



Australian Government

Department of Foreign Affairs and Trade

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Aid Program Performance Report 2014-15

Afghanistan

November 2015

Key Messages

Australia's development program to Afghanistan is designed to reduce poverty, increase stability and promote lasting peace and prosperity. Over the 2014-15 reporting period, Australia re-shaped its development assistance program in Afghanistan in alignment with the strategic objectives outlined in *Australia's Aid Investment Plan for Afghanistan 2015-18* and with the Afghan Government priorities.

This Aid Program Performance Report (APPR) finds:

- > Longstanding security, development, humanitarian and fiduciary challenges and a high-risk operating environment meant that Afghanistan was one of the most difficult environments for Australian aid over the past 12 months and inevitably this has affected performance.
- > Despite these challenges, important gains were achieved. Investments in education and women's empowerment activities delivered strong results. Programs in the agricultural sector and Uruzgan Province met key objectives, although progress was delayed in some instances by ongoing security issues. The Afghanistan Reconstruction Trust Fund (ARTF) continues to be a viable mechanism through which we deliver the majority of our aid funds.
- > Humanitarian needs remain high, and in 2014-15 Australia was a key donor and interlocutor in this space.
- > We made significant progress in streamlining and consolidating investments in 2014-15, to ensure that Australia is delivering a targeted and efficient aid program that achieves results.
- > Our active engagement with the Afghan Government and the international community on reform issues continues to enhance the effectiveness of our development assistance.

Context

The 2014-15 reporting period marked a critical period of transition in Afghanistan. In September 2014, Afghanistan witnessed its first democratic transition of political power with the inauguration of President Ashraf Ghani and the National Unity Government. Following this, at the end of 2014, the North Atlantic Treaty Organisation (NATO)-led International Security Assistance Force transferred security responsibility to the Afghan National Defence and Security Forces (ANDSF). The Afghan Government's ability to provide security and services will be critical in order to protect the gains of the last decade and to ensure lasting peace and prosperity. The international community is committed to supporting Afghanistan to achieve this goal.

Since 2001, international efforts and Afghan Government reforms have yielded important development gains in Afghanistan. More than nine million children now attend school. Over a third of them are girls, compared to virtually none under the Taliban.¹ More than half of Afghans now live within 30 minutes of a clinic or hospital² and the infant mortality rate has dropped from 165 per 1,000 births in 2002 to 77 in 2012.³ In addition, close to 30 per cent of seats in Parliament are now held by women⁴ and in 2009 a new Eliminating Violence Against Women law was passed by Presidential decree.

1 The World Bank, 'Afghanistan Reconstruction Trust Fund 2014, Integrated Performance and Management Scorecard', World Bank Office Kabul.

2 The Asia Foundation, 'Survey of the Afghan People 2014', The Asia Foundation AINA Afghan Media and Culture Centre, Kabul.

3 United Nations Development Programme, '2014 Human Development Report', UNDP, Table 4 Gender Inequality Index. ('UNDP Human Development Report, 2014').

4 Ibid.

Despite these gains, considerable challenges still lie ahead. Three decades of war have taken a heavy toll on the country's physical, human and social infrastructure, and Afghanistan remains one of the poorest countries in the world.⁵ Afghanistan remains off track on all but two Millennium Development Goals (MDG's), although the targets run through to 2020 as Afghanistan adopted the MDGs late.⁶ Around one third of the population lives in extreme poverty on less than USD\$1.25 per day.⁷ Over half of children under five are chronically malnourished,⁸ literacy rates remain low⁹ and access to basic services is severely limited, especially in rural areas. Gender inequity remains profoundly entrenched,¹⁰ with only 50 per cent of girls attending school,¹¹ fewer than 15 per cent of working age females in paid employment¹² and more than 87 per cent of women having experienced some form of violence in their lifetime.¹³

Afghanistan also faces significant constraints to economic growth. The World Bank estimates that real Gross Domestic Product growth fell to 1.3 per cent in 2014, from an annual average of nine per cent during 2003-12.¹⁴ Insecurity and corruption (Afghanistan is ranked 172 out of 174 on the Corruption Perceptions Index)¹⁵ hamper investor and consumer confidence, expansion of the private sector, and connections to regional and international markets. Afghanistan remains heavily dependent on donor assistance, which funds more than two-thirds of the national budget. In late 2014, as a result of falling domestic revenue, increased security expenditure and protracted presidential elections, the Afghan Government faced a major financing shortfall in excess of USD\$500 million, which was managed by drawing down cash reserves and through pledges of exceptional donor assistance.¹⁶ Afghanistan is not projected to face a fiscal shortfall in 2015-2016. However, rising unemployment is set to deepen existing economic and social challenges and population growth, particularly in urban areas, will place an additional burden on existing power, transport and water infrastructure.

At the same time, security continues to be fragile. The 2015 fighting season has been intensely contested. The United Nations Assistance Mission to Afghanistan (UNAMA) counts civilian casualties for 2015 as the worst on record.¹⁷ Humanitarian needs are significant. As a result of the protracted conflict and recurrent disasters, including floods, earthquakes and landslides, Afghanistan has a large number of Internally Displaced Persons. Around 2.6 million Afghan refugees live within the region (Pakistan alone hosts 1.5 million registered Afghan refugees - the largest protracted refugee population globally).¹⁸ Resettlement of displaced Afghan citizens is hampered by ongoing insecurity, as well as competition for land, natural resources and employment.

The Afghan Government has increasingly taken the lead in responding to these concurrent security, governance, social and economic challenges. The London Conference on Afghanistan, held in December 2014, was a key opportunity to reaffirm the international community's mutual

5 Afghanistan is ranked 169th out of 187 countries on the United Nations Human Development Index. 'UNDP Human Development Report', 2014, Table 2.

6 United Nations Development Program, 'Afghanistan Millennium Development Goals Report', 2012.

7 Government of Afghanistan, 'National Risk and Vulnerability Assessment 2011-2012', Central Statistics Organization.

8 The World Bank, 'Country Overview Afghanistan', <http://www.worldbank.org/en/country/afghanistan/overview#4>, 2015, (accessed on 9 September 2015).

9 Ibid.

10 Afghanistan ranked 169th of 187 countries in the United Nations Development Program's 2014 Gender Inequality Index. UNDP Human Development Report, 2015, Table 4..

11 Government of Afghanistan, 'National Risk and Vulnerability Assessment 2011-2012', Central Statistics Organization.

12 UNDP Human Development Report, 2014, Table 3.

13 Global Rights, 'Partners for Justice, Living with Violence: A National Report on Domestic Abuse in Afghanistan', 2008, Washington DC.

14 The World Bank, 'Country Overview Afghanistan', <http://www.worldbank.org/en/country/afghanistan/overview#4>, 2015, (accessed on 9 September 2015).

15 Transparency International, 'Corruption Perceptions Index 2014', <https://www.transparency.org/country/#AFG> (accessed 7 October 2015).

16 The World Bank, Afghanistan Economic Update, 2015, Washington DC.

17 United Nations General Assembly Security Council A/70/359, 'The Situation in Afghanistan and its implications for international peace and security: Report of the Secretary-General', 1 September 2015.

18 United Nations High Commission for Refugees, 'Country operations profile - Afghanistan', <http://www.unhcr.org/pages/49e486eb6.html>, accessed 9 September 2015, 2015, (accessed on 9 September 2015).

commitment to reform, and to Afghanistan's long-term development. In 2014-15, Australia and other donors involved in the 5+3¹⁹ group, supported development of the newly elected Afghan Government's 'Realizing Self Reliance' reform agenda and commenced negotiations for the successor compact to the 2012 Tokyo Mutual Accountability Framework.

Australia's aid program to Afghanistan

In 2014-15 Australia provided \$134.2 million in Official Development Assistance (ODA) to Afghanistan. Australia is a medium size donor in the country, with the United States, Germany, United Kingdom and European Union among the leading contributors.²⁰ To maximise our impact, Australia's funding is either delivered through pooled funding mechanisms, in line with the 'New Deal for Engagement in Fragile States' and aid effectiveness principles, or in niche areas where we can add the most value.

