

Peace and Stabilisation Programme for the Afghanistan-Pakistan Region 2015-2017

Programme Document



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Using this Document

This programme document has been prepared in line with the Peace and Stabilisation Fund 2014 Guidelines, including the guidance in Danida's *2013 Guidelines for Country Programmes*. Substantively, this document has taken its direction from *Denmark's Integrated Peace and Stabilisation Programme: The Afghanistan-Pakistan region 2015-2017 Concept Note* (Concept Note) and guidance from the Steering Committee.

The present programme document consists of the following sections:

- The context section outlines the threats and opportunities in relation to peace and stability in the Afghanistan-Pakistan region. It summarises the Danish policy context and the key lessons that have been applied from previous programmes, including in the region during the period 2011-2014. This section also gives a programme overview, the programme's approach to risk management and the overall budget.
- The two thematic programme sections provide the objective and theory of change, along with information on the engagements that comprise the thematic programme. Each engagement summary explains the need addressed, the implementing partner and anticipated impacts, including in the form of a results framework.
- The section on programme management explains implementation, financial management arrangements and the monitoring and reporting process for the programme.
- The annexes provide detailed information on monitoring and evaluation responsibilities, the programme budget and risk management.
- Annexed Peace and Stabilisation Engagement Documents (PSEDs) provide full descriptions of each engagement.

Abbreviations and Acronyms

ACP	Afghanistan Country Programme
AIHRC	Afghan Independent Human Rights Commission
ALO	Asia, Latin America and Oceania Department, Ministry of Foreign Affairs
ANA	Afghan National Army
ANAOA	Afghan National Army Officers' Academy
ANA-TF	Afghan National Army Trust Fund
ANP	Afghan National Police
ANSF	Afghan National Security Forces
Concept Note	<i>Denmark's Integrated Peace and Stabilisation Programme: The Afghanistan-Pakistan region 2015-2017 Concept Note</i>
DA Islamabad	Defence Attaché Islamabad
DA Kabul	Defence Attaché Kabul
DCA	Delegated Cooperation Agreement
DFID	United Kingdom Department for International Development
DKK	Danish Kroner
EU	European Union
HPC	High Peace Council
HRBA	Human Rights Based Approach
IED	Improvised Explosive Devices
IMSC	Inter-ministerial steering committee
JACS	Joint Analysis of Conflict and Stability
LOTFA	Law and Order Trust Fund for Afghanistan
MFA	Ministry of Foreign Affairs
MDG	Millennium Development Goal
MOD	Ministry of Defence
NATO	North Atlantic Treaty Organization
NDMA	National Disaster Management Agency
NDU	National Defence University
OCB	Oversight and Coordination Board
PCP	Pakistan Country Programme
PMSA	Pakistan Maritime Security Agency
PSED	Peace and Stabilisation Engagement Document
PSF	Peace and Stabilisation Fund
PSP Af-Pak II	Peace and Stabilisation Programme for the Afghanistan-Pakistan Region, 2015-2017
RDE Islamabad	Royal Danish Embassy in Islamabad
RDE Kabul	Royal Danish Embassy in Kabul
SSG	Salaam Support Group
SSP	Department for Stabilisation and Security Policy, Ministry of Foreign Affairs
UN	United Nations
UNAMA	United Nations Assistance Mission for Afghanistan
UNODC	United Nations Office on Drugs and Crime
USD	United States Dollar

1. Introduction

This document provides the overview of Denmark's Peace and Stabilisation Programme for the Afghanistan-Pakistan region, 2015-2017 (PSP Af-Pak II), giving a coherent framework for delivering security and development assistance to support Denmark's policy objectives in the region. The PSP Af-Pak II consists of two Thematic Programmes:

- A. Security and Justice Sector Support
- B. Reconciliation and Trust-Building

The purpose of the programme is to contribute to the stabilisation of the Afghanistan-Pakistan region in order to support Danish interests in mitigating transnational threats, promoting regional stability and supporting development. Lack of security is one of the most important determinants of economic and human development, and countries affected by conflict and violence are the farthest from achieving the Millennium Development Goals (MDGs). Resonating with global concerns such as international security and crime and chronically low human development, fragile and conflict-affected areas have increasingly become a priority of Denmark and the international community.

Afghanistan, Pakistan and the region they share face a wide range of challenges, including in the provision of security and the rule of law, sound economic management and the delivery of social services. The diversity and interdependence of these challenges highlights the need for a variety of actors, instruments, incentives and interventions. As a flexible instrument integrating whole-of-government capacities on issues of peace and stability, the PSP Af-Pak II is an appropriate mechanism for a subset of challenges facing the Afghanistan-Pakistan region, taking targeted and flexible actions. This instrument strengthens Denmark's contribution to promoting international peace and security and fulfils long-standing commitments to Afghan stability, alongside political engagement, humanitarian work, the Country Programme for Afghanistan (ACP), the Pakistan Country Development Programme (PCP), the Danish military assistance to Afghanistan, defence cooperation in both countries and the commercial office in Pakistan. The Danish contribution is delivered in close coordination with other international donors, national development plans and, in Afghanistan, implements international agreements such as the Tokyo Mutual Accountability Framework and honours Denmark's international commitment from Chicago to contribute to the sustainment of the Afghan National Security Forces.

The programme draws on lessons from Denmark's experience in the region and from peace and stabilisation efforts in other regions. It responds to opportunities created by political and security developments in Afghanistan and Pakistan, as well as from synergies with other Danish instruments. The PSP Af-Pak II's ambitions and design are informed by an analysis of the potential value-added for a programme combining Ministry of Defence (MOD) and Ministry of Foreign Affairs (MFA) capabilities, as well as accounting for the management resources available in the Royal Danish Embassy in Kabul (RDE Kabul) and Islamabad (RDE Islamabad).

The PSP Af-Pak II is timed to run from 1 January 2015 for three calendar years, although implementation will commence in stages in 2015 as individual engagements are finalised with implementing partners.

2. Context Analysis

This section provides an overview of the context in which the Peace and Stabilisation Programme is anchored. It describes the drivers of peace and conflict – primarily in Afghanistan and Pakistan but touching upon Iran and Central Asia, and recent trends.

2.1. Background to Regional Instability

2.1.1. The regional environment

The region demonstrates a complex and negative interaction between poor standards of governance, low levels of human security and human development, militancy and insurgency, and poor economic conditions. While there are obvious differences between Afghanistan and Pakistan, including their relative states of development, the challenges facing the two countries are interlinked. The challenges in Afghanistan and Pakistan – or the nexus between the two – cannot be tackled in isolation. Lasting stability depends on successfully engaging the wider region – countries like India, the Central Asian States, Iran and even China and Russia as well as taking into account the prominent role of USA in the region. Many of Afghanistan's neighbours have recent histories of internal violent conflicts that have spilled over into neighbouring countries due to the weakness of state and linked with the ongoing conflict in Afghanistan. The regional situation is also shaped by unresolved issues in and between Afghanistan and Pakistan, including real or perceived threats to both the territorial integrity and the internal cohesion of the two countries. Creating more trust between Afghanistan and Pakistan in particular, and amongst regional actors more generally, is thus of utmost importance.

The peace process in Afghanistan should be Afghan-led, but it is clear that all regional actors have important roles to play in both facilitating and supporting a successful peace process and guaranteeing or maintaining any resulting peace agreement. This would benefit not just Afghanistan, but also the wider region. Increased regional cooperation and interdependence can play an important role in underpinning a political process by creating incentives for the region to benefit from more stable countries. Effects would include increased trade and commercial activities and less need for exorbitant security budgets.

