** Afghanistan's and in particular Kabul's increasing electricity needs continue to be unmet because of supply and distribution constraints; this high priority must be addressed immediately.

III. ISSUES FOR JCMB VII

6. ***The following issues affect the implementation of the benchmarks agreed in the Afghanistan Compact and require the attention of JCMB VII:*** (i) counter-narcotics (ii) security (iii) governance (iv) elections and (v) aid coordination.

Counter-Narcotics

7. ***Overcoming the challenges of the opium industry is central to effective nation-building, security, governance, and a prosperous economy in Afghanistan.*** In response to the increase in opium production reported by the United Nations Office on Drugs and Crime (UNODC), the JCMB VI meeting, held on 3 October 2007, decided that the seventh meeting of the JCMB would focus on counter-narcotics.

8. ***In spite of the efforts of the government and the international community, opium production has increased in Afghanistan to alarming levels during the past five years.*** According to the UNODC Afghanistan Opium Survey 2007, illicit opium poppy cultivation covered 193,000 hectares in 2007, an increase of 17 per cent over 2006 and a near doubling in the area of the crop since 2004-2005. This represents 93% of global opium production. There is a clear correlation between the drug industry and conflict, with opium production highest in insecure areas. The increase has been greatest in the South, with increases also in the West and East, while there has been a significant decrease in the northern and central parts of the country. In Balkh province, for example, the area under opium poppy cultivation fell from 7,200 hectares in 2006 to zero in 2007. The symbiosis between the narcotics industry and conflict also undermines efforts to improve governance and decrease corruption, and poses a critical development challenge. Opium production has caused considerable macro-economic impact on aggregate demand, employment, balance of payment, the exchange rate, and the price index. Overall, opium cultivation and production directly involves more than three million people, while the livelihoods of even more people depend indirectly on it.

9. ***To address the challenges posed by the drug industry, on 3 October the JCMB decided:*** "As the next JCMB meeting will focus on counter-narcotics, the Government, with support of international partners, should, before then review and prioritise the implementation of its National Drug Control Strategy, and formulate a comprehensive approach. The responsibilities of relevant line ministries should be specified, with a strengthened Ministry of Counter-Narcotics playing a leading role. Within the comprehensive approach on counter-narcotics, interdiction operations in particular need to be stepped up. Proposals for strengthening regional cooperation on counter-narcotics should be developed and presented to the next JCMB."

10. ***To this end, the Government has developed a Position Paper on Counter-Narcotics to be presented at JCMB VII meeting.*** The Position Paper is also complemented by an implementation plan – “Review and Prioritization of the National Drug Control Strategy (NDCS)” – prepared by the Special Taskforce on Counter-Narcotics to meet the JCMB action and decision.

11. ***A number of important steps have been taken by the Government and its international partners since JCMB VI.*** To address the need for urgent counter-narcotics action, a Counter Narcotics Task Force composed of key ministries, UNODC, and both the United States and United Kingdom was established. Furthermore, the Policy Action Group (PAG) has regularly discussed counter-narcotics issues, emphasising law enforcement measures. The Ministry of Counter-Narcotics is undergoing a series of reforms and restructuring to be able to perform its policy and coordination role adequately.

12. ***Since October, there has also been some progress in interdiction and law enforcement, including a number of significant seizures of opium and heroin, and destruction of heroin labs.*** The Criminal Justice Task Force is also beginning to deliver. At the same time, main interdiction priorities remain high-value targets and the disruption of trafficking networks. Given the link between insecurity and the narcotics industry, NATO/ISAF has begun to support counter-narcotics activities and institutions within means and capabilities. Eradication will be focused in the largest poppy growing areas and will seek to target rich land-owners where possible. Joint planning of force protection for counter-narcotics activities has been agreed among relevant stakeholders.

13. ***The Independent Directorate for Local Governance (IDLG) has announced that the performance of Governors will be judged by how well they deliver on counter-narcotics.*** As the Government is moving towards a provincial based approach to counter-narcotics activities, IDLG, Ministry of Rural Rehabilitation and Development (MRRD), ANDS, Provincial Development Councils (PDCs) and the provincial Governors will be increasingly involved in both the planning and implementation of counter-narcotics activities. Ministry of Counter-Narcotics and the IDLG hosted a seminar in January where 12 Governors participated to discuss their priority needs. The Provincial Development Plans (PDPs) of ANDS will be used as the basis for the provincial based approach.