Over the last year Australia has sought to re-shape its development assistance program in Afghanistan in line with the *Afghanistan-Australia Aid Investment Plan (AIP) 2015-18*. The AIP aligns with the Australian government's 2014 aid policy, *Australian Aid: Promoting prosperity, reducing poverty, enhancing stability*,²¹ and the Afghan Government's national development priorities. The three objectives of the aid program in Afghanistan are:

- > supporting the Afghan Government to achieve economic growth and institute more effective and accountable governance;
- > empowering women and girls by addressing barriers to their social, political and economic participation; and
- > building resilience and supporting at-risk populations.

From 2007 to 2013, Australian Government civilian personnel were part of the multi-national Provincial Reconstruction Team in Uruzgan province, with the remaining development programs to conclude here in December 2015.

Expenditure

Table 1 Total Australian Official Development Expenditure in FY 2014-15

Objective	A\$ million	% of total ODA
<i>Bilateral</i>		
Objective 1: supporting the Afghan Government to achieve economic growth and institute more effective and accountable governance	74.9	55.5%
Objective 2: empowering women and girls by addressing barriers to their social, political and economic participation	18.6	14.7%
Objective 3: building resilience and supporting at-risk populations.	32.8	24%
Cross cutting initiatives 2014-15	4.7	3.4%
Regional and Global	3.1	2.3%
Other Government Departments	0.1	0.1%
Total ODA Expenditure	134.2	100%

¹⁹ The 5+3 donor group consists of: United States, United Kingdom, European Union, Germany and Japan, plus Australia, Canada and the Nordic sub-group (Denmark, Finland, the Netherlands, Norway and Sweden). This is sometimes referred to as the 5+3+3, to include the International Monetary Fund, the World Bank and The Asian Development Bank.

²⁰ In the 2013 Afghan financial year, Australia delivered USD104.4 million in ODA, compared to contributions by the United States, Japan, Germany, and the United Kingdom of USD1.7 billion, USD831 million, USD549.4 million and USD333.9 million respectively. Figures provided by the Afghan Ministry of Finance.

²¹ Australian Government, 'Australian Aid: Promoting prosperity, reducing poverty, enhancing stability', 2014, Department of Foreign Affairs and trade.

Progress towards Objectives

The 2014-15 APPR covers a period of transition for Australia’s development assistance program in Afghanistan. This is the first time that we have assessed progress against the new objectives outlined in the AIP. Ratings are based on assessments against the Afghanistan development program’s Performance Assessment Framework (PAF). Both Objectives 1 and 2 were rated ‘green’ as most programs met their targets, and Objective 3 received an amber rating as the performance of our investments has been mixed largely due to ongoing security challenges.

Table 2 Rating of the Program's Progress towards Australia's Aid Objectives

Objective	Previous Rating	Current Rating
Objective 1: supporting the Afghan Government to achieve economic growth and institute more effective and accountable governance	N/A	Green
Objective 2: empowering Women and girls by addressing barriers to their social, political and economic participation	N/A	Green
Objective 3: building resilience and supporting at-risk populations.	N/A	Amber

Note:

 **Green.** Progress is as expected at this stage of implementation and it is likely that the objective will be achieved. Standard program management practices are sufficient.

 **Amber.** Progress is somewhat less than expected at this stage of implementation and restorative action will be necessary if the objective is to be achieved. Close performance monitoring is recommended.

 **Red.** Progress is significantly less than expected at this stage of implementation and the objective is not likely to be met given available resources and priorities. Recasting the objective may be required.

Reporting period:

Objective 1: supporting the Afghan Government to achieve economic growth and institute more effective and accountable governance

The objective was rated green. Progress was as anticipated, and the program was able to adapt to the changing political context. This was despite Afghanistan’s protracted Presidential Elections, which commenced in April 2014 and concluded with President Ghani’s inauguration in late September 2014. Many governance and policy dialogue activities in Afghanistan stalled throughout the elections period and did not recommence until the National Unity Government was fully formed and its development and reform strategy, the December 2014 ‘Realizing Self Reliance’ document, was finalised. Australia continues to actively engage in the policy space and has been effective in advocating for positive change in select areas.

Outcome one: Key Ministries in the Afghan Government have improved capacity and incentives to deliver targeted government services

The World Bank-administered *Afghanistan Reconstruction Trust Fund* (ARTF) is the main mechanism through which DFAT meets the AIP’s strategic objective of ‘supporting the Afghan Government to maintain economic growth and institute more effective and accountable governance.’ It does so in two ways: delivering on-budget assistance to the Afghan Government to support, rather than duplicate, government development priorities and service delivery; and providing technical assistance and incentives to the Afghan Government to encourage improved public financial management, service delivery and governance reform.

The ARTF pools the resources of 32 donors and disburses them according to jointly agreed objectives and following pre-defined fiduciary controls. The ARTF met DFAT’s performance expectations in 2014-15 in terms of program and operational effectiveness, alignment with the Afghan Government’s National Priority Programs, and linkages to donor and Afghan Government mutual accountability commitments. It maintained or improved performance against all indicators in its 2014 performance scorecard, with twenty-nine indicators rated ‘on-track’, six

with 'slight delays' and two rated as 'off track'.²² This includes indicators of greatest interest to Australia, specifically on improvements in access to services; satisfactory implementation of projects; and gender mainstreaming in results reporting.²³

To complement this work through the ARTF, Australia works bilaterally to support Afghanistan to unblock financial management constraints to service delivery. Our *Public Financial Management* (PFM) Program aims to address Afghanistan's low development budget execution rates, which impact on economic growth and prevent the Afghan Government from effectively delivering even basic services. In 2014-15, the PFM Program delivered public financial management training to 1,580 (1,335 male, 245 female) Afghan civil servants in the Ministries of Agriculture, Economy, Education, Public Health and Public Works. Of the 1,339 participants who completed pre and post-training testing, 1,190 (88.8 per cent) demonstrated an improved ability to perform their job, scoring an average increased test result of 50 per cent.

With the PFM program due to conclude in December 2015, DFAT conducted an internal review of the program in 2014-15 to help inform planning for future PFM activities in Afghanistan. The review found that improvements to PFM systems and processes achieved through the PFM program had increased relevant line ministries' ability to plan, manage and expend their budgets and there is evidence that it has contributed to better delivery of basic services. For example, prior to PFM support, the Ministry of Agriculture, Irrigation and Livestock (MAIL) had been unable to deliver wheat seeds to farmers in time for the planting season due to PFM blockages. Through the program's support, planning, procurement and finance processes improved, which enabled MAIL to deliver seeds in time for planting for the first time. While the program had worked hard to ensure that women were engaged and benefited from the projects in most ministries, there were some instances where women had not been sufficiently engaged. The review found that targets for women's participation despite the conservative context had been a key driver of their engagement, that delivering trainings within ministries and within work hours enabled women to attend more easily, and that a female internship program had good potential but needed to focus on pathways to employment for interns.

These aid investments, ARTF and PFM, were supported by strong policy engagement with the Afghan Government and the international community throughout 2014-15. Australia remained an active member of the 5+3 donor group and engaged with the Afghan Government through this forum on its development agenda, improving aid coordination and mutual accountability for Afghanistan's development. During the 2014 elections, donor-government policy dialogue slowed, but was reinvigorated following the inauguration of the National Unity Government in September 2014. Through the 5+3 group, Australia and other donors were consulted by the new government on the development of its 2014 'Realizing Self Reliance' reform agenda. We also commenced negotiations of the successor compact to the 2012 Tokyo Mutual Accountability Framework, which holds Afghanistan and the international community mutually responsible for Afghanistan's development.²⁴

Australia also actively participated in the ARTF Steering Committee, Strategy Group and Incentive Program Working Group (IPWG) in 2014-15. Through these forums, we contributed to dialogue on Afghanistan's economy and development, helped to assess and improve the ARTF's effectiveness in supporting National Priority Programs, and encouraged the Afghan Government to progress key reforms.

²² The World Bank, 'Afghanistan Reconstruction Trust Fund 2014, Integrated Performance and Management Scorecard', World Bank Office Kabul.

²³ The ARTF Scorecard is issued annually in September and provides crucial information on the overall performance and results achieved by the Afghan Government through ARTF-funded programs. The Scorecard captures performance assessments derived through dialogue between the Afghan Government, ARTF donors and the World Bank across ARTF issues, including performance, results, challenges and risks.

