

Development Assistance Facility for Afghanistan 2012-2015

Concept Note

1. Introduction

1.1 This concept note outlines necessary considerations for AusAID as it moves towards designing the second stage (2012-2015) of the Development Assistance Facility for Afghanistan (DAFA). The note draws on the findings and recommendations of the DAFA Mid-term Review (conducted in late 2010), the Afghanistan-Australia Development Scholarships Scoping Study Report, the Malaysia-Australia Education Program for Afghanistan 3 (MAEPA) Concept Note and donor commitments made at the Kabul Conference in July 2010.

1.2 It is proposed that the main focus of the DAFA going forward be on Scholarships and MAEPA. Assistance for other activities and advisors will be directed, as far as possible, through Government of Afghanistan systems. In Uruzgan, we will endeavour to channel our support through partners established in the province. However, in order for AusAID to remain responsive to emerging GoAf and Australian whole-of-government priorities, the DAFA will also be able to deliver activities in Uruzgan, deploy advisors, procure goods, provide in-country logistics and contract AusAID's locally engaged staff in the event that other means are unfeasible.

1.3 The DAFA Stage II Managing Contractor (MC) will not be required to play an intermediary role between AusAID and the GoAf as has been the case under the current phase of DAFA. AusAID's increasing presence in country is providing the capacity to independently identify and negotiate small-scale training and capacity building activities directly with Afghan Ministries. The Minister Counsellor and other A-Based staff are playing an enhanced representational and liaison role in Kabul. Improved security operations in Tarin Kowt have increased the Development Advisors' engagement with provincial government departments.

2. Context

Development Challenges

2.1 Afghanistan faces immense development challenges. Afghanistan is amongst the worst countries in the world in which to be born. Forty-two percent of the population live on less than one dollar per day. Life expectancy is 44. Around one in five children die before their fifth birthday. Of a population of around 28 million, 44% are under the age of 15. Only one in four Afghans are able to read and write and only 27% of the population have access to safe drinking water.

2.2 Conflict has crippled Afghan Government institutions and their ability to deliver basic services, justice and security. It has also severely constrained the development of private enterprise, investment and economic growth.

2.3 Ongoing conflict and insecurity are fundamental impediments to development progress. Insecurity is at the heart of uneven development progress across Afghanistan. Development gains have been concentrated in the comparatively stable north and west of the country, with the conflict-affected south and east lagging behind. Uruzgan Province has some of the lowest development indicators in the country. The literacy rate is 0% for women and 10% for men. It is the second worst province for under five mortality rates. Only 30% of public service positions are filled.

2.4 Government works on a centralised system focussed in Kabul and has a light footprint outside the capital and major provincial capitals. The capacity of the Afghan Government, at national, provincial and district levels is low. Major challenges include poor levels of education and qualified personnel, underdeveloped budget planning and

implementation capacity, and weak transparency and accountability mechanisms, affecting the Government's ability to deliver services to the population.

2.5 Corruption is a major constraint to development. It is estimated that Afghans paid out US\$2.5 billion in bribes in the preceding 12 months – equivalent to almost one-quarter of Afghanistan's licit GDP.

2.6 The status of women remains poor. Maternal mortality rates are 1600 per 100 000. Girls' school enrolment remains relatively low with girls representing 37 per cent of primary school enrolments and 26 per cent of secondary school enrolments¹.

2.7 External resources represent 90% of total national expenditures. Opportunities for growth exist in agriculture, mineral extraction and transport corridors. A June 2010 Pentagon report found that Afghanistan's mineral wealth could top US\$1 trillion.

Afghanistan National Development Strategy

2.8 The Afghanistan National Development Strategy 2008 – 2013 (ANDS) was launched by the Government of Afghanistan in June 2008. The ANDS is based around three pillars:

1. *Security*: Achieve nationwide stabilisation, strengthen law enforcement, and improve personal security for every Afghan.
2. *Governance, rule of law and human rights*: Strengthen democratic practice and institutions, human rights, the rule of law, delivery of public services and government accountability.
3. *Economic and social development*: Reduce poverty, ensure sustainable development through a private sector-led market economy, improve human development indicators, and make significant progress towards the Millennium Development Goals.