14. ***It is necessary to change the way that alternative development programs are funded, administered, and delivered.*** The CNTF was established at the London Conference to fund the implementation of the NDCS, in particular the provision of hundreds of millions of dollars of assistance for alternative development. In the two years of its existence, however, the CNTF has disbursed only \$7 million, of which \$4.5 million was for administrative costs. This is unacceptable and we must comprehensively reform and overhaul the CNTF. At the next JCMB (VIII) Afghanistan in consultation with its partners will present a plan to “Afghanize” and reform the CNTF. This plan should be implemented on a fast track to assure funding of alternative development programs and the Government has called for the CNTF to seek to reach a level of disbursement of \$250 million per year.

Security, Governance, and the Rule of Law

15. ***Improved governance is critical to stability, as well as to the political and economic future of Afghanistan.*** To further enhance the confidence of the population the state needs to develop greater institutional capacity, at the national and sub-national levels, to deliver essential services, a minimum level of security and respect for the rule of law. The focus of further efforts by both the Afghan Government and the international community must therefore be on the police and rule of law institutions, as well as strengthening government institutions at the central and sub-national levels to enable them to provide transparent, accountable, participative, effective, coherent, and inclusive governance.

16. ***A fragile security situation has hindered the extension of Government authority especially in the South of Afghanistan. Priority should be on the “Afghanization” of security (ANA, ANP) as agreed at JCMB IV in Berlin.*** The Task Force established at JCMB V to review the quality, quantity, and financial sustainability of the Afghan National Army (ANA) concluded that the present ceiling of 70,000 personnel is not adequate to respond to the current threat level. This Task Force has proposed that the ANA force structure needs to be increased by 10,000 personnel to a total force structure of 80,000 (86,000 with manning margin) by the end of 2009. This increase in personnel needs to be accompanied by a comprehensive threat analysis and credible organizational structure for the ANA. It will need to be capable of independently planning, executing, and sustaining operations against illegally armed anti-government elements and terrorist activities. It also needs to take place within the framework of an overall national security plan and security sector strategy of ANDS. Further emphasis on coordination and the sharing of information among the security forces in the country will enhance the effectiveness of the security sector and reduce the number of casualties.

17. ***JCMB VI called for a review of the quality and structures of the ANP, as well as for a report on actions taken to harmonize the payroll with actual police numbers, and to strengthen fiduciary controls and payroll administration in the Ministry of Interior.*** It also called for an action plan by donors for supporting the institutional development of the Ministry of Interior. It was agreed at the working level, however, that this plan should build on the results of the policing review, which was not completed until 15 January 2008.

18. ***The main recommendation of the policing review submitted to the JCMB VII meeting suggests that stakeholders should agree to a unified, integrated vision of the police, which addresses the concerns of both law enforcement and security.*** This vision needs to be generated under the auspices of the International Police Coordination Board (IPCB). The staffing structure (*tashkeel*) needs to follow from the vision for the police. It must take into account the current security situation, and reflect anticipated requirements as well as focus on accountability. The review recommends the establishment by the MoI and international community of a permanent joint body to oversee the vetting of police candidates and to review key leader performance. An external oversight mechanism to receive complaints, evaluate standards of service and sustain public dialogue is also foreseen. Ensuring that the

payroll reflects the actual number of police on the ground continues to be an important challenge that is currently being addressed by enhanced attendance records, and the Electronic Payment System and Electronic Funds Transfer, as well as the deployment of a pay verification team.

19. ***DIAG has had some important successes in recent months.*** It has been working on regulating private security companies and stopping their illegal operation; nine companies have been registered to date. DIAG has also developed a weapons registration and licensing procedure which is now being implemented by the Ministry of Interior, with 7,000 weapons registered so far. Overall, well over 60,000 weapons and some 20,000 tons of ammunition have been consolidated under government control. There is now a need to set up a properly staffed DIAG Unit within the Counter-Terrorism Department of the Ministry of Interior; DIAG is requesting a (*tashkeel*) increase of 180 personnel.