²⁴ The new compact, the Self-Reliance through Mutual Accountability Framework, was finalised between the Afghan Government and donors in September 2015.

In March 2015, the World Bank and ARTF donors agreed through the IPWG to the disbursement of USD33.6 million to the Afghan Government, of an available USD99 million under the Incentive Program. This acknowledged the progress that the Afghan Government had made in improving operations and maintenance expenditure, management and systems in the Ministry of Finance and targeted line agencies (which for 2014 comprised the Ministries of Education, Public Health and Public Works, and the Civil Aviation Authority).

Outcome two: The Afghan Government is better able to deliver government services through its National Priority Programs (NPP's)

Providing on-budget funding supports and enables the Afghan Government's own development priorities and projects, and avoids creating duplicate service delivery mechanisms. Australia met its international commitment to deliver at least 50 per cent of development assistance to Afghanistan in on-budget support, and align 80 per cent of assistance with Afghanistan's NPPs. This was achieved through our contribution of \$37 million to the World Bank-administered ARTF, which delivers funds through Afghan Government systems and is 100 per cent aligned with Government's NPPs; and our contribution of USD20 million to the United Nations Development Programme-managed *Law and Order Trust Fund for Afghanistan* (LOTFA).

The ARTF was effective in enabling the Afghan Government to deliver better government services through its NPPs in 2013 and 2014, with all relevant indicators on its performance scorecard being maintained or increased, in line with DFAT expectations. Key results for 2014 include:

- > In education, the ARTF's *Second Education Quality Improvement Program* (EQUIP II) increased enrolments in grades 1 to 12 from 7.7 million in 2013 (including 38 per cent girls) to 9.2 million in 2014 (including 39 per cent girls). The average student attendance rate was 84 per cent in 2014, compared to 78 per cent in 2010-11. The program has also rehabilitated or built 7,869 primary school classrooms since 2007, and trained an additional 153,936 teachers since 2008.
- > In health, the ARTF's *System Enhancement for Health in Transition Project* helped to increase the percentage of births attended by skilled attendants in Afghanistan from 24 per cent in 2007-08 to 46 per cent in 2014.
- > In agriculture, the ARTF's *On-farm Water Management and Irrigation Restoration and Development Projects* established irrigation and drainage services across 102,000 hectares of land between 2011 and 2014, providing 1.3 million people access to these services.
- > In rural development, the ARTF's *Afghanistan Rural Access Program* helped to rehabilitate and maintain 36,878 kilometres of rural roads between 2002 and 2014.

A well-functioning police force is vital for Afghanistan to meet its economic and social development objectives. Australia commenced funding in June 2015 to the United Nations Development Programme-managed LOTFA (USD20 million annually from 2015-17), which directly supports NPPs One (Afghan peace and reintegration) and Five (law and justice). LOTFA assists the Afghan Government with expenditure management, institutional capacity development and training of police officers. Our LOTFA contribution forms part of Australia's commitment to provide USD100 million annually over three years (2015-17) to help sustain the Afghan National Defence and Security Forces. The remaining USD80 million per year is provided and managed by the Department of Defence.

Australia's electoral support programs concluded in 2014-15. In July 2014, the Afghan Government requested the international community to provide electoral observers to oversee the audit of all ballots cast in the Presidential Elections. Through The Asia Foundation (TAF), Australia was one of the first countries to respond, deploying 13 international electoral observers from across the Indo-Pacific region. The audit played a constructive role in responding

to the electoral impasse and gave the presidential candidates time to negotiate a power sharing arrangement. With the international NGO Internews, Australia continued to support media training and mentoring partnerships for Afghan journalists. This was framed to align with parliamentary elections, electoral reforms and the formation of Afghanistan's National Unity Government. In 2014-15, 1,763 project sponsored stories were produced and over 140,000 people interacted with project sponsored media products (almost three times the end of project target in a single year). A further 834 women participated directly in elections-related training.

In 2014-15 Australia also funded TAF's *Survey of the Afghan People* which helps improve public sector policymaking by strengthening access to timely, relevant, and quality data.

Objective 2: Empowering women and girls by addressing barriers to their social, political and economic participation

This objective is rated green as all programs met or exceeded their targets in 2014-15. Despite the gains of the last decade gender inequality remains profoundly entrenched and Australia is the first donor to implement an Ending Violence Against Women (EVAW) Program in Afghanistan.

Outcome One: Women and girls in target districts access social services specific to their needs

Australia's EVAW program is delivered through five key partners: the Afghan Women's Network; United Nations Population Fund (UNFPA); Afghanistan Independent Human Rights Commission (AIHRC); UN Women; and TAF. The program seeks to support national efforts to reduce the number of women who experience violence and better meet the needs of survivors. In 2014-15, these programs met and exceeded their performance targets: providing shelter and support services to over 1,773 women and children (exceeding our target of 1,500 women); training over 2,562 police and justice officials on the application of the EVAW Law (exceeding the target of 900); and a further 4,320 (2,160 women) community members and 140 religious leaders on Women's Rights in Islam. The program also established a nation-wide violence against women hotline that received over 9,000 calls, providing counselling and referral advice to women and men on a range of issues related to EVAW and women's rights more broadly. It also supported the Afghan Women's Network to advocate for the protection and advancement of women's rights through expanding its sub-national and rural networks, and undertaking research, training and advocacy campaigns on key issues for Afghan women, including legislative reform of gender-discriminatory laws and better implementation of the EVAW Law.

An Internal DFAT Management Review of the EVAW Program (undertaken in 2014) identified, through discussions with partners, widespread community acceptance of the program objectives and evidence of the program driving positive change at a community level. The Ministry of Interior recognised the valuable work of the training and education programs being delivered by UNFPA, and asked Australia to roll it out at a national level. Australia has agreed, and under Phase II of the program, 2015-2017, we will expand support for UNFPA from 10 to 13 provinces. Despite positive progress there is still much to be done in changing community attitudes towards violence against women.

In 2014-15, Australia's support to the AIHRC contributed to its protection and promotion of human rights, particularly the rights of women and girls. The AIHRC has a dedicated Commissioner for Women's Rights, and gender mainstreaming occurs across all activities. AIHRC continues to support the implementation of the EVAW law, helping bring 1,397 people to trial with 1,311 perpetrators convicted by the courts in 2014.

Australia supports CARE's *Empowerment Through Education Program* to improve the quality, access and demand for basic health and education services to children in Afghanistan with a focus on providing services to girls in remote communities. CARE works closely with the Ministry of Education to deliver this program in line with the national curriculum. This investment

reached all its targets in 2014-15, providing education to 2,582 students (84 per cent girls). This included 78 classes in primary school education for 1,904 students (81 per cent girls) in Parwan and Kapisa provinces; 19 lower secondary classes in Khost province, for 420 female students, including 120 newly-enrolled students in five lower-secondary school classes; and 10 Early Childhood Care and Development classes in Parwan and Kapisa provinces, for 258 newly enrolled students (78 per cent girls).²⁵

The *Australia-Afghanistan Community Resilience Program*, *Save the Children's, Children of Uruzgan Program*, and the *Australia-Afghanistan Red Cross Health Initiative* also contribute to positive outcomes for women and girls (see analysis of Objective 3 for further detail).

Outcome 2: Improved gender mainstreaming and women's empowerment across Australia's aid program

Australia aims to address gender inequality across all investments. In 2014-15, all programs in Afghanistan either improved or maintained their gender rating (see analysis of Aid Quality Checks (AQC's) for further detail).²⁶ Australia is a strong advocate for gender issues in Afghanistan and is recognised as a leader in the EAW sector. As a member of the Gender Donor Coordination Group, DFAT works closely with other donors to form common policy positions and coordinate on gender programming. For example, through our membership on the 5+3 group, Australia and other donors advocated for the inclusion of concrete commitments on human rights reforms, particularly women's empowerment, in the new Self-Reliance for Mutual Accountability Framework (SMAF), which was finalised by the Afghan Government and donors in September 2015.