In Pakistan, challenges include reconciliation and reintegration of militants and separatists, the questions of Baloch separatism and the legal foundation of the Federal Administrated Tribal Areas in Northwest Pakistan, while the country struggles with ineffective institutions and growing intolerance. Pakistan's policies are also affected by long-standing issues in its relationship with India.

2.1.2. The relationship between Afghanistan and Pakistan

While being separate states with individual challenges, Afghanistan and Pakistan are tied together in a complex of security imperatives that – if not addressed – threatens to further de-stabilise both states while pulling in other regional actors. Bilateral relations between the two countries are driven and constrained by a number of sometimes interlinked challenges. Three will be highlighted here:

First, relations between the two countries are strained by the disputed Pashtun areas and the controversial border demarcation along the 'Durand Line'. During the second Anglo-Afghan war, Afghanistan had to cede parts of Western Baluchistan, Quetta and the bulk of the FATA to Britain

under the Treaty of Gandamak in 1879. This decision however remains contested in Afghanistan to this day, where it is notably rejected by large numbers of the Afghan Pashtuns.

Second, the strained relationship between Pakistan and India and the underlying sense of insecurity which continues to be a dominating factor in Pakistan. As long as the dispute on the “Durand Line” has not been resolved between the two countries and as long as the animosity between Indian and Pakistan prevails, Pakistan will retain a very strong interest in Afghanistan as a Pakistani rear area; as a source of “strategic depth”.

Third, the bilateral relations between the two countries are strained by the vast number of refugees which Pakistan has hosted from Afghanistan, of whom 1.6 million are still in primarily in the border regions of Pakistan. Presently Afghanistan receives refugees from Pakistan as a result of the Waziristan offensive towards militant groups.

Besides these three challenges, relations between the two countries are further challenged by a number of cross-border destabilising factors. The lack of effective border management and cooperation is a central issue in the region with grave implications. The borders in the region, especially the porous Afghanistan-Pakistan border, are impossible to fully control. In the border areas between Pakistan and Afghanistan, radicalisation and lawlessness are widespread, and substantial illegal trade and smuggling, including weapons and opium, make the situation unstable. Furthermore, Afghan insurgent groups and Pakistani terrorist groups use the tribal areas – on each side of the border – as safe havens, conducting recruitment and training in the area. A large proportion of the narcotics smuggling that finances the Taliban’s activities in Afghanistan passes through Pakistan. However, Pakistan is at the same time Afghanistan’s most important trade partner making efficient legal border trade a potentially important booster of development on both sides of the border.

2.1.3. Key findings on Afghanistan

Afghanistan has made considerable political, judicial, security, economic and developmental progress over the past decade. But the gains made are fragile and reversible. Thus, Afghanistan will continue to be a weak state with some of the lowest human development indicators whose future will depend largely on the ability of a new president and government to make progress in negotiating an inclusive political settlement with all major insurgent and militia groups; maintain security; tackle corruption; bring rule of law and effective governance to its population; and enact key economic and political reforms.

Afghanistan will increasingly take control of its own affairs over the coming years, as the international presence and influence will be reduced. Yet, even in the most optimistic scenario, Afghanistan will remain dependent on international financial assistance and prone to outbreaks of violent conflict. The central government will need to mitigate the threats posed by insurgency, corruption and the criminalisation of the state and maintain security and service delivery in sparsely populated rural areas if it is to retain credibility and popular support. Because of this, a continued and long-term international development effort in Afghanistan will be needed.

An **inclusive political settlement**. Presently there is a challenge of implementing a ‘national unity government’ after the presidential election in 2014. The camps of the president and the CEO have agreed to a new formula of power sharing which still need to be fully developed through action.

Weak parties and political movements, with many intellectuals not engaging, to a large extent leave the political game to traditional strongmen accustomed to zero-sum games and violent means. The pursuit of a 'grand bargain' proves unsettling for northern militias, in particular, who had initially been privileged in the first post-Bonn (after 2001) systems of governance.

In addition, sustainable progress within security, economic development and social inclusion is likely to be difficult without a political settlement with the Taliban. The process of dialogue and, eventually, negotiation over power-sharing is and should remain led by the Afghan government.

Insecurity will remain a concern. The conflict in Afghanistan has entered a new phase. As the international troops withdraw, it is now increasingly a contest between the insurgents and the Afghan National Security Forces (ANSF). The contemporary conflict within Afghanistan involves a growing and diverse group of fighters representing several factions and numerous interests and motives. The widespread perception, however, that all attacks aim to achieve the overthrow of the State is unfounded, and it appears likely that many insurgent leaders, including some among the Taliban, see their interests best served by incorporation into the government. In all transitional areas there is a variety of unfinished business that may result in further violence post-2014. Historical feuds and unresolved grievances are worsening after having been, in some cases, temporarily contained by the presence of international troops. Similarly, clashes among pro-government actors may become more frequent. Also mistreatment of Afghans at the hands of their own security forces, operating with less supervision from foreign troops as well as pervasive corruption and injustice, breeds resentment that feeds the insurgency.

Rule of law is both a part of the "contract" on accountability between a government and its population, and it is a prerequisite for development in many other sectors of state. For instance, without a functioning justice system (police, prosecutor, court etc.) compliance with human rights obligations by the government is void. In Afghanistan this rings especially true with regard to the rights of women making the capacity building of rule of law institutions essential in promoting gender equality in the long term. Rule of law also plugs into the capacity building of the security sector and the two areas are interlinked. For instance, support to the functioning of the Afghan National Police is essential in order to ensure their ability as first responders at a crime scene which in turn is essential for any possible prosecution in court. This is crucial in any attempt to counter the insurgency in Afghanistan and consequently in creating long term stability in the country.

Human rights remain challenged as violations of human rights in general and women's rights in particular are daily occurrences. Hence, there is need for support of civil society organisations which work to promote the human rights situation. The needs and interests of women must be more fully addressed. In some areas – such as justice, safeguarding women's rights, as well as the rights of other marginalised groups – it will require training and monitoring to ensure the rule of law. The Afghan government and the international community must support equitable justice, access to social services and the amplification of empowering customary messages while ensuring accountability through consistent quantitative as well as qualitative monitoring of women's evolving position. One critical step in tackling this epidemic of violence could be the engagement of more women in the police and judiciary and the taking of tangible steps to protect and empower women – not only relying upon the family to provide protection.

The present-day Afghan State continues to struggle to gain legitimacy. The credibility and success of the transition depend as much on strengthening democratic and accountable governance in Afghanistan at all levels, as on the capability of the security forces. The goal of the present international support for ANSF is to strengthen the accountability of the security forces, including by reducing corruption and mismanagement, and thereby enhancing the legitimacy of the Afghan government.

There is increasing concern about the negative short to medium term fiscal situation caused by substantially lower rates of economic growth and the economic effects of the ISAF withdrawal. This situation is troubling given the close relationship between economic growth, revenue mobilisation (i.e., taxation), governmental legitimacy, political stability, development and security.

2.1.4. Key findings on Pakistan

Pakistan, the world's sixth most populous nation, is today at the crossroads of the pressing issues of terrorism, extremism, development and democracy. As a nuclear armed, pivotal state, Pakistan's stability and governance, and its relations with neighbouring Afghanistan and India, has consequences not only for the region, long afflicted by strife and poverty, but for the international community. Likewise, global geopolitics and regional developments also impact Pakistan and influence the country's ability to establish peace and stability.