2.9 Capacity building at all levels is a high priority for the Government of Afghanistan (GoAf). The ANDS p. 16 notes that:

'Capacity – human and institutional – is a major constraint facing all aspects of the implementation of the ANDS. Low capacity leads to wastage, underutilisation of resources, inefficient and ineffective interventions, and suboptimal outcomes.
(Afghanistan National Development Strategy. 2008-2013)

Kabul Conference July 2010

2.10 At the Kabul Conference, the GoAf released a Prioritisation and Implementation Plan mid 2010 – mid 2013 for the ANDS. The Plan refined the objectives of the ANDS into a series of national priority programs (NPPs) focused on agricultural and rural development, human resource development, economic infrastructure and investment, governance and the rule of law. It represents a strong step forward towards an Afghan-led development agenda. The GoAf also announced a timetable for the handover of security responsibility to Afghan National Security Forces by 2014.

2.11 The Conference secured a commitment from international partners to work towards channelling 50% of development assistance through Afghan systems and ensuring 80% of assistance aligns with the NPPs.

¹ UNESCO (2010) *EFA Global Monitoring Report 2010*, Annex 4, Tables 5 and 8.

Australia's Policy Framework

2.13 Australia's efforts in Afghanistan include interlinked diplomatic, development and military elements. Australia's approach to the delivery of aid to Afghanistan from 2010–2012 is contained in the document 'Australia's strategic approach to aid in Afghanistan 2010-2012' ([http://www.aisaid.gov.au/publications/pubout.cfm?ID=8732_2914_8593_8681_5910&Type](http://www.aisaid.gov.au/publications/pubout.cfm?ID=8732_2914_8593_8681_5910&Type=) =) .

2.14 Australia's overall objective in Afghanistan is to *build the Afghan Government's capacity to deliver basic services and provide economic opportunities to its people*. AusAID delivers the bulk of Australia's ODA to Afghanistan and bases its support four pillars:

1. enhancing basic service delivery in health and education
2. supporting rural development and livelihoods
3. improving governance and the effectiveness of the Afghan Government
4. supporting vulnerable populations.

2.15 There is a particular focus on Uruzgan Province where Australian Defence Force personnel and Australian civilian officials work within the Provincial Reconstruction Team (PRT). However, the majority of assistance (80% of the program in 2010-11) remains focused on national-level development programs. This funding aims to support the Afghan national government deliver improvements in service delivery and livelihoods at the local level across the country, including Uruzgan.

Donor Engagement

2.16 A large number of donors operate in Afghanistan, delivering a substantial amount of development and security-related assistance. They range from the largest bilateral donors (the United States, the United Kingdom and Japan), to multilateral organisations (such as the World Bank, humanitarian agencies such as the United Nations Children's Fund, the World Food Programme and the International Committee of the Red Cross), to a large number of local and international non-government organisations.

3. Development Assistance Facility for Afghanistan 2009 - 2012

Description

3.1 The Development Assistance Facility for Afghanistan (DAFA) is the Australian Government's mechanism to provide bilateral support to the reconstruction of Afghanistan. The DAFA was established to provide practical, focussed assistance to build the capacity of four Afghan partner ministries – the Ministry of Rural Rehabilitation and Development (MRRD); the Ministry of Education (MoE); the Ministry of Public Health (MoPH) and the Ministry of Agriculture, Irrigation and Livestock (MAIL) – and to support Australian reconstruction efforts in Uruzgan Province. The DAFA was also designed to increase Australia's visibility in Afghanistan.

3.2 The DAFA is a flexible fund mechanism that uses a broad range of modes of assistance including Australian Development Scholarships (ADS), individual advisers, projects, tailored training programs and third country training through the Malaysia-Australia Education Project for Afghanistan (MAEPA). The DAFA contract with GRM International commenced on 1 March 2009 and will be completed on 28 February 2012.

3.3 The DAFA's Goal is to strengthen Afghan government institutions at the central and sub-national levels to achieve measurable improvements in the delivery of basic services and the protection of the rights of all Afghans.