20. ***Following the recommendations of the Rome Conference, the National Justice Sector Strategy and the National Justice Program have been developed in close consultation to ensure co-ordination and collaboration in policy development.*** The Strategy aims to address the following reform challenges: (1) to restore the credibility of justice institutions, which requires accessibility, integrity, accountability and full functionality; (2) to ensure the constitutionally mandated impartiality, fairness and independence of the courts and prosecution agencies; and (3) to improve the fiscal capacity of justice institutions. Accordingly the Strategy has three goals: first, to improve the integrity, performance and infrastructure of justice institutions; secondly, to improve co-ordination and integration within the justice system; and finally to improve access to and the quality of justice. The National Justice Sector Strategy will be implemented through the National Justice Program. The task of the Program is to establish pooled funding for the justice sector. The Program will be financed in large measure through the Afghan Reconstruction Trust Fund (ARTF). In addition to ARTF, other sources of funds will be needed to support the National Justice Program, including Government budgetary resources and bilateral contributions.

21. ***The Independent Directorate of Local Governance (IDLG) was established to improve sub-national governance by strengthening government institutions at the provincial and district levels.*** These sub-national governance institutions have been separated from the MOI. This change will promote reforms to enhance the capacity of provinces and districts to provide services and account to local communities. Initial steps have been taken to improve coordination among provincial and district-level efforts in governance, police reform, the disbandment of illegal armed groups (DIAG), and counter-narcotics. IDLG and ANDS are working together to better coordinate the implementation of the Provincial Development Plans (PDPs). The full range of governance issues is expected to be addressed in more detail at the next JCMB (VIII).

22. ***In the meantime, urgent progress needs to be made on election and census preparations.*** The time line for the upcoming elections must be determined if the elections are to be held in 2009. Meanwhile census preparations will have to continue as planned if complete results are to be published by 20 March 2009 as required under the Afghanistan Compact. Census results will be critical to the implementation of the

ANDS. However, the conduct and quality of the census could be jeopardized by a funding shortfall of \$28.5 million.

Aid coordination

23. *The large number of donors and varying funding levels and modalities operating in Afghanistan put a premium on improving the coordination and effectiveness of external development assistance, in the framework of the commitments that have been made in the Afghanistan Compact and the Paris Declaration on Aid Effectiveness.* The Aid Effectiveness Working Group, the Consultative Groups (CG) Mechanism, the JCMB, and the Afghanistan Development Forum (ADF) all provide opportunities for coordination between the Government and its development partners.

24. *However, key challenges remain.* A significant proportion of external resources provided to Afghanistan are still routed directly to projects by donors, rather than to the Government's budget although the trend towards alignment of external and core budgets is becoming more apparent. This undermines the ability of the Afghan government to commit funds to development priorities and to increase the funding of provincial based programs. Provision of on-time and comprehensive information on development assistance to Afghanistan remains a major challenge. The lack of multi-year commitments by development partners has made it difficult for the Government to plan for the medium to long-term and allocate resources to national priorities. A significant proportion of aid provided to Afghanistan is still tied allowing the Government little flexibility. Not only should more money be channeled through government but as ANDS is completed and implementation gets underway, pledges are required as there are significant funding gaps. Therefore, the response from donors to appeals for ANDS funding must improve in order to ensure full and timely implementation.

25. *The existing principles established under the Compact and Paris Declaration are too broad to provide practical guidance.* The Government is therefore drafting an Aid Policy, including an Action Plan, to set out Afghanistan's vision for improved aid coordination, management, mobilization, and effectiveness. This Aid Policy will set out clear guidelines, for both the Government and its development partners, as to how external assistance should be mobilized in support of the ANDS strategies and priorities, as well as preferences in terms of aid modalities and clarification of roles within the Government. The Aid Policy will be complemented by an Aid Effectiveness Strategy which will be a part of the full ANDS. In addition, a Harmonized Reporting Format has been rolled out to improve the reporting, monitoring, and analysis of external assistance. A bi-annual Donors' Financial Review has been undertaken to update financial information and to review donors' activities in the country.

IV. UPDATES ON SHORT-LIFE BENCHMARKS

26. *A brief description of the progress of the short-life benchmarks is given below (a complete update of these benchmarks is provided in Annex 1).* Since the last JCMB meeting, a majority of the short-life benchmarks have been accomplished.