Despite being created in 1947, Pakistan is still wrestling with establishing a **coherent political unity**, strengthening its political institutions and ensuring state control over the entire territory. Pakistan is in a crisis over its own identity, constantly debating whether it is fundamentally an Islamic country, or if it has an identity broader than the religious core, which will also allow other minorities and beliefs to fit into the system.

For years, the **political scene** has been tormented by widespread corruption and nepotism, a political unwillingness to actually address the underdeveloped social and educational functions and an increasing gap between energy demand and supply with severe consequences for private households, the industry, and thus the economy. Add to these widespread terror activities by insurgents and militant organizations operating from Pakistani territory both domestically and likely also in neighbouring states.

In 2013, for the first time since the establishment of the state 67 years earlier, Pakistan witnessed after an uninterrupted election term a transfer of power from one civilian government to another. A new single-party government, the PML-N, came to power on a political platform promising to bring electricity to the people, improve the economy, provide education to all, and eradicate extremism through a process of dialogue. It also vowed to improve relations with India and Afghanistan.

The armed forces and **the army** in particular, are a dominating political and economic factor that has exercised military rule in almost half the life time of Pakistan. The armed forces accounts for around 1/4 of the economy, and the army is still seen to have a defining role when it comes to Pakistan's foreign and security policy. The army perceives itself as the custodian of the state, and it is arguably still the most respected institution in Pakistan. However, at the same time it is widely acknowledged that there is a need to ensure civilian and political control over an army that today literally governs itself.

While the former government of Pakistan led by PPP, the Pakistan People's Party, and General Kayani, the former Army Commander, over time developed an understanding of the role of the army as the external protector of the nation, this may have changed since the present Pakistan Muslim League (N) government took over in May 2013. The government decided to arrest the former military dictator, general Musharraf, for high treason and thereby openly disrupting the de facto immunity of army officers' actions – much to the discontent of the army. Secondly, the new government's attempts to negotiate a political settlement with the Pakistani Taliban (TTP) have not provided viable results. At the same time, the army took heavy casualties in its fight against the insurgency but with no mandate to respond militarily to this increase in attacks. Although the military in June 2014 initiated a large-scale military operation against various militant groups in North Waziristan – and later in other parts of the Federally Administered Tribal Areas (FATA) - the previous year had already deepened the ditch between the Pakistani government and its army. This in turn will most likely postpone a genuine civilian control of the armed forces of Pakistan as envisaged by the current presidency of the country.

The **security** situation continues to be very volatile, particularly in the areas bordering Afghanistan. The withdrawal of foreign combat forces from Afghanistan as well as developments in US-Pakistan relations are major factors. The on-going military operation in FATA and its possible outcomes could also be seen as potentially contributing factors in the volatile security situation. Extremist militants in FATA and Khyber Pakhtunkhwa (KP), sectarian violence against Shias and Baloch insurgency in Balochistan, target killing in Sindh and presence of hard core Jihadis in Punjab are unpredictable and they all fuel an unstable overall security situation.

For decades, the Pakistani state cultivated radical, militant groups as regional foreign policy instruments. Some of these have increasingly become an internal menace. Most militant groups have their headquarters in the FATA, provinces of KP and Balochistan – areas which have never been brought fully under the state's control.

Several attempts to establish peace accords between Pakistan and insurgent groups within the last decade have failed. The latest attempt of a peace process in the spring of 2014 never reached to the level of substantive negotiations. The breakdown of talks was succeeded by the large-scale military operation with the purpose of bringing the area of North Waziristan under control and with a vision to abolish the archaic tribal rule in all of the areas. The Post Crisis Needs Assessment – Pakistan's main peace-building and development strategy for the border region – foresees long term interventions up to 2020 to reinstate peace.

Insecurity will most likely continue to be a serious threat to the civilian livelihood in the tribal belt and it is expected to continue to inspire violence in the larger urban areas. The public insecurity is linked to the militant movements since the militant activities of these seem to be funded from criminal activities having severe consequences for the economic development of Pakistan.

The situation in Pakistan is thus precarious. On the one hand, legal and state reform promoting involvement of the people in decision-making and enhancing mechanisms for accountability have been introduced. On the other hand, these initiatives are still to bear fruit in a situation where state finances face increasing instability.

One of the more successful fields have been that of rule of law where commitment by the government supported by international donors leads toward a strengthened judiciary system. Likewise substantial efforts are done to support the roles of the law enforcement agencies by introducing new legislation, training and equipment that intend to decrease the trust deficit between Law enforcement and the citizens. The rule of law will continue be one of the most important areas for governance and the parliament needs to show decisiveness and political will in order to mainstream the society.

The conflict in the border areas continues to destabilise the country and the region. In relation to stabilising Afghanistan, an obvious and major challenge to border management is mitigating the impact of trafficking in opiates and related precursors. Managing the border with Afghanistan is difficult, but disrupting the illegal economy that spans the border is crucial for conflict prevention both in Pakistan and Afghanistan. It is important to recognise that, due to the porosity of this frontier, Pakistan's other borders – the coast, Iran, India and China – are, de facto, Afghanistan's borders and can to some degree be considered relevant in a stabilisation context.

There is a marked difference between human rights in principle and in practice. Most international conventions have been ratified, albeit with some delays. Translation into national legislation is taking place with important achievements in recent years, not least in relation to pro-women legislation. Yet implementation lacks behind. The situation on the ground is characterized by extra judicial killings and forced disappearances, violence against women and honour killings, sectarian attacks against Shias and other minority groups, child labour, continuous threats to human rights activists and investigative journalists leaving an impression of a state with growing intolerance.

Pakistan continues to struggle with **humanitarian needs**. It has hosted over 5 million refugees from Afghanistan, of whom 1.6 million are still in the country. Major military operations in 2009 against militants in parts of KP and in 2014 in FATA have resulted in further substantial population displacements, damage to private and public infrastructure, and loss of assets and livelihoods. Such operations have continued and give rise to important movements of internally displaced persons (IDPs), so currently there are more than one million IDPs of which many have been displaced for years, often with bleak prospects for returning home in the short term.

In summary, developments in Pakistan over the coming years are expected to have great and direct impact on regional peace and stability.

2.1.5. Tendencies in neighbouring countries

Three Central Asian republics share a border with Afghanistan, namely Turkmenistan, Uzbekistan and Tajikistan. For these Central Asian states the two main challenges of the Afghanistan-Pakistan security complex are spread of Islamic fundamentalism, narcotics and organized crime networks. The regimes in the three republics are heavily engaged in fighting fundamentalism, but it is widely assumed that local and national authorities to some extent profit from the transit of narcotics and Mafia-type criminal networks. Addressing these transnational challenges and controlling external borders is a common priority for the Central Asian republics and Afghanistan.

Iran has deep cultural and historic connections to both Afghanistan and Pakistan. Iran's foreign policy towards the region and Afghanistan and Pakistan is driven by a number of factors including: the international and regional play of power; the common problems with regard to narcotics

trafficking, terrorism and refugees; and access to energy. The antagonistic relationship with the US has caused Iran to feel pressured by the sizeable US military presence in the region. Iranian policy is characterised by realpolitik rather than export of the Islamic Revolution. Iran prefers a stable Afghanistan and an Afghan government receptive to Iranian influence. The Taliban is viewed as a threat also to Iran's own security and therefore Iran does not want the Taliban to regain a dominant role in Afghanistan. Although Iran and Pakistan have a common interest in a relatively stable and economically viable Afghanistan, they distrust each other's intentions and conduct in the country.