3.4 The DAFA's Objectives are:

- Partner Ministries able to access flexibly programmed and responsive short-term and medium-term assistance, which complements long-term capacity building programs
- Increased training and capacity building opportunities available to partner Ministry staff in the southern provinces, particularly in Uruzgan
- Application of new skills to job functions in partner ministries and GoAf staff in southern provinces, particularly Uruzgan
- Linkages improve between the Australian Defence Force's reconstruction programming in Uruzgan province and national and provincial priorities articulated in the Afghanistan National Development Strategy (ANDS)
- Significantly enhanced Australian visibility and reputation

3.5 Activities implemented under the DAFA are identified directly by AusAID or by the DAFA management team through their engagement with the four ministries.

Mid-Term Review

3.6 A Mid-Term Review (MTR) of the DAFA was conducted in September 2010 to determine the program's effectiveness, assess the ongoing relevance of the DAFA design and inform future program and design option after February 2012.

3.7 The MTR found that the DAFA achievements include the selection and placement of scholars for long-term tertiary training in Australia; implementation of two phases of MAEPA; the development of partnerships with the core Ministries; and the placement of advisers and the implementation of technical assistance activities in the core Ministries. ADS and MAEPA have a high profile across Ministries.

3.8 The MTR concluded that:

- The DAFA has been important in promoting awareness amongst Afghan Government officials of Australian bilateral assistance. The ADS and the MAEPA have high visibility across Central Government ministries whereas the Facility itself, the advisers, and the diverse activities funded in the four Ministries have limited visibility.
- The DAFA has established an effective management system, including a performance and assessment framework. Communication and consultation with Afghan Ministries in Kabul is effective and communication mechanisms between the Contractor and AusAID are generally appropriate.
- DAFA has had limited involvement in Uruzgan and there have been few realistic opportunities for DAFA to add value in an insecure province. The lack of a substantive presence on the ground severely constrains DAFA's effectiveness as an implementing mechanism.
- Small scale activities supported by AusAID to fill gaps in ministries have high transaction costs, take time to scale up, had low visibility and are likely to be of low impact as a result of their very small size in relation to the much larger donor supported programs and reliance on short-term TA. Due to a lack of presence in the province, DAFA has not been an effective mechanism for delivering assistance in Uruzgan.
- Advisors (TA) placed in the GoAf ministries have had a low level of visibility for Australia. Their deployment through a parallel system has created an extra layer of administration for the ministries.

- The scale of other donor involvement in all ministries, the disproportionate time required for the ministry, the limited effectiveness of short-term TA and the long-term need for systemic change combine to render small activities low impact and low visibility.

3.9 To improve effectiveness, the MTR recommended that future support for TA be channelled through the GoAf's Civilian Technical Assistance Program (CTAP) and funding for small activities be through the NPPs. For Uruzgan, the MTR recommended that AusAID work through those partners, such as CARE, Save the Children Fund and GTZ, already established in the province. Any other support should be limited to ad hoc, short-term support for activities initiated by the AusAID Development Advisers in the Provincial Reconstruction Team (PRT) such as scoping missions or activity design.

3.10 For future programming beyond DAFA, the MTR proposed two options for consideration:

1. A 'Training Program' with two distinct components: (i) Scholarships and (ii) 'Trilateral Train-the-Trainer Initiatives' (MAEPA and clones of MAEPA extended to other sectors and potentially other partner countries).
2. Firstly a 'Scholarships program' covered by a stand-alone program design, tender process and contract. Secondly a 'Trilateral Training Program' also covered by a separate design, tender process and contract.

3.11 It suggested that a contingency funding window should be attached to the scholarships program for the management of small supply-driven ad hoc activities and broader Afghanistan program logistics through AusAID Tasking Notes in situation where the current Procurement Agent Services Program Standing Offers cannot be utilised effectively.

3.12 For economies of scale, AusAID prefers the single program with distinct components option. In order for AusAID to respond to emerging needs in the continually changing context of Afghanistan, it is also important for the program to maintain the features of a flexible facility.

3.13 A copy of the MTR is provided at Annex 1.

4. Development Assistance Facility for Afghanistan 2012 – 2015

4.1 When the DAFA began in 2009, Australia had little presence in-country. Consequently, the DAFA Managing Contractor (MC) has been required to engage directly with the GoAf to identify activities for support under the facility. That role will not be required under the DAFA 2012-2015. AusAID has significantly increased its presence in-country. The two A-based officers in Kabul (Minister-Counsellor and First Secretary) are playing an enhanced representational and liaison role with the GoAf and other development partners. Improved security operations in Tarin Kowt have increased the ability of the five Development Advisers to engage directly with the provincial government. Our presence in Kabul is set to increase even further with an additional two new A-based positions (a First and Second Secretary) due to commence in early 2011.