Australia is also a member of the ARTF Gender Working Group (GWG) which supports gender mainstreaming in the ARTF investment portfolio. In 2014, the GWG conducted a review of the ARTF Results Matrix and Scorecard, and made recommendations for strengthening gender mainstreaming. From 2015 onwards, the ARTF will be assessed on gender mainstreaming using a new set of indicators, which aim to measure progress across the ARTF projects and project stages, including at the design, implementation, monitoring and learning phases. The Scorecard reports positive achievements under the ARTF gender mainstreaming results monitoring. In 2014, 69 per cent of the ARTF project portfolio was gathering gender-related data, compared to 53 per cent in 2013. In addition, 38 per cent of projects incorporated gender issues into completed knowledge products, compared to 11 per cent in 2013. The above achievements, while positive, remain process-focussed. In the next reporting period, Australia, through the GWG, will continue to advocate for, and support, the achievement of more concrete improvements to gender reporting and mainstreaming across ARTF projects, with the view to improving development outcomes for women and girls in Afghanistan.

Objective 3: Building resilience and supporting at-risk populations.

Objective 3 received an amber rating as the performance of our investments has been mixed due to ongoing security challenges.

Outcome 1: Afghan citizens, particularly women and girls in vulnerable communities receive basic services and assistance to build their resilience

Humanitarian needs in Afghanistan are significant and protracted following more than three decades of conflict, widespread human displacement and frequent natural disasters. Women and girls are particularly at risk. Australia is a major contributor to the United Nations Office for Coordination of Humanitarian Affairs-managed, Afghanistan Humanitarian Fund (AHF). Established in 2014, the AHF provides a coordinated, timely and efficient response mechanism to the high-priority humanitarian needs in the country. In 2014-15, Australia's support to the

²⁵ Care Australia, 'Annual Report – Afghanistan', 2014.

²⁶ See Annex D for a breakdown of gender ratings for individual programs.

AHF helped meet the emergency health, nutrition and protection needs of some of the 3.8 million Afghans most in need of assistance, in line with the 2015 United Nations Humanitarian Response Plan. Australia is also a member of the AHF Advisory Board (joining in late 2014) and through this membership we advocate strongly for timely and effective response to critical humanitarian needs; and strong coordination across humanitarian activities with a focus on supporting and protecting the most vulnerable groups, particularly women and children.

In 2014-15, with Australian funds, the World Food Programme provided in hard-to-reach and highly food insecure areas of Afghanistan, enough food supplies for over 215,000 people as part of winter pre-positioning activities. In addition, our funding helped provide emergency and relief food assistance to people affected by natural disasters, supported targeted supplementary feeding programs for women and children, and provided vocational skills training activities to help build community resilience.

The four-year partnership between Australia and the United Nations Mine Action Service finished at the end of 2014.²⁷ This collaboration consistently delivered on its mine clearance objectives. Over four years, Australian funding has helped clear 11.3 square kilometres of land, surpassing the original target of 7.8 square kilometres. In addition, Australia's funding also supported mine-awareness education, helped mine victims and their families reintegrate into society and facilitated the further professionalisation and nationalisation of mine clearance activities in the country.²⁸

In 2014-15, Australia's partnership with the Australian Red Cross, and through this the Afghanistan Red Crescent, provided health services to more than three million people beyond the reach of Afghanistan's national health care. This program reached its targets, including reaching 3.6 million people with preventive and curative health care and immunisation services through their basic health clinics, mobile health teams and community volunteers, the majority of who were women and children. The program's immunisation activities resulted in the vaccination of more than 550,000 children against polio, and more than 200,000 children against diphtheria, pertussis and tetanus.²⁹

Outcome 2: Rural households in target districts, including women's headed households, have increased income through improvements in agricultural productivity

Over 76 per cent of the Afghan population live in rural areas, where agriculture is the main income generator. Australia's aid focuses on increasing poor people's incomes by training farmers in new technologies and farming practices, promoting solutions that increase resilience, strengthening livelihoods and improving market linkages. These activities directly align with the Government's National Priority Program Two (*Comprehensive Agriculture Production and Market Development*).

The *Australia-Afghanistan Community Resilience Program* (AACRS) is a collaboration between the Australian Government, the Afghan Government, and five non-government organisations: ActionAid; the Aga Khan Foundation; CARE; Oxfam; and World Vision. In 2014-15, this initiative met and exceeded its training target facilitating training for 8,940 farmers on improved agricultural practices, including 4,879 women and 69 people with disabilities, well above the targeted 1,300. However, data is not yet available on how many farmers have adopted these technologies. Over the same period, 71 government staff were trained in new market oriented agricultural crop and livestock management technologies and 190 in watershed management practices. In addition, targeted support to female-headed households resulted in the establishment of 89 community based women's saving groups, increasing access to finance for

²⁷ Further funding of UNMAS is not planned due to other program priorities.

²⁸ Department of Foreign Affairs and Trade, 'Internal review of the Development Programs Mine Action Strategy', 2015.

²⁹ Australian Red Cross, Annual Report 2014, 'Afghanistan Health and Care Program'.

over 1,421 women, and enabling 75 members to start their own business. Of these 1,009 women also received training on backyard gardening, with 820 of them establishing a garden to increase vegetable production for family consumption, selling the surplus in the local market. Security issues, difficulties recruiting qualified staff and low capacity in some communities impacted the roll-out of some programs. Despite this the program is expected to meet its 2015-16 targets.

DFAT's grant to the Australian Centre for International Agricultural Research (ACIAR) enables it to commission and manage research on new wheat varieties, community-based watershed management and forage production for small-scale farmers as part of the Australia agricultural research program. In 2014, ACIAR partners facilitated the release of two durum wheat and three maize hybrid varieties, held 493 farmer field demonstrations and 26 field days. Uptake of the new practices and varieties has been slow so far. Up to 2014 1,302 farmers had planted new wheat and maize varieties on 260 hectares. Adoption of the new technologies will be a priority for the remaining two years of program implementation.

Australian Aid in Uruzgan Province

Following closure of the Uruzgan Provincial Reconstruction Team, transfer of responsibility for security to Afghan authorities and withdrawal of Australian and international troops from Uruzgan at the end of 2013, Australia continues to consolidate its aid program at the national level. Only two Uruzgan programs remain open, the *Uruzgan Rural Access Program* (URAP); and the Afghan Government's *National Area Based Development Program* (NABDP). Both will close on 31 December 2015. Save the Children's *Children of Uruzgan Program* wound up its Uruzgan programs in June 2015 and moved operations to a national level. In 2014-15, 11.5 per cent of Australia's total development assistance to Afghanistan was spent in Uruzgan. These three Uruzgan programs contributed to Objective 3: building resilience and supporting at-risk populations.

Assessment of Progress

Uruzgan is an extremely challenging environment and its development needs are immense. The province is isolated, has poor infrastructure, widespread illiteracy and low capacity in private/government sectors. Parts of the province are outside government control and subject to ongoing insurgency, inter-tribal/inter-ethnic violence and lawlessness. In this difficult environment, Australia's development program has contributed to some substantial achievements. However, the overall effectiveness of the program, as reflected in AQC ratings, has been mixed.

In 2014-15, Save the Children delivered health and education services to remote populations in Uruzgan. An independent evaluation found that despite the challenges of operating in Uruzgan Province, the *Children of Uruzgan Program* achieved remarkable gains. This program reached its targets, including providing education to 3,894 (934 girls) students, including 1,117 (433 girls) new enrolments. In addition, the program trained 24 midwives, 22 female nurses and 30 female teachers. In 2014, 29,553 children were screened for malnutrition. Cases of severe malnutrition dropped from 3.5 per cent to 1.4 per cent in 2014, which indicates that the program's activities have encouraged healthier feeding practices in families. As part of this activity, 2,320 caregivers attended nutrition education sessions in the reporting period.