This section focuses just on the most significant changing dynamics in this complex region which are of crucial importance for PSP Af-Pak II. Some of these developments include the new government in Afghanistan, the further impact of the new Indian government's policy on Pakistan, and apparent changes in the Pakistan government and military's approach to the Taliban and other insurgent groups after the Peshawar attack in December 2014.

2.2. Crucial Regional Trends Affecting the Programme

2.2.1. Trends in Afghanistan

In Afghanistan, the following dynamics will be especially important as context for this programme:

- **Political:** The final formation of the unity government after protracted negotiations indicates how hard will be the process of keeping together a governing coalition for a full term. There is therefore a real prospect that the government may not last the course. However, if the president and the Chief Executive are able to make their rather unwieldy compromise function, then they should have the necessary political mandate to take controversial decisions such as reaching out to neighbouring countries, reaching out to the Taliban, postponing parliamentary elections to bring adequate electoral reforms, and to some extent, tackling government inefficiency and corruption.
- **Security:** The Afghan National Security Forces (ANSF) have proven surprisingly resilient. Despite high attrition rates, the ANSF have held onto population centres, supply routes, district centres and exerted control in many rural areas. The Taliban have extended their reach but have neither attempted nor succeeded to occupy and hold significant population centres. The real test of strength will be from March to autumn 2015 in the upcoming fighting season when the ANSF will have access to lower levels of NATO support and enablers.
- **Economic:** The Afghan economy has taken a bad hit after the drawdown of the International Security Assistance Force. Despite ambitions by the government to raise revenues and fight corruption, the outlook for economic growth and revenue generation is not encouraging. This poses risks in three ways: to government service delivery, important for public trust; to the funding of patronage networks that sustain political support and security force support for the Afghan government; and to donor patience since donor support for the ANSF is predicated on Afghanistan paying an increasing proportion of the costs of the forces.

2.2.2. Trends in Pakistan

Analyses of conflict, development and governance trends in Pakistan confirmed the main themes related to Pakistani instability, including: poor development social, human and economic indicators, poor governance, intolerance and sectarian violence, limited access to security and justice the spill-over from regional conflicts, and the over mighty role of the Army. These drivers of instability persist

and the Pakistan Country Development Programme and Danish engagements in general seek to address these. At the same time, there have been shifts in recent dynamics that will influence PSP Af-Pak II both positively and negatively. The key dynamics are:

- Internal politics: Following the Peshawar killings, the Pakistani army seems to be back in charge behind the scenes leading on security and foreign policy issues. This is indicated by its leading role on policy towards the Taliban and towards Afghanistan. At the same time, the fact that the Army has not sought to take over wider civilian or government functions indicates that the Army is content to lead in its spheres of influence and to let the civilian politicians work on broader political and development issues. The reassertion of more army control behind the scenes may both be positive in that it means more consistent direction in domestic and foreign policy but also negative since it implies reduced space for manoeuvre for civilian actors and so has negative consequences for the democratic development and transition in Pakistan.
- Security: Pakistan military operations in North Waziristan/FATA from June 2014 and intelligence operations all over the country have had a short-term impact on reducing terrorism and weakening Taliban groups, though the tactics employed and internal displaced populations created may have longer term destabilising effects. Until now most of the IDPS have not been able to return back to their place of origin. However, the government and the military seem to have changed their approach to the Taliban, as there seems no longer to be a distinction between “good” and “bad” Taliban, and all groups will be targeted. The Peshawar school massacre may have been a turning point for Pakistan and for the Government and military attitudes fighting terrorism. If the military has genuinely decided to reduce its support for Afghan Taliban groups, then this will have a positive impact on prospects for regional stability. It is most likely though that there will still be groups in Pakistan that will not be challenged, because Pakistan would need their support in the conflict against India.
- Human rights: As part of the military’s more prominent role in internal security, donors will be faced with greater human rights and democratisation challenges in supporting Pakistan. The roll-out of military courts and the lifting of the moratorium on the death penalty in connection with terror related crimes could make it difficult for European Union (EU) countries, including Denmark, to support certain sorts of engagements, especially if the lifting of the moratorium will lead to a wide use of executions.

2.2.3. Regional dynamics

As the internal political dynamics of Afghanistan and Pakistan shift, so they interact with shifting regional and global dynamics. There are six main trends that affect regional stability. These trends have shaped the selection of engagements so that the programme can reinforce positive trends and avoid wasting effort on “no-hoppers”. Some of these trends will not be addressed directly by the programme but bear close monitoring as they will influence the achievement of the programme objective.

- India-Pakistan relations: Knowledgeable analysts expect little change under this government, meaning that India-Pakistan relations are likely to remain at status-quo during the course of this programme with the usual periodic escalations and de-escalations. At worst, this could impact negatively on improving Afghanistan-Pakistan relations if India decides to escalate tensions with Pakistan by undermining a Pakistani-Afghani rapprochement.

- Pakistan-Afghan relations: President Ghani has made extensive efforts to court Pakistan and in particular the Pakistani army, for instance by personally visiting Army headquarters in Rawalpindi. Ghani has laid out a set of security milestones that he expects Pakistan to meet in order to demonstrate Pakistani good faith. Initially, the Pakistani Army has responded relatively positively, spurred in part by egregious Pakistani Taliban outrages. There is now tactical cooperation on intelligence and operations and the first exchange of officer cadets. The incipient security cooperation and budding political dialogue is fragile and could collapse.
- The spread of “new generation” radicals: While the Islamic State itself currently appears to be more a flag of convenience than a real threat in South/Central Asia, some analysts see a trend towards the emergence of younger, more radical and more violent Islamist extremist groups in the region. Within the Taliban, the removal of many of the established leadership in recent years by ISAF operations has often brought to the fore more radical, younger leaders. Moreover, some of the newer Islamist groups beginning to operate in the region may make the Taliban look moderate in terms of their approach to violence and to social control. The spread of Islamic State ideas and adherents and the fragmentation of Afghan Taliban groups may push the “old guard” of armed opposition groups, including the Haqqani network, to negotiate with the Afghan government, but negotiations with more radical groups, inspired by Islamic State, may prove impossible to negotiate with.
- The role of Afghanistan’s neighbours: It does appear that, concerned by the security deficit left by the NATO drawdown and worried by the rise of Islamist radicalism, Afghanistan’s neighbours are beginning to come together to play more constructive roles. China in particular has reportedly played a role in urging the Pakistani military to tackle terrorists in North Waziristan and Afghanistan’s northern neighbours. China’s president in his unprecedented visit to Islamabad on April 20, 2015, signed a cooperation deal with Pakistan under which China is going to invest around 45bn in Pakistan in various sectors. This increases the chance of China to play a central role courting Pakistan government to help Afghan government in peace talk with the militants groups. Also Russia, have stepped up their offers of assistance to the new Afghan government.¹ However, the USA remains a leading actor in the region and the calculations of Pakistan and Afghanistan and their neighbours will continue to be shaped by the policy choices made in Washington.
- Regional criminality, smuggling and corruption: The Afghanistan-Pakistan region remains beset by transnational drugs, smuggling and criminal networks often linked to security forces and political elites in Afghanistan and Pakistan. While legitimate trade along the Silk Road could be a stabilising force, the nexus of crime and corruption that straddles the Afghan-Pakistan-Iranian borders continues to provide a negative context for the programme.