27. *In December 2007, a meeting was convened under the Second Vice President to determine the way forward as regards the Senior Appointments Mechanism.* A proposal for the Senior Appointments Mechanism to be located in the Office of Administrative Affairs (OAA), and its composition to include two senior government officials as panel members, increasing its strength to seven, is now awaiting approval by the President. **(Benchmark 2.1.2).** The United Nations Convention against Corruption (UNCAC) has been approved by the National Assembly and is currently awaiting the approval of the President. As provided under UNCAC, Afghanistan is in the process of adapting a number of its laws and incorporating them into the National Anti-Corruption Strategy. While JCMB agrees to the postponement by 12 months of the deadline for ensuring national legislation be adapted, it reminds the Government of Afghanistan and the international community of the imperative to deliver in this crucial field. **(Benchmark 2.2.1).**

28. *A pilot census enumeration project has been successfully carried out in all provinces with the exception of Helmand.* However, security issues and logistical shortcomings have made the implementation of this benchmark a challenging task. Budget constraints are also of immediate concern; there is at present a \$28.5 million funding gap for census operations **(Benchmark 2.3.1).** The land policy has been finalized after approval by the Council of Ministers and the President. An amended Land Management Law has been proposed by the Ministry of Justice and approved by the Wolesi Jirga or lower house of the National Assembly and now awaits the approval of the Meshrano Jirga or upper house **(Benchmark 2.8.1).**

29. *The Ministry of Public Works has prepared strategic and operational plans, which lay the foundation for a sustainable road operation and maintenance system (Benchmark 3.1).* This builds on a three-year pilot maintenance project initiated by the European Commission in June 2006 which covers 150 km of national highway (Kabul-Jalalabad road). A further three-year maintenance program for 874 km of national highway was launched in November 2007 by USAID. However, further funding is required for a fully upgraded and maintained highway system to be achieved.

30. *Sixteen internationally accepted prudential regulations have been developed and enacted by the Da Afghanistan Bank (DAB) Supreme Council (Benchmark 8.4.1).* The Financial Supervision Department of DAB already meets seven out of the 25 core principles **(Benchmark 8.4.2).** The restructuring of state-owned commercial banks has been approved by the Cabinet and will be completed within the six-months time extension granted at JCMB IV **(Benchmark 8.2.3).**

31. *Four laws, including on Arbitration, Partnership, Cooperation, and Mediation, have been passed by Presidential decree.* The Copyright Law is with the *Taqnin* of the Ministry of Justice and the Trademark Law has been sent to the National Assembly. The four remaining laws are presently being reviewed by the *Taqnin* **(Benchmark 8.3.1).** A procedural reform implementation plan has been prepared and will be presented for consultation by stakeholders. This plan will be made operational within the next twelve months **(Benchmark 8.3.2).**

32. *Though the development of an environmentally regulatory framework is well underway*, some major challenges including a slow legislative review process in the *Taqnin* of the Ministry of Justice and the lack of funding have slowed down the implementation of this benchmark (**Benchmark 3.7**). Therefore, JCMB VII is requested to grant an extension from end-1386 to end-1387 (March 2009) for the achievements of these targets.

V. PROGRESS UPDATE ON ACTIONS DUE BY JCMB VII

1. Security Pillar

33. *Ministry of Interior:* Previous JCMB meetings have called for an action plan for supporting the institutional development of the Ministry of Interior. However, this needs to build on the review of the Afghan National Police (ANP) that is presented to this meeting so that the results of the policing review can be taken into account when planning donor support. Therefore JCMB VII is asked to agree the postponement of the deadline for completing this action plan to JCMB IX.

34. *Afghan National Police:* The required review of the quality, structure and accountability of the ANP has been completed and is presented to this meeting; its key findings are discussed in the Issues for JCMB VII section above.

35. *Afghan National Army:* A Task Force composed of Ministry of Defense, Ministry of Finance, CSTC-A, US Embassy, UNAMA and the World Bank representatives was established on 26 September 2007 to assess the quality, quantity and financial sustainability of Afghan National Army (ANA). The report is submitted to this meeting and recommends increasing ANA force structure to 80,000 (or 86,000 with “manning margin”) by the end of 2009 to allow for adequate logistical support, improved inter-government agency co-ordination and an increase in ANA combat units in order to respond to the challenges the ANA faces in a difficult campaign. The fiscal sustainability of this increase needs to be under constant review.

36. *Mine Action:* The Ministry of Foreign Affairs and UNMACA jointly followed up on the JCMB decision for the transfer of mine action activities to a national entity, through a series of consultation with relevant ministries, departments and non-governmental organizations, as well as implementing partners. As a result of these consultations, a broad-based Symposium on Mine Action was convened on 10 December 2007 and agreed on the creation of an inter-ministerial body on Mine Action activities to take the work forward.