Over the past four years, Australia has supported the rehabilitation of infrastructure in Uruzgan, after two decades of civil war left the province's infrastructure and road networks severely damaged. The *Uruzgan Rural Access Program* (URAP) aims to improve access to basic services such as markets, health clinics, and schools, encourage greater social interaction and provide economic opportunities by maintaining, rehabilitating and constructing rural roads and bridges. In 2014-15, URAP constructed 52 kilometres of road and maintained a further 86 kilometres of

roads, just below expected targets. Overall outcomes are about 50 per cent of what the project hoped to achieve throughout its three year life-span, with progress hindered by on-going instability, isolation, poor infrastructure and low absorptive capacity in private/government sectors. Project outcomes were reduced to this level to ensure the project ended within the initially agreed timeframe. As a result, the project realised savings of 23 per cent of the approved budget which has since been allocated to priority investments elsewhere.

NABDP constructed bridges, wells and retaining walls to reduce flooding and improve access to arable land in Uruzgan. Poor contractor performance, continuing insecurity and flood damage³⁰ has slowed progress significantly. Since mid-2013, Australia's \$6 million funding of NABDP in Uruzgan has constructed over six kilometres of flood protection retaining walls (dispersed over 13 different sites) and one suspension bridge (126 metres long) across the Helmand River. These outcomes have provided flood-protection for over 700 hectares of agriculture land, protected canals that irrigate this agricultural land and benefitted over 1,800 families.

Performance Benchmarks

Most initiatives achieved or partly achieved the pilot performance benchmarks identified in last year's APPR (see Annex B). Key achievements include: 2,582 students enrolled in primary-level community education classes; provision of shelter/support services for 2,372 female clients and successful engagement in the 5+3 donor coordination group. The two benchmarks which aim to 'support rural development and livelihoods' partially met their targets, with the rural roads project hampered by on-going security issues. While over 8,940 farmers were successfully trained in strategies to improve livelihoods, data is not available on whether farmers have adopted these new technologies but we anticipate that this information will be available for the 2015-16 APPR.

Mutual Obligations

Afghanistan's protracted elections throughout 2014 hindered donors' ability to engage with the Afghan Government on mutual obligations for much of this reporting period. However, important achievements were made, particularly under the Tokyo Mutual Accountability Framework (TMAF).

In 2014, DFAT committed to developing Joint Financing Agreements (JFAs) with the Afghan Government for the majority of our ongoing programs. However, Afghanistan's fiscal deficit in 2014 meant that it was not feasible to meet this commitment, with the exception of the JFA that was established between donors and the AIHRC. We will revisit this commitment at a more suitable time. In the short-term, however, we will continue to support the Afghan Government through the aid program to establish the public financial management structures required to increase revenue, budget execution and service delivery.

The TMAF is the compact through which the Afghan Government and international community held each other accountable for Afghanistan's development.³¹ Under the TMAF, Australia, along with other donors, committed to provide 50 per cent of aid 'on-budget' (through Afghan Government Systems) and align 80 per cent of development assistance with the Afghan Government's National Priority Project Programs (NPPs). In 2014-15, 55.7 per cent (\$62.8 million) of development expenditure under Australia's bilateral country program to Afghanistan was delivered through on-budget mechanisms - the World Bank-administered *Afghanistan Reconstruction Trust Fund* (\$37 million) and the UN Development Programme-managed *Law and Order Trust Fund for Afghanistan* (\$25.8 million). Remaining funds were distributed through bilateral programs and humanitarian activities.

³⁰ Heavy floods in early 2014 damaged 11 construction sites including six that had been completed and were in their defect liability period

³¹ Afghanistan Ministry of Foreign Affairs, 'The Tokyo Mutual Accountability Framework', 2012.

In return, the Afghan Government committed to a range of reforms across six thematic areas: representational democracy and equitable elections; governance, rule of law, and human rights; integrity of public finance and commercial banking; government revenues, budget execution and sub-national governance; inclusive and sustained growth; and development partnerships and aid effectiveness. By the end of 2014, the Afghan Government was able to demonstrate welcome progress towards achieving its TMAF commitments, including through the holding of the country's first democratic transfer of power and tax reform. This has led to an increase in revenue generation for 2015, the prosecution of senior officials involved in the 2010 Kabul Bank fraud case and the recovery of more than USD\$228 million in stolen funds.³²

During this APPR reporting period, Australia continued to be an active member of the TMAF process, primarily through the 5+3 donor group. This group engaged the Afghan Government on its development agenda, improved aid coordination and mutual accountability for Afghanistan's development, and assessed the Afghan Government and donor progress towards their TMAF commitments.

The primary TMAF event in 2014 was the 4 December London Conference on Afghanistan, where Australia was represented by our High Commissioner to the UK and Ambassador to Afghanistan. A 'refreshed' TMAF was intended to be re-negotiated in time for the December 2014 London Conference on Afghanistan; however, this was delayed in order to give the then-new Afghan Government time to establish its reform agenda, 'Realising Self Reliance – Commitment to Reform and Renewed Partnership'.³³ In the lead-up to the London Conference, Australia, alongside other 5+3 donors, sought Afghan Government commitment to an ambitious reform agenda, particularly regarding security, women's rights and empowerment, and support for refugees and internally displaced persons. By the time 'Realising Self Reliance' was finalised, the Afghan Government had committed to more ambitious reforms across all of these areas. The London Conference therefore focused on endorsing this new reform agenda and setting the stage for future negotiations with the Afghan Government on its development priorities and reform commitments. In the last quarter of 2014-15, Australia also participated actively in negotiations on the refreshed TMAF, including to align it to 'Realising Self Reliance', in preparation for the September 2015 Senior Officials' Meeting in Kabul.³⁴

Program Quality and Partner Performance

Overview

Significant improvements have been made in relation to the quality and performance of Australian development assistance in Afghanistan in 2014-15. Over the last year, DFAT has reshaped the Afghanistan program and consolidated efforts at a national level. To maximise effectiveness, we have moved towards a smaller portfolio of strongly performing investments – centred around the AIP's three strategic objectives. The selection of investments takes into account Australia's areas of expertise, historical programming and the spread of other donor investments to ensure that we are focussing on areas where we can most effectively deliver our development objectives and meet Afghanistan's needs.

³² Government of Afghanistan, 'Afghanistan's Road to Self-Reliance: The First Mile Progress Report', 2015.

³³ Afghanistan Ministry of Foreign Affairs, 'The Self-reliance Through Mutual Accountability Framework', 2015.

³⁴ Although outside the timeframe of this APPR's reporting period, the Self Reliance through Mutual Accountability Framework (SMAF) was finalised in September 2015. The SMAF closely aligns to the Afghan Government's 'Realising Self Reliance' agenda and holds Afghanistan and the International community responsible for Afghanistan's development. Through these negotiations, Australia and other 5+3 donors urged the need for time-bound, measurable indicators against which Afghanistan's progress in implementing its SMAF commitments could be clearly assessed. Through this process, in September 2015, donors and the Afghan Government agreed a list of SMAF 'short-term deliverables' through to 2016. Afghanistan's progress towards achieving these deliverables will be formally assessed in advance of the next SMAF Ministerial Meeting, scheduled for late 2016.

Direct monitoring of investments by DFAT staff remains a major challenge for the Afghanistan aid program. Restrictions on travel and the deteriorating security situation limit the ability of Australia and our partners to monitor programs outside of Kabul. Australia works closely with implementing partners and other donors to develop new and effective approaches to monitoring and evaluation, fraud and risk management. These approaches include, but are not limited to: independent verification through NGOs or contractors; community-based monitoring, where recipient communities report on the delivery of assistance in their areas; and verification and reporting derived from geo-spatial imagery.