A trend that may become important is the impact of Saudi-Iranian relations. Saudi Arabia has a new king and a settled succession. It is caught between crashing oil prices, rising security and ideological

¹ For instance, Russia has offered training for Afghan Army officers at Russian military academies. The offer has not yet been taken up since Russia requested that Afghanistan fund the costs of the training.

threats in Yemen and Iraq and the worrying prospect of a rapprochement between the US and Iran. Iran meanwhile faces serious economic instability at the same time as it faces the prospect of a nuclear deal with the US Administration. Part of the rivalry between the two countries is played out in Afghanistan and in Pakistan. It remains to be seen whether the changing Iran-Saudi dynamic will contribute to improved stability in the Afghanistan-Pakistan region in the coming years or will undermine stability.

2.3. Danish Policy and Strategic Objectives

Denmark, like the rest of the world, has major security, political and development interests in a stable Afghanistan-Pakistan region, including growing commercial links to Pakistan. Instability in the region has the potential to generate threats to Danish citizens and interests, locally and globally. For this reason Afghanistan and Pakistan are priority countries for development assistance, with Afghanistan as the biggest recipient of Danish development assistance during the PSP Af-Pak II period. Further, due to both natural and manmade disasters, the region receives substantial humanitarian assistance. The last few years have highlighted strongly that an absence of local security has a radical impact on long-term development. To contribute to security and stability the PSP Af-Pak II aims to complement and build on the steps taken through development assistance, political efforts and the engagement by Danish security forces in Afghanistan. This multi-stranded approach is in line with the UN request² that calls on the international community to help the Afghan government to establish and maintain security and extend its authority throughout the country, promoting peace and stability in the region and globally, as well as contribute to improving the living conditions of the Afghan population.

As the Afghanistan conflict has engaged more than 60 different international donors and organisations the coordination between the donors and with the Afghan government and society is of utmost importance for success. It also underlines that Danish assistance is one among many other contributions and that it is important to see the Danish engagement as one piece in the puzzle.

The international strategy in supporting stabilisation of Afghanistan is a light footprint and putting the Afghans in the driver's seat in regard to setting the direction for their own future. This has been facilitated by international support to Afghanistan in formulating security and development goals - and securing the international financial and security backing to reach these goals. The most recent of these overarching coordination initiatives is the Tokyo Mutual Accountability Framework which was agreed upon in 2012 by Afghanistan and the donors. This agreement sets a number of development

² UN resolution 1386. This resolution called for the international community to assist by using political, civil and military capacities. The legal framework for the military intervention has rested on this and a number of other Security Council resolutions. Following the completion of the mission of the International Security Assistance Force (ISAF) at the end of 2014, a new, follow-on NATO-led mission called Resolute Support Mission (RSM) was launched on 1 January 2015 to provide further training, advice and assistance for the Afghan security forces and institutions. The RSM rests on the BSA and NATO's SOFA with Afghanistan, which is recognized by UNSCR 2189. UNSCR 1386 was the legal framework for ISAF.

benchmarks that Afghanistan will strive to fulfil. The donors pledged to continue their financial support at approximately the same level (2012) until 2017, and to support the development of Afghanistan in the Transformation decade 2015 -2024. Further it was agreed that donors will move towards better alignment with Afghan policies and delivering 50% of the funds on-budget. In the run up to the Tokyo Conference the international society had, at the Chicago summit, pledged to continue their financial support for the Afghan security forces.

An additional rationale for this programme is to strengthen bilateral ties between Denmark and the Pakistani military. By pilot activities in the first phase of the programme it has been explored how Denmark could get access to the closed military establishment in Pakistan. Following up on the successful engagements will reinforce the Danish Embassy's ability to exercise influence and it builds relationships with the Pakistani Army which will be of use in operational military and intelligence terms should Denmark need to respond to a crisis in the region. This long-term relationship building also generates situational awareness that the Danish government can use to help prevent and respond to future crises, whether related to terrorism, military operations or disaster relief.

The purpose of the PSF is to support multilateral and bilateral efforts that underpin broad stabilisation initiatives, reconstruction and capacity building projects at the nexus between security and development. It is framed by:

- Denmark's Integrated Stabilisation Engagement in Fragile and Conflict-Affected Areas of the World;
- Denmark's strategy for development cooperation, *The Right to a Better Life*;
- The Defence Agreement 2013-2017;
- The Afghanistan Strategy and Afghanistan Country programme for development
- The Pakistan Country Programme;
- Mere Danmark i Verden.

These policy documents orient the approach of the PSP Af-Pak II towards reducing tension; promoting conflict prevention and local capacities to handle conflict; strengthening dialogue and mediation; and promoting human rights, the rule of law and civilian protection. As the description of context above made clear, there are numerous acute challenges and broad, complex threats to peace and stability in the Afghanistan-Pakistan region.

The overall programme objective is as follows:

Contribute to stability in the Afghanistan-Pakistan region by supporting the development of more capable and accountable institutions that protect the civilian population and by supporting processes to increase regional reconciliation and trust.

This objective is pursued and organised through two thematic programmes, which are distinct but interconnected and have the following objectives:

Thematic Programme A on Security and Justice Sector Support:

To build capable and accountable institutions within the security and justice sector, so that the institutions protect the population, thus increasing trust in government, which contributes to sustaining stability.

Thematic Programme B on Reconciliation and Trust-Building:

To enhance the environment for political solutions in Afghanistan and Pakistan and reduce tensions between actors in the region, which contributes to regional stability.

2.3.1. PSF linkages and added value for Danish objectives

Beyond the policy frameworks introduced above, the primary text directing programme formulation is the Concept Note. The Concept Note was generated by an identification process in mid-2014, which included contributions from MOD and MFA to the background analysis, a theory of change workshop, and a MOD identification workshop. The concept note was presented to the Steering Committee and the feedback guided the formulation further. The formulation has been guided by lessons learned from the first phase (see section 2.4 below) and the programme design has also benefited from the PSF evaluation and the Af-Pak regional programme midterm review.

Denmark has a full set of international engagement tools active in the Afghanistan-Pakistan region; PSP Af-Pak II has a clear role in this mix. In relation to **Danish diplomacy**, stabilisation programmes benefit greatly from political dialogue and vice versa. For example RDE Kabul is supporting a reform agenda in the Afghan Ministry of Interior while PSP Af-Pak II sustains police deployments. In the other direction, initiatives under PSP Af-Pak II support Danish representatives to build relationships that offer opportunities for political engagement and to protect against threats to Danish interests, for example in working constructively with the Pakistani defence sector. Public diplomacy is an important part of this toolkit too. Public diplomacy efforts especially by RDE Islamabad service Danish security interests, for instance in relation to the cartoons issue. At the same time, the proposed PSP Af-Pak II engagements provide public diplomacy opportunities that can be exploited by RDE Islamabad to raise Denmark's profile with Pakistanis.

In relation to **Danish development assistance**, PSP Af-Pak II activities help to shape the security and political context in the short term to achieve Danish objectives for growth, education and governance in the long term. In both Afghanistan and Pakistan, Denmark provides significant funding to develop governance institutions, which if effective will support peaceful and stable politics. In the meantime, to take one example, PSP Af-Pak II supports security forces to protect the population and maintain the physical safety of government institutions, without which longer-term governance advances are unlikely. Similarly, PSP Af-Pak II takes responsibility for supporting rule of law institutions in both Afghanistan and Pakistan, which is directly linked to the governance themes in Danish development programmes for each country. The complementarity is also seen in the trust building and reconciliation elements of the Af-Pak II programme. These aspects are neither covered in the Afghanistan nor Pakistan Country programmes for development.