4.2 To improve the effectiveness, efficiency and sustainability of Australia's aid to Afghanistan, AusAID will look to deliver its assistance, as far as possible, through GoAf systems such as NPPs and the CTAP. Existing Period Offers will be used where possible to deliver small ad hoc activities and broader Afghanistan program logistics.

4.3 Beyond 28 February 2012, our bilateral assistance will have a core focus on ADS and MAEPA. In order to respond to emerging demands, the future program will have the capacity

to deliver small activities and other assistance identified by staff in-country that cannot be delivered through other means. See the detail under Components 3 and 4 for further information.

Goal

4.4 The Goal of DAFA 2012-2015 will be *Afghanistan is developing the human capacity required to achieve its economic and social development goals.*

Objectives

4.5 The Objectives will be:

- i. Scholarships alumni apply their new knowledge and skills in Afghanistan to improve organisational leadership, the quality of their outputs and the operation of the organisations in which they work.
- ii. Teachers in Afghanistan equipped with new knowledge and pedagogical skills and apply this to classroom teaching practices to provide quality education for girls and boys.
- iii. Australia recognised by the Afghan Government and other development partners as an active and responsive partner in the economic and social development of Afghanistan
- iv. AusAID positioned to respond to emergent needs identified by in-country staff in Kabul and Uruzgan.

4.6 Reflecting these objectives, the DAFA 2012 - 2015 will consist of four components:

1. Australia Awards
2. Malaysia-Australia Education Project for Afghanistan
3. AusAID Initiated Activities
4. Other services including procurement and logistics.

Shape of the DAFA

Component 1 Australia Awards

4.7 The ANDS notes that:

Capacity – human and institutional – is a major constrain facing all aspects of the implementation of the ANDS. Low capacity leads to wastage, underutilisation of resource, inefficient and ineffective interventions, and suboptimal outcomes.

Capacity building at all levels is a high GoAf priority. The GoAf's development agenda is focused on job creation and the development of a skilled labour force. Scholarships are a key tool for helping the GoAf achieve this agenda.

4.8 From the 2013 intake, the Australia Awards program to Afghanistan will encompass Australian Leadership Award Scholarships (ALAS), Australian Leadership Awards Fellowships (ALAF) and Australian Development Scholarships (ADS). ALAS will be offered on an 'open' basis for Masters and PhD level study in Australia. ALAF will be used to improve educational leadership and support the work being done under the Malaysia-Australia Education Project for Afghanistan (see Component 2 below). ADS will provide awards for:

- Post-graduate courses
- Masters degrees

- Short course training
- Undergraduate study
- Doctorates.

4.9 **ADS awards for post-graduate and above** level study will be confined to staff (civil or contracted) in the MoE, MoPH, MRRD, MAIL, Ministry of Finance and Ministry of Mines. ADS for PhD study will only be awarded in exceptional circumstances, where it is proven that subjects at that level of study are of most benefit to Afghanistan, as defined by the ANDS, subsequent National Development Strategies, the Prioritisation and Implementation Plan or Ministry Strategic Plans. At least 25 of these awards will be offered annually.

4.10 As part of ADS, AusAID will trial an **open category of scholarships** and targeted short course training for three years. Up to 15 open awards will be available to eligible applicants from the public, private and civil society sectors for undergraduate study at an Australian University campus in Malaysia. Open awards will help promote linkages between government and commercial and civil society levels. They will also assist the mobility of qualified staff between Ministries and the public and private sectors.

4.11 **Short Course awards** will address training needs that complement other AusAID initiatives and are in line with Australia's strategic objectives for the Afghanistan Program. They will be for formal study or training, generally of 6 to 12 weeks duration, provided by an approved Australian higher education provider or an Australian Registered Training Organisation. Appropriate courses will be identified by the MC based on requests received by AusAID staff in consultations with their Afghan counterparts. These awards will not be limited to the six ministries targeted for masters and PhD study awards.