37. *Regional Cooperation:* During President Karzai’s visit to Islamabad on 26-27 December 2007, discussions were held with President Musharraf about further integrating efforts against terrorism and strengthening mechanisms for information exchange. At the upcoming Regional Economic Cooperation Conference on Afghanistan in Islamabad, Afghanistan, Iran, and Pakistan are planning to discuss counter-narcotics and law-enforcement, including the establishment of a permanent mechanism for sharing information on combating terrorism, drug trafficking, and organized crime. Workshops on countering terrorism, and on law enforcement and counter-narcotics, have been held in Ankara among experts from Afghanistan, Pakistan and Turkey. Canada is proceeding with the implementation of its border

management initiative, bringing together Afghan and Pakistani officials, and will hold three further workshops during the first quarter of 2008.

2. Governance, Rule of Law and Human Rights Pillar

38. ***Elections:*** The Cabinet has approved the draft Election Law, which has now been sent to the National Assembly for debate and approval. In addition, a second law has been drafted regarding the structure and authority of the Independent Election Commission (IEC). This draft legislation is under review by the *Taqnin* at the Ministry of Justice and will then be reviewed by the Cabinet and submitted to the National Assembly. Discussions are ongoing between the branches of the Government on the timing of the upcoming elections. A decision on this matter is hoped for imminently.

39. ***Senior Appointment Mechanism:*** The Senior Appointment Mechanism, established in September 2006, to meet the benchmark of the Afghanistan Compact has yet to finalize its rules of procedure or terms of reference. A proposal for the Senior Appointments Mechanism to change the composition of the board is waiting for President's approval.

40. ***Sub-National Governance:*** A governance framework has been developed under the auspices of the Independent Directorate for Local Governance (IDLG). It has been agreed that by the end of 1389 (March 2011), the Government will develop and implement the necessary legal, policy and institutional framework for sustainable and effective sub-national governance. A Presidential Decree for the creation of a policy task force to lead a cross-government policy process on sub-national government is expected to be issued shortly. The IDLG has also developed a benchmark on sub-national governance together with key stakeholders including the Civil Service Commission, Ministry of Finance, and all other relevant Ministries; this has been approved by the ANDS Working Group.

41. ***Anti-Corruption:*** A commission to review the extent of administrative corruption and present proposals for tackling this has been led by the Chief Justice, and has included the General Independent Administration of Anti-Corruption (GIAAC), Ministry of Justice, Supreme Court, Attorney General's Office and the Police. A Presidential Decree has been implemented to remove overlap among government organizations fighting against corruption. The UN Convention on Anti-Corruption has been approved by The National Assembly on September 2007 and is awaiting approval by the President. The Criminal law has been adapted and approved by the cabinet in accordance with UNCAC. A law on anti-corruption has been drafted and is in the process of review. A national strategy on anti-corruption has been drafted in partnership with the international community; it clarifies the roles and responsibilities of the key anti-corruption actors and incorporates the findings of the commission on administrative corruption led by the Chief Justice.

42. ***Justice and the Rule of Law:*** The drafting of the National Justice Sector Strategy has been carried out in conjunction with that for the National Justice Program to ensure co-ordination and collaboration in policy development.

3. Economic and Social Development Pillar

43. ***Regional Economic Cooperation:*** The Government has undertaken initial preparation for the upcoming Regional Economic Cooperation Conference which will be hosted in Islamabad on 26-27 March 2008. The Ministry of Foreign Affairs also organized a meeting of the Economic Cooperation Organization (ECO) council of ministers in Herat in October 2007, where progress towards ECO agreements and projects was reviewed. A high-level delegation attended the SAARC council of ministers meeting held in New Delhi in December 2007 at which issues related to trade, transport, environment, anti-terrorism and counter-narcotics were discussed.