In relation to Danish **humanitarian assistance**, PSP Af-Pak II may share a direct interest in the same locations but approaches them in a distinct but complementary fashion. Humanitarian assistance and stabilisation programming may often be designed on a similar time-frame. However, humanitarian work attends to basic individual needs, while PSP Af-Pak II has responsibility for

supporting the action of security forces and the processes of reconciliation that can clear the way for sustained escape from poverty and physical threats. In addition to specific humanitarian assistance, Denmark’s programmes to support refugees, IDPs and repatriation efforts target these vulnerable persons and communities in particular.

Within PSP Af-Pak II, there are strong linkages between the two thematic programmes. For example, Thematic Programme A funds security forces to protect the population, while Thematic Programme B supports political dialogue in Afghanistan to find non-military solutions to the conflict. Similarly, policy-oriented dialogue and cooperation between Afghanistan and Pakistan (Thematic Programme B) are ways to generate political support for cross-border action against security threats (Thematic Programme A). Important linkages between individual engagements are highlighted in the engagement descriptions below.

2.4. Applying Lessons

The formulation process has benefitted from a mid-term review of the previous regional programme, which occurred in September 2013, and an evaluation of the PSF in 2014. The ways in which the major lessons learned from these two exercises have informed the current programming process are summarised below. Additional lessons have been drawn from the experience of key stabilisation partners.

Table 1: Lessons applied in formulating the PSP Af-Pak II

Lesson 1	The central challenge of stabilisation is to bring about some form of political settlement in a highly complex and violent context.
Source	UK Stabilisation Unit, “The UK Government’s Approach to Stabilisation (2014), p. 2.
Impact	The PSP Af-Pak II has sought to identify how a relatively small actor like Denmark can contribute to complex internal and international conflicts. The result has been to support reconciliation initiatives and trust-building at local, national and international levels. One feature of PSP Af-Pak II is the use of small initiatives that, if effective, can be expanded on by other donors.
Lesson 2	Effective stabilisation requires the integration of political/diplomatic, security and development instruments, ideally through Country policy or strategy papers.
Source	<i>Evaluation of the Danish Peace and Stabilisation Fund (2014), Recommendation 1, pp. 11, 42-45.</i>
Impact	The PSP Af-Pak II aligns tightly with the ACP and PCP, along with their policy papers, where available. There are close connections between, for example, the ACP on anti-corruption and the support to major trust funds in PSP Af-Pak II. Similarly, the PSP Af-Pak II supports Danish political engagement with civilian and military powers in Pakistan. To ensure that resources are available to apply political and diplomatic tools to support PSF objectives, the PSP Af-Pak II has been streamlined, management capacity has been considered and engagement responsibilities have been specified.
Lesson 3	Political ambitions need to be adequately resourced. In particular, without adequate human resources to manage and oversee stabilisation engagements, the full value of financial investments may be in jeopardy.
Source	<i>Evaluation of the Danish Peace and Stabilisation Fund (2014), Recommendation 4, pp. 11-12, 48; Mid-term Review of the Whole of Government Stabilization Programme for the Afghanistan-Pakistan region (2011-14), p.20.</i>
Impact	Denmark has a reputation for punching above its weight in stabilisation environments. However, PSF human resources are stretched thin and RDE Kabul in particular faces a challenge

	in terms of the balance between its portfolio breadth and the narrow base of posted staff. PSP Af-Pak II has selected engagements and management arrangements with a view to providing a focus for Danish and local staff to work on a smaller set of activities and tasks.
Lesson 4	While flexibility and the ability to respond to emerging needs and changes in context are very important in a stabilisation environment, it is also important for donors to be strategic in their funding choices in order to maximise opportunities for impact. This is particularly important for smaller donors such as Denmark.
Source	<i>Evaluation of the Danish Peace and Stabilisation Fund (2014)</i> , Recommendation 14, pp. 13, 55-56.
Impact	The 2011-2014 phase of funding to PSF activities in the Afghanistan-Pakistan region generated 22 engagements to partners working in 6 countries. With a relatively small budget, these arrangements made management complex and may have inhibited impact. For the PSP Af-Pak II, the geographic range has been narrowed, the number of engagements has been reduced and linkages with other Danish instruments have been clarified. The programme objective and theory of change remains ambitious and broad, which means that the logic and results expected at an engagement level become more important to justify support.
Lesson 5	The choice of Implementing partner is crucial to the success of stabilisation engagements. Additionally, all partners require monitoring to ensure effective and efficient interventions, including implementers with their own monitoring processes.
Source	<i>Evaluation of the Danish Peace and Stabilisation Fund (2014)</i> , Recommendation 14, pp. 13, 55-56.
Impact	The capacity of potential implementing partners has been assessed by track record, third-party assessments, interviews and documentation reviews. Where possible, the PSP Af-Pak II has selected engagements with transparent governance structures, which allow for donor consultation on strategic direction and deliver useful reporting, with a view to reducing the burden on PSF managers. Arrangements have been proposed for additional monitoring and evaluation.
Lesson 6	Results frameworks and theories of change are essential for effective programme management, clarifying assumptions, objectives and the steps necessary to achieve results and helping programme managers adjust to changing circumstances and identify problems in implementation.
Source	<i>Evaluation of the Danish Peace and Stabilisation Fund (2014)</i> ; <i>Mid-term Review of the Whole of Government Stabilisation Programme for the Afghanistan-Pakistan region (2011-14)</i> , p.17.
Impact	The absence of theories of change and strong results frameworks in the 2011-2014 funding of PSF activities in the Afghanistan-Pakistan region reflected a broader weakness within Danish development programming that is currently being addressed. The programme has developed results frameworks for each engagement and the two thematic programmes. These will feed into a reporting system on the PSF level that, when developed, will receive inputs from the regional programme. In addition, the PSF has earmarked resources (3% of the total PSF portfolio) to support monitoring and evaluation. As the Concept Note and sections below make clear, some engagements are in niches and on time-frames that mean they will only contribute indirectly to the programme theory of change.

2.5. Selecting the Engagements

The programme design process considered whether the purpose of the programme is stabilising Afghanistan, stabilising Pakistan (which, arguably, poses a graver longer-term threat to regional and global stability), or on the region. Danish policy interests guided the programme towards a regional

focus, noting that the drivers of instability in each country are closely intertwined. Based on this approach, the structure of the thematic programmes and the selection of engagements was shaped by the following design parameters:

- Danish security is potentially threatened by instability in the Afghanistan-Pakistan region. The long-term direct threat to Denmark is from Islamist terrorism based in the region. Wider regional instability, war or state breakdown may also require additional future Danish interventions.
- The most urgent current security need is the widespread “hot” conflict in Afghanistan. Stabilising this conflict is necessary to reduce the threat and promote wider regional stability. The urgency of this need is why PSP Af-Pak II allocates the majority of resources to dealing with the Afghan conflict.
- For Pakistan, a collapse of the relatively weak democratic state being the world’s sixth most populous nation and nuclear armed, to either become a military-run state or a state riven by internal violence, would not only set back the many years of investment in promoting stability in the region but would also have consequences for the international community. Indeed, it is vital for long-term Danish national security that PSF does not confine itself to work in Afghanistan, but also takes opportunities to contribute to the stabilisation of Pakistan itself.