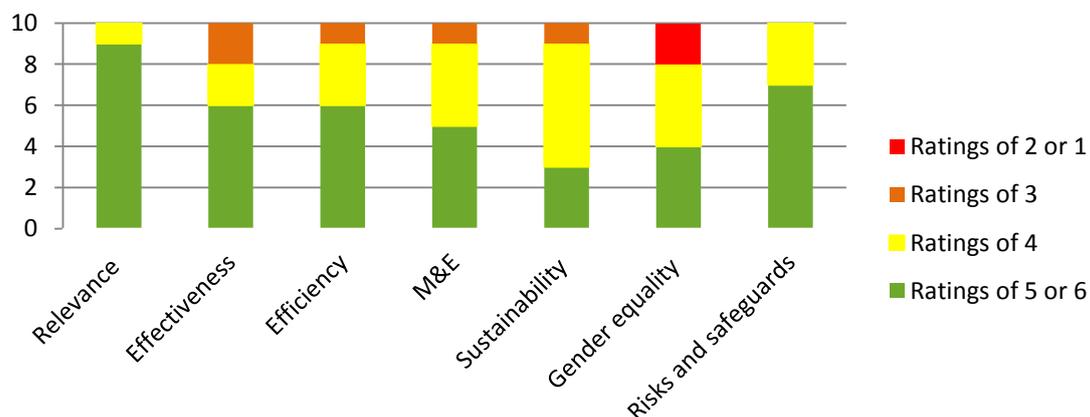
The Afghanistan Program underwent an internal audit in early 2015 with the objective of providing independent assurance to DFAT senior management that the Afghanistan aid program is being run effectively and in compliance with relevant aid program policies and procedures. The audit found country aid program governance is sound with regular structured communications and decision making involving both post and desk; and that there is a clear program strategy informed by lessons learned reflecting areas of Australia’s comparative advantage and leveraging other donor and multilateral capabilities. In 2014-15, DFAT also undertook evaluations of a number of programs to better understand the effectiveness and efficiency of our individual aid activities in Afghanistan (Annex C provides a list of these and planned future evaluations).

Analysis of Aid Quality Checks (AQC's)

In 2015, the Afghanistan Program produced 15 AQC’s: ten annual assessments of on-going programs; two humanitarian program assessments; and three final program completion reports. The results (at Annex D) reflect the positive assessments made earlier in the APPR. Program performance improved significantly in the 2014-15 reporting period, due to the closure of low performing investments; improvements in the performance of UNDP NABDP and ARTF; as well as the commencement of three new programs all of which were rated satisfactory in their first year.

The AQC assessments (reflected in Table 3 below) show that initiatives remain highly relevant to Afghanistan’s development priority needs and aligned to Australian Government priorities. Most programs were rated as adequate or good under the relevance, effectiveness and efficiency criteria. The substantial improvement in the gender equality ratings is reflective of the strong and consistent efforts which have been made by the Afghanistan Program to address gender issues across all initiatives. The two Uruzgan infrastructure programs were the only two programs that received low gender equality ratings, consistent with the 2013-14 ratings for this program, as social practices make it hard for women to work outside the home.

Table 3: 2014 AQC ratings across the Afghanistan program



The humanitarian programs, *Support to Mine Action in Afghanistan* and *Humanitarian Action in Afghanistan*, are considered to be highly relevant, effective and efficient programs. The *Humanitarian Action in Afghanistan Program* received ratings of very good or good for all criteria and the Mine Action Program, which concluded at the end of 2014, received similar ratings, although scored slightly lower (adequate) for the protection, gender, and risk criteria. In addition, the *Electoral Assistance Program in Afghanistan* and *Development Assistance Facility Afghanistan* (DAFA III), of which both concluded in 2014-15, received a final performance rating of good and adequate respectively.

Performance of key delivery partners

To maximise the effectiveness of our aid expenditure, Australia selects delivery partners that have proven experience in Afghanistan, as well as a track record of delivering results in the relevant field. Partner Performance Assessments (PPAs) are used to assess how well implementing partners including non-governmental organisations, managing contractors and multilateral partners are delivering the outputs required in aid agreements. In 2014-15, DFAT completed 17 PPAs, for seven Multilateral Organisations and ten Australian and international NGOs. Broadly, the 2013-14 PPAs indicate that all delivery partner types are performing to an adequate level across all assessment criteria.

Multilateral Organisations

In 2014-15, Australia delivered over 57 per cent of our development assistance through multilateral partners, with the majority of this is delivered through the World Bank's ARTF and UNDP's LOTFA. The performance of both agencies met expectations in 2014-15. Multilateral agencies remain an important and valued partner for us in Afghanistan, delivering value for money, while minimising duplication, fragmentation and administrative costs. Multilateral organisations offer technical expertise and ability to engage at senior levels of government, with a level of frankness that bilateral donors often cannot. These attributes are critical to the policy reform agenda. Australia will continue to work with our multilateral partners and other donors to ensure that we receive performance information that is useful for management and learning. For example, over the past two years, we have worked successfully with the World Bank to improve gender reporting under the ARTF.

Non-Governmental Organisations

DFAT works with NGOs to deliver rural livelihoods, education and health programs across Afghanistan. NGOs were effective in targeting the most vulnerable members of the population where the Afghan Government currently lacks the presence to adequately deliver services. This enabled us to extend the reach of Australian assistance and, because of their flexible nature, adapt and respond to changing conditions and priorities. Ensuring sustainability of these activities remains a challenge due to the often limited ability of the Afghan Government to take on these initiatives when the programs wind-down. Recognising these limitations, partners have placed a strong emphasis on community ownership, in an effort to increase program sustainability.

Managing Contractors

The Development Assistance Facility for Afghanistan Phase III (DAFA III) managed by International Relief and Development (IRD) closed in December 2014. A difficult security environment, high overhead costs, and the consolidation of DFAT's bilateral program meant that DAFA III no longer represented value for money. DAFA III's highly-valued *Public Financial Management Program* was continued under a standalone arrangement with IRD in October 2014, following a limited tender process. All other DAFA activities concluded in October 2014. No other managing contractors were used by the program.

Australian Government Agencies

DFAT co-ordinates Whole of Government policy on Afghanistan through a range of meetings and regular exchanges at several levels within the Australian Government. DFAT also works closely with Department of Immigration and Border Protection which contributes government capacity building as well as humanitarian and stabilisation activities, in line with the 2011 Memorandum of Understanding on Migration and Humanitarian Cooperation between Australia, Afghanistan and the United Nations High Commissioner for Refugees. In addition, DFAT is working with ACIAR as lead on the program developing agricultural research capacity in Afghanistan, to ensure the program delivers impact via uptake of improved technology.

Risks

Afghanistan remains a high-risk operating environment particularly in relation to security, fraud and corruption. In 2015, the Afghanistan Program developed a new program Risk Register which is reviewed and updated on a monthly basis, and a new Fraud Control and Anti-corruption Strategy. Key risks for the Australian aid program in Afghanistan include:

Table 4 Management of Key Risks to Achieving Objectives

Key risks	What actions were taken to manage the risks over the past year?	What further actions will be taken to manage the risks in the coming year?	For emerging/ongoing risks provide a Risk Rating (low, medium, high, very high)
Aid consolidation impacts adversely on the bilateral relationship and our engagement with delivery partners, constraining forward planning.	<ul style="list-style-type: none"> > Close and continuous pipeline and scenario planning. > Discussions with partners and the Afghan Government to minimise damage to relationships. > Attention to program closure and exit to ensure sustainable impact on handover. 	<ul style="list-style-type: none"> > Ongoing engagement with partners. > Proactive communication and inclusive forward planning within budget constraints, with the Afghan Government and delivery partners. 	Medium
Deteriorating security increasingly restricts Embassy operations to the point that Australian officials and/or major implementing partners withdraw from Afghanistan, further compromising program delivery, effective monitoring and program quality.	<ul style="list-style-type: none"> > Prioritised the safety of Australians and Australian Government employees and contractors. > Reviewed and strengthened security settings. > Reduced profile spread and presence through consolidation. 	<ul style="list-style-type: none"> > Continue to monitor the security situation and update security protocols if needed. > Re-design program as necessary should the security situation deteriorate. 	High
Afghan Government capacity constraints result in weak performance of ARTF-funded development projects.	<ul style="list-style-type: none"> > Reviewed ARTF performance reports and played an active role in the ARTF's governance arrangements, including in regard to performance monitoring. 	<ul style="list-style-type: none"> > Continue to actively engage in ARTF governance; monitor ARTF performance reporting; and seek World Bank and Afghan Government advice on government capacity to implement ARTF projects and adequacy of technical support provided. Advocate for increased technical support through the ARTF as needed. 	Medium

Increased incidence of fraud (directly or indirectly related to aid funds/programs) resulting in the loss of public funds, impacting partners' ability to implement activities and adversely impacting development outcomes	<ul style="list-style-type: none"> > Upheld a zero-tolerance approach to fraud. > Investigated all allegations and secured the recovery of funds. > Complied with DFAT and Commonwealth anti-corruption requirements in contracts. > Monitored Afghanistan's progress on anti-corruption and governance reforms through the TMAF. > Improved monitoring and evaluation to mitigate against corruption. > Worked through trusted partners. 	> Continue current actions	High
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Management Responses

Australia 'achieved' four and 'partially-achieved' two of the management responses identified in the Afghanistan's 2013-14 APPR (see Annex A for a description of progress against each management response).