4.12 Desired Applicant Profiles will be developed for ALAS and ADS open awards to avoid swamping and ensure a degree of targeting that matches AusAID development assistance priorities in Afghanistan. The Profiles will help shape the advertising campaign for these awards and be used by the MC in the initial cull of applications and the Selection Committee(s) to guide their short listing and selection of applicants.

4.13 The Australia Awards program will, as far as practicable, improve access to scholarships for women, people who live in provinces and people with a disability. Award application processes will be adapted to ensure accessibility. Where possible, assistance will be provided in the preparation of applications and with travel.

4.14 An Access and Equity Fund will be created to help awardees with accessibility issues successfully complete their study. It will address travel and communication issues and provide appropriate services and/or equipment not available through the awardees' Overseas Student Health Cover or course provider but required to ensure their academic success. The Fund will be guided by the new policy and guidance on reasonable adjustments in AusAID's scholarships program that is currently being developed by ASG.

4.15 Specific measures will be developed to foster gender equity and help increase the number of female candidates and awardees. Measures may include 'Ancillary Awards'; the use of 'Student Guardian Visas'; Ministry workshops and special accommodation arrangements. Female awardees may also be able to draw on the Access and Equity Fund.

4.16 NGOs operating in Afghanistan and Australia Awards alumni will be approached to assist with the promotion of Australia Awards and identification of potential awardees. Awards will be granted by an Independent Selection Committee(s). The design will need to determine if a single committee sits for all Australia Awards or if there will be two selection committees, one for Government Ministry ADS awards and another for the ADS 'open'

category and ALAS. If there are to be two, the Committee for ADS Government awards will consist of representatives from the Ministry of Foreign Affairs, Ministry of Higher Education, Civil Service Commission, AusAID and DAFA 2012-2015 MC.

4.17 The DAFA 2012-2015 MC will be responsible for managing scholarships promotion, selection, pre-departure training, language testing and training, the mobilisation of students and alumni. The MC will also conduct monitoring visits of students in their first year of study and their last 6 months of study. The objectives of the visits will be to identify settling in and other problems and identify any issues regarding return to productive employment in Afghanistan.

4.18 The Scoping Study Report for the Scholarships Program is at Annex 2.

Component 2 Malaysia-Australia Education Project for Afghanistan

4.19 The details of the future Malaysia-Australia Education Project for Afghanistan (MAEPA) can be found in the MAEPA 3 Concept Note at Annex 3. The Concept Note was developed by the DAFA MC in consultation with the Governments of Afghanistan, Malaysia and Australia. Continuation of MAEPA is fully supported by the GoAf (specifically MoE and MoF). The Malaysian Ministry of Education is a strong counterpart in the delivery of the program.

4.20 MAEPA is an initiative of the Australian and Malaysian Prime Ministers announced in July 2008. The project began as a pilot in March 2009 and is based on a cascade model of teacher training. It provides professional development training for Afghan Master Teacher Trainers (MTTs) in Kuala Lumpur, in specific competency fields including literacy, Islamic education, information and communications technology and curriculum validation. The MTTs complete a practicum component in Afghanistan whereby the MTTs provide 3 weeks of in-service training for teachers. Upon completion of MAEPA, the MTTs resume their positions in Afghanistan's Teacher Training Colleges.

4.21 To date, 30 MTTs have been trained under MAEPA. A further 30 will complete their training by February 2011. The initial cohort have trained 160 teacher trainers within Afghanistan and the second cohort is expected to train a further 180 during 2010-11. Coverage has been achieved across 33 of Afghanistan's 34 provinces (including two MTTs from Uruzgan).

4.22 For the immediate future, MAEPA will continue to remain focussed on education and the training of MTTs. From 2012, training will occur at 3 Malaysian institutions. Inclusion of the third institution will see Special Education added as a new competency field of study.

4.23 New short course training in educational leadership, coaching and mentoring and monitoring and evaluation - as requested by Afghanistan's Teacher Education Directorate - will be added to the program in 2012. If possible, monitoring and evaluation and coaching and mentoring training will be provided in-country (Afghanistan) by current MAEPA training facilitators.

4.24 From semester 2, 2011 to semester 2, 2012, a further 120 MTTs will be trained under MAEPA. By the end of 2012, 180 MTTs will have been trained under MAEPA. Numbers of teachers to be trained beyond semester 2 2012, will be refined in discussions with Malaysia and MoE.