Beyond these parameters, the important negative drivers of conflict and instability include:

- Deep-rooted corruption in the region that undermine prospects for good governance
- Wide-spread criminality including drug trade and its link with militant and with state institutions
- Spread of Islamic State and associated radical ideologies and networks
- Growing sectarian violence
- Potential actions by foreign powers or religious networks to undermine progress in Afghanistan-Pakistan relations or to counter Pakistani attempts to stem militant Wahhabi education amongst its youth
- Continued uncertainty on whether Afghanistan will remain stable, making neighbouring countries doubt whether full support for the Afghan government is the best way of serving their interests.
- Opium cultivation, drug trafficking and organized crime networks financially support the insurgency in the region thus the instability grows in the region.
- Worsening Indo-Pak relations

Drivers of stability and positive change include:

- The Afghan national unity government which can provide a firm political base for dialogue and reconciliation, accompanied by more effective, technocratic governance
- Increased civilian, military and civil society capacity and ownership for local solutions to stabilisation and peacebuilding
- President Ghani’s emphasis on regional cooperation on security issues as well as commercial ties as key drivers for stability in the region
- The incipient Afghan-Pakistan dialogue and security cooperation since President Ghani’s outreach to Pakistan and the Peshawar school massacre

- The apparent change of attitude by the Pakistani Army towards ties with key Afghan Taliban groups
- All party political support in Pakistan for National Action Plan - for countering terrorism and militants
- A wider sense among regional countries that they need to take more responsibility for Afghanistan with the drawdown in the US/NATO presence. This may encourage more cooperative political, security and economic engagement from regional countries
- China's Political will to influence Pakistan cooperate with Afghanistan in peace building efforts in the region

Wherever feasible, thematic programmes and engagements have been selected that both counter negative drivers and reinforce positive drivers. In some cases the programme has chosen to prioritise reinforcing success rather than investing in uphill struggles, e.g. the recommendation to focus more on reinforcing the positive Afghanistan-Pakistan dialogue rather than seeking to support the stalled India-Pakistan dialogue. This decision reflects the PSF's intent to respond to opportunities and to achieve impact in a relatively short timescale.

Recognising that the PSP Af-Pak II is a small programme targeted at very broad drivers of conflict and stability, a number of criteria were applied to help select from all of the possible engagements. The following criteria informed the selection of engagements. Each engagement therefore performs well on the following criteria:

- fulfil Danish commitments that address key conflict drivers (e.g. Chicago commitments on the ANSF)
- build on established and relevant partnerships and successes and on mechanisms and programmes that we know work
- have an impact with relatively modest financial resources and be managed with limited human resources at the managing Danish authorities
- be complementary with other Danish instruments (e.g. diplomacy, development)
- promote Danish values (e.g. human rights, gender, rule of law, governance)
- strengthen relationship and cooperation with strategic partners present in the region
- strengthen Danish diplomatic "clout" in Pakistan and Afghanistan and strengthen military and intelligence relationships for future operational benefit
- work through multilateral or partner channels to leverage greater impact, align with other donors and host governments, and reduce the management burden

2.6. Cross-cutting Issues and Linkages

The design of PSP Af-Pak II has considered three cross-cutting issues: human rights, gender and the environment. On human rights and gender, the programme's best contribution is to promote protection of civilians and, where possible, to promote gender sensitive aspects of security sector development. Practically, this occurs through three approaches. The first is pro-active and through dedicated engagements, such as with the Afghan National Army (ANA) education and female officer training facilities. The section below on unallocated funds also identifies a priority to develop options to fund gender-responsive capacity-building at law and justice institutions, which could build on prior PSF support for UN Women in Pakistan.

The second is to incorporate indicators in engagement results frameworks that promote, for example, participation and inclusion, non-discrimination based on gender, or civilian protection. Wherever relevant, engagement indicators will be disaggregated by gender, which provides programmatic insights and accountabilities around equality of impacts and access.

The third is a risk management approach. Partners have been assessed for human rights management effectiveness and the risks identified have been addressed in the design of the engagements. The main risks are where engagements support local security forces who generally have poor human rights records. In relation to the ANSF (Afghan police and army), the engagements support human rights capacity building via the Afghan Independent Human Rights Commission. With the Pakistan Army, the proposed training in Counter-IEDs will not focus on skills that may help Pakistan to arrest and perhaps execute suspected terrorists. With the Pakistani border security and police agencies to be supported via the United Nations Office on Drugs and Crime (UNODC), human rights training is a part of the training that will be supported with Danish funds. Risk management arrangements are reflected in Annex C and in the engagement documents. Within the PSP Af-Pak II monitoring and reporting framework, there is provision for monitoring human rights issues in programme engagements, with potential responses including the suspension of cooperation and reclamation of funds. Additional tools will include public diplomacy and diplomatic engagement, most effectively done jointly with other donors such as the Nordic countries, EU and the UK.

On the environment, PSP Af-Pak II recognises that Pakistan and Afghanistan face major challenges and that some environmental issues contribute to instability. Environmental protection has not been prioritised in the programme, in order to maintain a focus directly on man-made threats to peace and stability. Nevertheless, the engagement with the PMSA offers an opportunity to advance environmental protection objectives while supporting Danish-Pakistani cooperation to address maritime and cross-border threats.

2.7. Contextual Risks – Planning Scenario

PSP Af-Pak II is a high risk programme. There are serious contextual, institutional, fiduciary and programmatic risks associated with the programme. The Steering Committee will need to remain alert to these risks and ensure that the appropriate risk mitigation features are being applied. A programme-level risk management matrix is enclosed in Annex C and each engagement has its own risk matrix within its PSED. The approach taken is to include potential scenario triggers that would force substantial changes to the programme or its operations. Examples include disintegration of government structures, political in-fighting, major loss of faith due to corruption and diversion of funds and escalation of conflicts. These provide concrete guidance to managers on options to respond to risks, while recognising that how these options will be used depends on the precise situation faced if the risks become manifest.

Four risk factors are worth highlighting in particular at the strategic programme level. First, the possibility of government collapse in Afghanistan, as a result of a breakdown of the unity government or major insurgent gains, or in Pakistan as a result of military coup. While neither seem likely now, neither are impossible scenarios. Either would make it very hard for PSP Af-Pak II to continue in its intended form.

Second, a breakdown in relations between Afghanistan and Pakistan that precludes any further trust-building or cooperative activities. This risk may well be realised as President Ghani has laid out benchmarks for Pakistani security cooperation that the Pakistani Army may not wish to meet. If Pakistan does not provide the required cooperation or Pakistani-linked insurgents stage spectacular attacks inside Afghanistan, or Afghanistan fails to show will or ability to counter groups that attack Pakistan institutions, then it is quite possible that the relationship will become hostile and the proposed regional trust-building activities will have to be shelved or significantly adjusted.

Third, human rights abuses by Afghan or Pakistani security forces that have been supported by PSP Af-Pak II. Such abuses are likely to be committed by the ANA, the Afghan National Police (ANP) and Pakistani Army in the coming three years and will receive publicity. The assistance to the Afghan and Pakistani security forces include human rights awareness and education and by communicating proactively with the Danish public, PSP Af-Pak II will be expected to be able to proceed. The communication should be prepared by the programme owners, MoD/ALO respectively.