To support the delivery of Australia's aid program in Afghanistan in 2015-16, DFAT will:

- > Continue to engage in the 5+3 donor group and actively contribute to the finalisation, implementation and assessment of the refreshed Tokyo Mutual Accountability Framework, and preparations for the next Ministerial meeting on Afghanistan's development, scheduled for late 2016.
- > Maintain program flexibility and provide strategic and targeted support in response to emerging needs and opportunities in Afghanistan.
- > Prioritise women's empowerment across all development and reform agendas through advocacy and policy discussions.
- > Commence implementation of the next phase of Australia's PFM reform assistance to Afghanistan that, to the extent possible, protects and expands on the gains achieved through Australia's PFM Program for Afghanistan 2012-15, while supporting the directions set out in the Afghan Government's 2015 PFM Road Map.
- > Influence policy dialogue on humanitarian issues through our engagement on the Afghanistan Humanitarian Fund Advisory Board.
- > Engage in the development and implementation of LOTFA's transition plan in particular to ensure its benchmarks are realistic, there is broad-based institutional buy-in, and that progress can be assessed transparently and constructively.
- > Continue to work with our partners, including the World Bank and NGOs, to continuously improve monitoring and evaluation of our activities.
- > The Independent Evaluation of the ACIAR program is successfully completed and key recommendations are taken on board.

Annex A - Progress in Addressing Management Responses

Describe progress made against management responses in 2013-14 report

Management responses identified in 2013-14 APPR	Rating	Progress made in 2014-5
Extend the strategic framework that underpinned the delivery of good outcomes in 2013-14. DFAT will produce a 2015-2018 Aid Investment Plan (AIP) and Performance Assessment Framework. While the previous strategy only covered two-years, the consolidation of the program and the adaptation of our existing activities to the transition context now allow the Afghanistan program to adopt a longer-term outlook.	Achieved	<ul style="list-style-type: none"> - The AIP was published on the DFAT website in late September 2015 - The AIP covers the period 2015-16 to 2017-18 - The Performance Assessment Framework was approved by acting FAS SWD in September 2015 and is included as an annex to the AIP
Increase the sustainability of Australia's bilateral activities by ensuring that they all align with the Afghan Government's National Priority Programs (NPPs).	Achieved	<ul style="list-style-type: none"> - In line with our international commitment, Australia continued to align at least 80 per cent of our development assistance in Afghanistan with the NPPs - The Afghan Government is revising the NPPs in 2015. Once these are finalised, Australia will look to align new, and realign ongoing, development programs with the NPPs.
Enhance mutual accountability and policy dialogue on development issues with the Afghan Government by developing Joint Financing Agreements for our on-going programs.	Partly achieved	<ul style="list-style-type: none"> - Afghanistan's fiscal deficit in 2014 meant that it was not feasible to develop Joint Financing Agreements (JFAs) for the majority of our ongoing programs, with the exception of the JFA which was established between donors and the Afghanistan Independent Human Rights Commission. - We will revisit this commitment at a more suitable time. In the short-term, however, we will continue to support the Afghan Government through the aid program to put in place the public financial management structures required to increase revenue, budget execution and service delivery.
Continue to work with our partners, including the World Bank, to improve monitoring and evaluation of all our activities.	Partly Achieved	<ul style="list-style-type: none"> - Monitoring and evaluation persisted as a challenge in Afghanistan given restrictions on movement, insecurity and instability. We will continue to work with the World Bank and other partners to improve the monitoring and evaluation of all activities.
Embed women's empowerment and address gender issues throughout implementation in target bilateral activities, identified in the AIP and measured by Aid Quality gender ratings.	Achieved	<ul style="list-style-type: none"> - Gender equality ratings were maintained or improved across all programs, with the exception of the Uruzgan Infrastructure programs - Australia will continue to address gender inequality across all our investments in Afghanistan

Continue actively participating in key Afghan-donor forums, including the 5+3 donor group', the Oversight Coordination Board on Afghan National Security Forces Sustainment, the London Ministerial Conference in November 2014, and the Kabul Senior Officials Meeting in 2015.

Achieved

- Australia continued to be an active member of key donor forums in Afghanistan. We participated in the London Conference on Afghanistan (December 2014) and International Contact Group meetings of the Special Representatives for Afghanistan and Pakistan.
 - Australia was also an active member of the Kabul-based 5+3 donor group, which met frequently at the Ambassador and working levels to review progress on Tokyo Mutual Accountability Framework reforms and draft versions of the Afghan Government's *Realizing Self-Reliance* reform agenda, in the lead-up to the London Conference.
 - Officers also participated in donor coordination teleconferences between capitals, which focus on coordinating policy direction and messaging, particularly in relation to the TMAF reform agenda.
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Note:

-  Achieved. Significant progress has been made in addressing the issue
-  Partly achieved. Some progress has been made in addressing the issue, but the issue has not been resolved
-  Not achieved. Progress in addressing the issue has been significantly below expectations

Annex B - Progress towards Performance Benchmarks in 2014 -15

Aid objective	2014-15 benchmark	Rating	Progress in 2014-15
Enhancing basic service delivery in health and education	Maintain 2,000 students (80 per cent of which are girls) enrolled in primary-level community education classes	Achieved	In 2014-15 Australia exceeded this target providing education to 2,582 students (84 per cent girls).
Supporting rural development and livelihoods	1,300 persons trained in strategies to improve livelihoods & 1,000 farmers using better agricultural technologies (to be disaggregated by gender).	Partly Achieved	Facilitated training for 8,940 farmers: 4,069 female and 4,874 male, on improved agricultural practices. Data is not available on how many farmers have integrated these practices into their work.
	Finalised construction of 58 kilometres and maintenance of an additional 90 kilometres of rural roads in Uruzgan	Partly Achieved	In 2014-15, 52 kilometres of roads were built and road maintenance activities were conducted on a further 86 kilometres of rural roads. As such, we fell just short of our target, however, we see this result as positive as the ongoing conflict made it difficult to deliver services in the outer province of Uruzgan.
Improving governance and the effectiveness of the Afghan Government	70% of civil servants trained in public sector management have improved their work practices and ability to perform their job.	Achieved	In 2014-15, the PFM Program delivered public financial management training to 1,580 (1,335 male, 245 female) Afghan civil servants in the Ministries of Agriculture, Economy, Education, Public Health and Public Works. Of the 1,339 participants who completed pre and post-training testing, 1,190 (88.8 per cent) demonstrated an improved ability to perform their job, scoring an average increased test result of 50 per cent.
	1,500 women and girl survivors of violence receive services	Achieved	In 2014-15 Australia exceed its target providing shelter and support services to 1,773 women and children; services included mediation, counselling, legal, medical, rehabilitation and referral support

<p>Management effectiveness and supporting the Afghan Government's transition to self-reliance, including strengthening TMAF as a mechanism for supporting economic growth</p>	<p>The effectiveness of TMAF mechanisms in monitoring progress against mutual commitments, supporting the Afghan Government's reform efforts, and coordinating donor efforts is strengthened from Australia's participation in the 5+3</p>	<p>Achieved</p>	<p>During 2014-15, Australia continued to play an active role through its membership of the 5+3 donor group. However, this APPR reporting period focused more on establishing the reform agenda of the new Afghan Government, rather than on monitoring Afghanistan's progress against the 2012 TMAF deliverables. In the lead-up to the December 2014 London Conference on Afghanistan, Australia, alongside other 5+3 donors, advocated to the Afghan Government to demonstrate strong commitment to an ambitious reform agenda, particularly regarding women's rights and empowerment, security and support for refugees and internally displaced persons. Much of the feedback from donors was taken on board and in its Realizing Self-Reliance reform agenda, the Afghan Government assumed responsibility for, and committed to more ambitious reforms across, these areas.</p> <p>In the last quarter of 2014-15, negotiations also commenced on the new Self-Reliance through Mutual Accountability Framework (SMAF). Australia and other 5+3 donors urged the need for time-bound, measurable indicators against which Afghanistan's progress in implementing its SMAF commitments could be clearly assessed. Through this process, in September 2015, donors and the Afghan Government agreed a list of SMAF 'short-term deliverables' through to 2016. Afghanistan's progress towards achieving these deliverables will be formally assessed in advance of the next SMAF Ministerial Meeting, scheduled for late 2016.</p>
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The Afghanistan Reconstruction Trust Fund (ARTF) performs effectively across indicators for program and operational effectiveness, alignment with the Afghan Government's National Priority Programs, and linkages to donor and Afghan Government mutual accountability commitments.³⁵