4.25 At the MAEPA meetings in October 2010, the MoF requested the MAEPA model be extended to other sectors such as health. As extension into other sectors is potentially more problematic, the design for MAEPA will detail the ongoing teacher training program and only list the issues to be explored and requisite pre-conditions necessary for an expanded MAEPA.

If the pre-conditions are met, an expanded MAEPA will be designed during DAFA Stage 2 by the MC.

Component 3 AusAID Initiated Activities

4.26 Future funding for other ministry-based activities will primarily be channelled through National Priority Programs (NPPs). Technical assistance to build capacity within Afghan Government ministries will primarily be deployed through the CTAP.

4.27 In Uruzgan, the implementation of new programs of assistance will be delivered, as far as possible, through partners already engaged in the province such as CARE, Save the Children and GTZ. Assistance delivered by the DAFA will ideally be limited to short-term support for activities initiated by the AusAID Development Advisers such as scoping studies and design and review missions.

4.28 While every effort will be made to deliver our aid through GoAf systems and other development partners, the shifting strategic context in Afghanistan requires a degree of flexibility to meet emerging demands. AusAID needs to have the capacity to respond to GoAf requests for assistance and Australian whole-of-government priorities that support the objectives of the PRT.

4.29 The DAFA 2012-2015 will therefore be able to deploy advisors and deliver small activities requested by AusAID. This course will only be taken when existing partners cannot help or the need for parallel bilateral assistance is agreed between the Afghan Government and AusAID's Minister Counsellor in Kabul. DAFA will not become the default position for the deployment of advisors and small activities.

4.30 Activities supported under this component will align with Australia's approach to the delivery of aid in Afghanistan. They will be focussed in the areas of health and education, rural livelihoods and development, governance and vulnerable populations. Activities that will not be supported under this component will include, but not be limited to:

- Infrastructure activities valued at over \$500,000.
- Advisers to fill in-line positions
- Funding GoAf recurrent budget costs
- Supply driven activities not requested by the GoAf.

Component 4 Other Services

4.31 At times, AusAID requires ad hoc services such as the procurement of goods and logistics support for consultants conducting design work, scoping studies or reviews in-country. Component 4 caters for the provision of these services in instances where other existing AusAID arrangements cannot deliver them.

4.32 As recommended by the DAFA MTR, from 1 March 2012, the Procurement Agent Services Program providers under current Period Offer arrangements will be the preferred approach for providing these services. However, where these period offer arrangements cannot meet AusAID's needs, the DAFA 2012-2015 will be tasked to deliver such support.

4.33 In the short to medium-term, the DAFA 2012-2015 will contract AusAID's locally engaged staff in Afghanistan and manage the associated terms and conditions. AusAID's current duty of care responsibilities for O-Based staff require that we provide our O-Based officers with the same level of security as we do our A-based when they are completing work functions. For our locally engaged staff in Afghanistan, it is neither practical nor appropriate

to provide the highly visible, restrictive level of security that is applied to A-Based. Until this matter is resolved, AusAID cannot directly engage O-Based officers.

Management Structure

4.34 The DAFA 2012-2015 will be implemented by a Managing Contractor. The MC will have a core group of staff based in Kabul. A Facility Manager will head this team and will be responsible for ensuring the quality of outputs under the DAFA.

4.35 In line with the Commonwealth Procurement Guidelines, the DAFA 2012-2015 will be subject to an international tender. The DAFA 2012-2015 contract will be for 3 years with an option to continue the program for up to a further 2 years to 28 February 2017. Continuation beyond February 2015 will be contingent upon performance of the MC and the need for the DAFA in light of Australia's program following the transition of security responsibility due to happen in 2014.

Governance Arrangements

4.36 The Steering Committee and Technical Coordination Sub-Committee designed to oversight the DAFA were not implemented. Deputy Ministers apparently do not have the time for, or interest in meeting together to coordinate activities across their ministries. To support the DAFA, and increase its visibility and Australia's engagement with the GoAf, the DAFA will partner with a Deputy Minister will who will champion the Facility across government.