44. ***Energy:*** Progress on the USAID funded 100 MW thermal power plant for Kabul is on track with first power of about 60 MW scheduled to be on line by the end of 2008. Concurrently, progress has been made on the Kabul distribution systems where the Government and the World Bank has commenced work on the \$175 million distribution upgrades to ensure efficient distribution and absorption of the additional power expected by the end of the year. A four-sided agreement was signed by Afghanistan, Tajikistan, Kyrgyzstan and Pakistan in November 2007 to facilitate the implementation of the 1300 MW CASA power project, with Afghanistan receiving 300MW by 2012 to meet its growing electricity demand. Afghanistan also joined the Energy Charter Treaty at the 18th Energy Conference held in December 2007. The Ministry of Energy and Water (MoEW) and Da Afghanistan Breshna Moassesa (DABM) have taken a number of other steps to bridge the demand-supply gap. Construction of the North East Power System (NEPS) is expected to have the Uzbekistan transmission line completed by December 2008.

45. Initial MOUs for commercially viable power purchase agreements are in place with Uzbekistan, Turkmenistan and Tajikistan to make NEPS operational. A payment mechanism is expected to be in place with Uzbekistan by the end of the first quarter of 2008. This will lead to availability of an additional 150 MW of electricity initially, 50 MW for Mazar-e-Sharif and adjoining areas and 100 MW for Kabul by the end of 2008. Availability will increase to 300 MW subsequently, after the transmission segment and associated sub-station in Uzbekistan is completed in 2010. However, additional funding still needs to be identified for the expansion and rehabilitation of distribution network in Kabul and other urban and rural areas to absorb this power; there is a shortfall in funding to the order of \$150 million. Inadequate funding for expanding distribution systems in both urban and rural areas is a serious bottleneck to extending electricity to households and other consumers. If the required funds are not found, the Government may not be able to meet the benchmark.

46. ***Labor Migration:*** A Labor Exchange working group has been established within the structure of ANDS. The Ministry of Labor, Social Affairs, Martyrs and Disabled (MoLSAMD) has licensed three private companies to allow Afghan laborers to work in foreign countries. Of these three companies, one has already sent a number of Afghan laborers to the United Arab Emirates. Work is underway to sign bilateral agreements on employment opportunities for Afghan laborers with the Governments of Iran, Saudi Arabia, and Qatar. A high-ranking delegation from the Ministry also attended the 4th Ministerial Consultations on Overseas Employment and Contractual Labor for Countries of Origin in Asia, held in Abu Dhabi on 21-22 January 2008.

47. **Refugees:** Preparations for an International Conference on Refugees are ongoing. The Conference will be held in Kabul during the second half of 2008. The Ministry of Foreign Affairs, Ministry of Refugees and Repatriation and UNHCR have held consultations with stakeholders and are drafting a concept paper for the conference.

48. **Counter-Narcotics:** A Taskforce on Counter-Narcotics was established in November 2007. The Taskforce developed a Counter-Narcotics Position Paper and Implementation Plan (“Review and Prioritization of the National Drug Control Strategy (NDCS)”) for presentation at the JCMB VII meeting. In line with the JCMB VI decision, the plan reflects a comprehensive approach identifying what counter-narcotics activities should be taken across the pillars of the National Drug Control Strategy by when and by whom. Actions to step up interdiction and improve regional cooperation on counter-narcotics are incorporated into the plan.

VI. PROPOSED ACTIONS AND DECISIONS

1. Security Pillar

1.1 **Ministry of Interior:** Support to the Ministry of Interior (MoI) should focus on institutional development, especially remedying administrative weaknesses relating to recruitment, tracking of personnel and career management, as described in the policing review (“Review of the Quality, Structures and Accountability of the Afghan National Police (ANP)”). The international community should develop a joint plan for MOI support under the auspices of the International Police Coordination Board (IPCB), as recommended by the policing task force, by JCMB IX.

1.2 **Afghan National Police:** The IPCB should take forward recommendations from the policing review by JCMB VIII. It should cover: (i) the development of an integrated vision for the police (ii) address requirements of law enforcement (iii) consider measures against illegally armed anti-government elements (iv) review the staffing structure or *Tashkeel* (v) enhance vetting and oversight mechanisms (vi) and focus the deployment of police mentors at the provincial and district levels. The Ministry of Interior and the Ministry of Finance should harmonise the payroll with actual police numbers by JCMB IX. As a matter of priority fiduciary controls and payroll administration in the Ministry of Interior should be strengthened and progress in achieving this reported back to JCMB IX.

1.3 **Afghan National Army:** The JCMB endorses the proposed increase of the ANA force structure to 80,000 personnel (86,000 with “manning margin”) by the end of 2009, as a response to current security challenges, subject to sufficient donor resources. Any subsequent changes to the force structure needs to reflect evolving circumstances and fiscal sustainability.