Achieved

Between 2013 and 2014, all ARTF Scorecard Indicators improved or were maintained. Particular improvements included: an increase in the approximate total number of ARTF beneficiaries from 8.1 million (38% female) in 2013 to 8.7 million (38% female) in 2014; an increase in the satisfactory implementation of active ARTF projects from 73% in 2013 to 92% in 2014; and an increase in the number of ARTF audits submitted by the Afghan Government on-time from 48% in 2013 to 77% in 2014. The number of beneficiaries of ARTF 'savings and enterprise support' remains 'off-track'; however, this increased from 35,231 people (50% female) in 2013 to 48,676 people (42% female) in 2014, demonstrating that some improvement has taken place in the past year. The 2014 ARTF Scorecard reported a reduction in the Afghan Government's budget execution rates (50% in 2013 compared to 47% in 2014), but this was outside the control of the ARTF and World Bank, and largely consequent of Afghanistan's Presidential Election season throughout most of 2013-14 and a restructure in the Ministry of Finance's budget department, which resulted in disbursement delays against allotted funds.

The ARTF also plays an important role for both donors and the Afghan Government in meeting their mutual accountability commitments. Firstly, the ARTF is the primary mechanism through which donors aim to meet their commitments to provide 50% 'on-budget' 80% in alignment with Afghanistan's National Priority Programs. Secondly, the ARTF includes an 'Incentive Program', which assesses and rewards the Afghan Government's achievement of agreed reforms, though the payment of additional discretionary funds. Incentive Program reforms align with the Afghan Government's commitments in the Tokyo Mutual Accountability Framework, particularly regarding public financial management, and include improvement in revenue generation, customs regulation and external audit.

Note:

- Achieved. Significant progress has been made and the performance benchmark was achieved
- Partly achieved. Some progress has been made towards achieving the performance benchmark, but progress was less than anticipated.
- Not achieved. Progress towards the performance benchmark has been significantly below expectations

³⁵ As Australia's ARTF support comprised 6.9 per cent of total donor contributions to the fund for 2014, this benchmark reflects the effectiveness of all donor contributions to the ARTF. Assessment of Australia's impact on the ARTF's performance and accountability for results must be proportionate to the scale of our contribution. World Bank (2015), *Afghanistan Reconstruction Trust Fund Annual Report: December 22, 2013 to December 21, 2014*.

Annex C - Evaluation and Review Pipeline Planning

List of evaluations completed in the reporting period

Name of Investment	AidWorks number	Name of evaluation	Date finalised	Date Evaluation report Uploaded into AidWorks	Date Management response uploaded into AidWorks	Published on website
Electoral Assistance in Afghanistan	INK032	Public Outreach Democracy and Elections Evaluation Report	14 January 2015	11 March 2015	25 March 2015	November 2015
Electoral Assistance in Afghanistan	INK032	Afghan Capacity For Media and Elections: 2nd Midterm Review	1 July 2014	11 March 2015	Evaluation assessed outputs and did not require management response	November 2015

List of evaluations planned in the next 12 months

Name of Investment	AidWorks number	Type of evaluation	Purpose of evaluation	Expected completion date
Children of Uruzgan	INJ 857	Final Program Review	Final program evaluation	30 December 2015
Elimination of Violence Against Women	INK 880	Independent Evaluation	To assess progress to date and inform ongoing management and improvement of the EVAW program.	30 March 2016
ACIAR Afghanistan Agricultural Research Portfolio	INK 459	Mid Term Review	The MTR has a formative character with the aim to improve the performance of the program.	Dec 2015
Afghanistan Reconstruction Trust Fund	INI510	Independent review	To review the performance of the World Bank-administered Afghanistan Reconstruction Trust Fund (ARTF), which commenced in 2002. In particular, the review will assess progress under the new ARTF Financing Strategy and Incentive Program, which were finalised in 2015.	June 2016

Annex D - Aid Quality Check ratings

The previous investment level performance assessment system utilised Quality at Implementation (QAI) reports. Two criteria, Risks and Safeguards and Innovation and Private sector were not assessed in QAI reports and there have been significant changes in AQC reporting this year. Innovation and Private Sector is not a quality standard.

AQC ratings

Investment name	Approved budget and duration	AQC/QAI year	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
Afghanistan Reconstruction Trust Fund	\$366.7m 2009-17	2014 AQC	6	4	6	4	5	4	5
		2013 QAI	6	5	5	4	4	3	n/a
Care – Empowerment through Education	\$10.7m 2011-17	2014 AQC	6	5	6	6	4	5	5
		2013 QAI	6	5	5	6	4	5	n/a
Uruzgan Health & Education Program	\$36m 2011-16	2014 AQC	5	5	5	5	4	5	5
		2013 QAI	6	5	4	5	4	5	n/a
Afghanistan Health services Program	\$6.8m 2011-16	2014 AQC	4	5	5	5	4	5	4
		2013 QAI	5	5	5	4	4	5	n/a
UNDP NABDP for Uruzgan province	\$6m 2011-15	2014 AQC	5	3	3	3	4	2	4
		2013 QAI	5	4	4	3	4	2	n/a
Australia Afghanistan Community Resilience Scheme	\$25m 2013-17	2014 AQC	5	5	4	4	5	4	5
		2013 QAI							n/a
Uruzgan Rural Access Program (Infrastructure)	\$27.7m 2011-15	2014 AQC	5	4	4	5	4	2	5
		2013 QAI							n/a

ACIAR Afghanistan Agricultural Research Portfolios	\$17m 2012-17	2014 AQC	5	3	4	4	3	4	5
		2013 QAI	6	5	4	5	5	4	n/a
Ending Violence Against Women Program	\$22.7m 2012-17	2014 AQC	5	5	5	4	4	6	4
		2013 QAI							
Public Financial Management Program	\$21m 2014-18	2014 AQC	6	5	5	5	5	4	5
		2013 QAI							

HAQC ratings (include if relevant)

Investment name	Approved budget and duration	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Connectedness	Protection	Gender equality	Risks and Safeguards
Support to Mine Action in Afghanistan	\$20m 2011-14	6	6	6	5	5	4	4	4
Humanitarian Action in Afghanistan	\$25.4m 2011-15	6	5	6	5	5	5	5	5

FAQC ratings (include if relevant)

FAQC scores assess performance over the lifetime of the investment and should not be compared to the previous year's QAI ratings.

Investment name	Approved budget and duration	Overall rating	Relevance	Effectiveness	Efficiency	Monitoring and Evaluation	Sustainability	Gender equality	Risks and Safeguards
DAFA Phase III (Final)	\$24.8m 2011-15	3	4	3	2	3	4	4	4
Afghanistan Human Rights Commission (Final)	\$3m 2010-15	4	5	4	4	4	4	5	4
Electoral Assistance in Afghanistan 2011-2015 (Final)	\$22m 2011-15	4	5	4	4	4	4	5	5

Definitions of rating scale:

Satisfactory (4, 5 and 6)

6 = 6 = Very good; satisfies criteria in all or almost all areas

5 = 5 = Good; satisfies criteria in most areas

4 = 4 = Adequate; on balance, satisfies criteria; does not fail in any major area

Less than satisfactory (1, 2 and 3)

3 = 3 = Less than adequate; on balance does not satisfy criteria but does not fail in any major area

2 = 2 = Poor; does not satisfy criteria in major areas

1 = 1 = Very poor; does not satisfy criteria in many major areas