4.37 From 2011, Australia will have regular High Level Consultations with GoAf. AusAID Kabul and the Ministry of Finance are engaged in ongoing dialogue about broader program issues. These forums will be used to discuss GoAf's and AusAID's development priorities, and the performance and direction of the DAFA Stage 2. No independent coordinating committee will be created specifically to govern Stage 2 of the DAFA.

4.38 AusAID's standard quality reporting requirements will be applied to the DAFA 2012 – 2015. An Independent Progress Report will be conducted in early 2014. An Independent Completion Report on the DAFA will be completed in 2016 should it continue for an additional 2 years to 2017. Quality at Implementation Reports will be completed on an annual basis.

5. Sustainability

5.1 The Australian Government is committed to Australia maintaining a presence in Afghanistan. During the recent Parliamentary debate on Afghanistan, our Prime Minister made it clear that Australia will remain engaged in Afghanistan for this decade and beyond. Funding for the Afghanistan Program has been approved until 2012-13. The Program is currently working through the budget process to secure new funding until 2015-16.

5.2 The Malaysian Government is committed to supporting MAEPA for the longer-term. Australia will need to continually fund Scholarships and MAEPA in order for these programs to continue. MAEPA's cascade model for teacher training will ensure the outcomes of the program are maintained and spread to other teachers in the system. The designs for small activities and technical assistance will need to consider how to achieve maximum benefit and maintain outcomes.

5.3 It is estimated that the contract for Stage II of DAFA will be for approximately \$21.2 million over three years. This is based on estimates of \$3.2 million for Scholarships, \$12 million for MAEPA and \$6 million for small activities and other services. In addition, it is estimated that a further \$25.5 million will be spent on Scholarships to cover study costs in Australia and Malaysia.

6. Risks

6.1 There are a number of key risks that will be addressed in the design of Stage II that will need to be managed by the MC and through AusAID's relationships with the GoAf. These risks include:

- The GoAf's decree on the operation of private security firms in Afghanistan. The worst possible outcome for DAFA and non-diplomatic development partners could be that they are unable to operate in Afghanistan. The management of this contingency will need to be built into the DAFA design.
- DAFA becomes the default mechanism for small activities and the deployment of TA due to convenience.
- Deteriorating security in Afghanistan impedes the safe movement of people.
- Absorptive capacity issues in both Afghanistan and Malaysia as activities start to be scaled up.
- Afghans sent to Malaysia or Australia do not return to Afghanistan.
- Women won't have access to and benefit from the DAFA's activities.

7. Design of Stage II

7.1 A design document was produced for the DAFA and a MTR of the DAFA was completed in October 2010 (Annex 1). A comprehensive scoping study was conducted for the Scholarships program (Annex 2) and a detailed concept note for MAEPA has been produced (Annex 3). These documents provide a thorough examination of the Facility's and individual programs' performance and key issues, and provide extensive recommendations on the future of them.

7.2 The design for MAEPA will be developed by GRM as MC for the DAFA. This design work will be guided by this Concept Note and the detailed Concept Note for MAEPA 3 developed by the DAFA. This design will be completed by 31 March 2011 and incorporated in the DAFA Stage 2 design document.

7.3 Given the wealth of information available, it is considered unnecessary for the DAFA Stage II design to be developed via a major traditional design exercise. It is proposed that the design be developed through a desk-based process completed in Australia. The work will be conducted by a single person who has extensive experience in the design of scholarships programs. Teleconferences will be held with Post, the Development Advisers in Tarin Kowt, the DAFA MTR Technical Advisory Group members, GRM and the Australian Universities based in Malaysia as necessary. There will be scope for travel to Malaysia and Dubai (to meet with the DAFA MC Management team) if required.

7.4 A Terms of Reference (ToR) will be drafted for the design mission. The ToR will set out the process and skill set necessary to deliver the design of the DAFA 2012 - 2015.

8. Next Steps

- i. Finalise Concept Note 21 - 25 Feb 2011
- ii. Minister-Counsellor approval to proceed to design of DAFA 2012 - 2015: 28 Feb 2011
- iii. Design DAFA 2012 - 2015: 21 Mar – 29 April 2011
- iv. Appraisal Peer Review: 16 Jun 2011
- v. Tender DAFA Stage 2: 22 Jul – 16 Dec 2011
- vi. Mobilise DAFA Contractor: 6 Feb 2012