1.4 **DIAG:** The JCMB recommends a *tashkeel* increase to accommodate a 180-strong DIAG unit within the Counter-Terrorism Department of the Ministry of Interior.

2. Governance, Rule of Law and Human Rights Pillar

2.1 ***Anti-Corruption:*** The JCMB endorses a time extension of 12 months from end-1386 (March 2008) for national legislation to be adapted in line with the UN Convention against Corruption. The Government should demonstrate its strong commitment to the fight against corruption, clarify institutional arrangements in this field, and strengthen the leadership of institutions involved in the fight against corruption. Meaningful progress in these areas should be made by JCMB IX.

2.2 ***Census:*** The JCMB calls upon donors to urgently address the funding shortfall of \$28.5 million to enable preparations for the census enumeration to proceed.

2.3 ***Elections:*** The JCMB calls for urgent decisions on the election law as well as funding for a national voter registration program, and civil registration subject to available funding. An urgent decision on election timelines is also required. Once key decisions are taken, donors must be prepared to make assistance available in a timely way to ensure implementation of the electoral calendar.

2.4 ***Justice and the Rule of Law:*** The JCMB calls on donors to ensure that the National Justice Program is fully funded, preferably through the core budget. Strengthening the justice system is not only critical for law and order, but also for the emergence of an enabling environment for investment.

2.5 ***Senior Appointments Mechanism:*** The rules of procedure of the independent Senior Appointments Mechanism for political appointments, should be decided, signed off and implemented by JCMB VIII, taking into account the relevant benchmarks of the Compact.

2.6 ***Transitional Justice:*** The JCMB calls on the Transitional Justice working group to take immediate action in devising the workplan for its implementation which should be finalized and approved by JCMB VIII.

2.7 ***Media Law:*** The JCMB calls for the early approval of the Media Law consistent with the principle of freedom of expression as enshrined in the Afghan Constitution and in the international instruments to which Afghanistan is a party.

3. Economic and Social Development Pillar

3.1 ***Energy:*** The Ministry for Energy and Water should report to JCMB VIII any critical bottlenecks, including funding shortfalls, that might hinder implementation of the benchmark on electricity coverage. MEW should present an action plan on how it will tackle bottlenecks and constraints to JCMB VIII. The Government should intensify its efforts, with the support of the international financial institutions to negotiate and finalise Power Purchase Agreements with Uzbekistan and Tajikistan at the earliest opportunity, to make NEPS operational by December 2008. The Ministry should accelerate its programme to restructure DABM as a publicly owned national company with operational independence.

3.2 ***Environment:*** The end-1386 (March 2008) deadline for establishing environmental regulatory frameworks and management services will not be met. The JCMB should approve a 12-month time extension.

4. Counter-Narcotics

4.1 JCMB endorses the prioritized counter-narcotics implementation plan, including the provincial based planning approach (“Review and Prioritization of the National Drug Control Strategy (NDCS)”, for implementing the NDCS. The Ministry of Counter-Narcotics is asked to report on progress against the counter-narcotics implementation plan (“Review and Prioritization of the National Drug Control Strategy (NDCS)”) at JCMB VIII. The JCMB calls on all donors to commit additional resources for the implementation of this plan, preferably through the budget.

4.2 The Afghan Government, in consultation with the international community, will present an update on agreed actions to restructure and reform the CNTF at JCMB VIII.

4.3 The Government is requested to provide an update of measures taken against public officials linked to the narcotics trade, as well as convictions of high-level traffickers, by JCMB VIII.

4.4 Deployment of border liaison officers and drug liaison officers and appointment of suitable officers to the CNPA must be accelerated and should be achieved by JCMB VIII.

5. Aid Coordination

5.1 ***Aid coordination:*** The JCMB calls on the international community to present a coordinated Donors’ Joint Response to the ANDS, fully coordinated with the Ministry of Finance, by June 2008, in preparation for an upcoming international conference in Paris. Donors must aim to set out their overall funding commitments and sectoral and program priorities, so that a broad division of labor among donors can be established with a view to clarifying expenditure plans as sector strategies are costed. Donors in coordination with the Ministry of Finance should establish clear structures and guidelines for the delivery of assistance through the core and external budgets in accord with ANDS funding requirements.