Fourth, as part of fiduciary risk, corruption in the agencies supported by PSP Af-Pak II and in particular accusations of diversion of funds donated to the ANA-TF and Afghan police/Law and Order Trust Fund for Afghanistan (LOTFA). Such diversions are likely to occur and there is no reason why publicity over such waste and abuse will reduce as there will be continued audit and press interest. As with human rights, PSP Af-Pak II needs to ensure that the fiduciary controls that are in place within partner institutions are as strong as they reasonably can be. In line with the zero tolerance policy of Danish development funding an active action will be taken in all known mismanagement, misuse and corruption cases.

By recognising these risks now, the programme can be managed in a flexible manner so that, through the individual engagements, proper responses to emerging challenges can be taken or new initiatives launched to support positive developments within the four risk areas. It will be important therefore that the programme owners – informed by the engagement managers – reviews the scenarios on a quarterly basis to inform discussions on contextual risks.

2.7.1. Assumptions

In addition to close monitoring of the risks, the steering committee and appraisal/review teams can usefully review two key assumptions underpinning the programme theory of change:

- *Better institutions will lead to better law and order and hence stability.* The assumption is that helping to build more capable and accountable security institutions, to be done mainly through training and capacity building, in the two countries will promote the rule of law, order and hence stability through trust in the government. Of course, there are many other factors that contribute to these higher level outcomes, including bottom-up approaches addressing non-state actors that provide justice and security. Crucially, better capacity in the absence of political will or organisational incentives to change will not be enough. So, review teams will need to assess whether increased capacity is being used to build trust, stability and better governance. Diplomatic engagement, including public diplomacy, will be an important supplementary tool for Denmark.
- *Better regional dialogue will enhance reconciliation and reduce regional tension.* The assumption is that regional dialogue, especially between Pakistan and Afghanistan, will reduce

tensions. Of course, there are many other factors that contribute to these higher level outcomes.

2.8. Overall Budget

Table 2 summarises the budget at thematic programme level, noting that it does not differentiate between the programme’s two funding sources. A detailed budget is presented in Annex B.

The programme formulation process generated the budget allocations between thematic programmes based on three main factors. First, there was a decision to use PSP Af-Pak II funds to fulfil Denmark’s Chicago commitments regarding the ANSF – these activities are within Thematic Programme A and contribute significantly to its size overall. Second and more broadly, there is a difference in the relative weight of resources required between the activities in Thematic Programme A and Thematic Programme B. Thematic Programme A involves funding and technical assistance to military and security actors to deal with immediate security threats. Thematic Programme B involves travel and support costs to bring people together to generate cooperation and trust-building. Third, within the constraints of the overall budget and the two funding sources therein, the formulation process built up thematic programme budgets based on the requirements of engagements themselves, described in the engagement summaries below.

Table 2: PSP Af-Pak II budget (DKK million)

	2015	2016	2017	TOTAL
Thematic Programme A: Security and Justice Sector Support	150.25	64.75	82	297.0
Thematic Programme B: Reconciliation and Trust-building	1.25	1.25	1.25	3.75
External Monitoring and Reporting	6.50	1.5	0.5	8.50
Unallocated	1.3	5.7	2,0	9,0
Total	159	73	86	318

2.8.1. Unallocated funds

The PSP Af-Pak II budget includes a total of DKK 9 million of unallocated funds, or approximately 3% of the total budget. The process to programme unallocated funds will rely on proposals from the embassies, coordination between the programme owners and be presented to the steering committee for approval. A comparative advantage of the PSF is its flexibility to respond to opportunities in fluid contexts. However, as explained above in relation to lessons applied, the availability of human resources to programme new resources is a hard constraint on the ability of the PSF to be flexible. The priority in programming these unallocated funds will be to extend or expand existing engagements as new options arise. Nevertheless, to maintain PSF flexibility in relation to emerging needs, some funds may also be allocated to new engagements. In considering whether and how to respond to emerging needs while maintaining the quality of engagement selection and monitoring, the PSP Af-Pak II process for managing new engagements financed by unallocated funds is biased towards areas in which Denmark is already involved or has knowledge, fits within thematic programme objectives and which can be directly assigned to a single engagement manager.

The following could be priorities for exploration in the use of unallocated funds:

- Gender-responsive policing and justice in Pakistan. This would build on prior funds allocated to UN Women, which last until end-2015. UN Women and UNODC have developed a concept of cooperation on policing and prosecutions, which could be fleshed out for consideration by PSP Af-Pak II during 2015.
- Strategic advice to Pakistan’s National Disaster Management Agency, building on contacts made to date. The rationale for an engagement with NDMA would be that a stronger Pakistani government response to human security threats such as natural disasters would help build legitimacy and trust with the public and so help stabilise the country.
- Technical support to the Afghan National Security Council subject to further definition of requirements from the Office of National Security Affairs and coordination with partners such as the UK Embassy.
- Supporting an Afghan-led, Government driven peace and reconciliation process in case opportunities emerge.

3. Thematic Programme A: Security and Justice Sector Support

3.1. Objective

Thematic Programme A responds to the immediate problems of manifested threats to security, accompanied by low capacity and a lack of accountability in the security and justice sectors in Afghanistan and Pakistan. As the context analysis above made clear, without progress on this front, Danish objectives in relation to peace and stability are impossible to achieve. The objective of Thematic Programme A is therefore *to contribute to building capable and accountable institutions within the security and justice sector, so that the institutions protect the population, thus increasing trust in government, which contributes to sustaining stability.*

Achieving this objective while many of these institutions are working in conflict zones and ruled by unstable political systems will be a challenge, but not trying will increase risk of failure for Danish aims in the Afghanistan-Pakistan region. The focus of engagements under this thematic programme is on technical and financial support to capacities in the ANSF, the Pakistan military and civilian security and justice institutions. A secondary aim of engagements in Pakistan is to develop defence cooperation that can help protect against threats to Danish interests in the medium-long term.

Table 3 shows the results expected for Thematic Programme A at impact level. Annex E provides further detail on programme results to the outcome level.

Table 3: Thematic Programme A results at impact level

Thematic Programme	A. Security and Justice Sector Support
Thematic Programme Objective	To build capable and accountable institutions within the security and justice sector
Impact Indicator 1A	Effectiveness of ANA, including civilian protection, as assessed by Danish MOD, including with reference to US Department of Defense metrics in annual Afghan security force report to Congress
Impact Indicator 2A	Effectiveness of Afghanistan civilian security and justice institutions, as assessed by Danish MFA and MOD, including with reference to OCB reporting, reports

	from national and international civil society and existing public surveys
Impact Indicator 3A	Effectiveness of Pakistan civil and military institutions, as assessed by Danish MFA and MOD, including with reference to UK and US reporting, along with reports from multilateral organisations and national and international NGOs
Impact Indicator 4A	Citizen trust in Afghan and Pakistani security institutions, as assessed by MFA and based on reports from multilateral organisations and national and international NGOs

3.2. Theory of Change

The objective of this thematic programme directly confronts conflicts and challenges of governance that have evolved but have been essentially intractable for 30 years. Recognising the magnitude of this task, Thematic Programme A has been formulated by considering:

- The activities of other donors.
- The track record of partners in Afghanistan and Pakistan.
- Nascent opportunities in national and regional political dynamics.
- Niche Danish expertise and interests that can contribute to the objective.
- Availability of the human resources at the engagement manager level

A provisional framework of results is shown in each PSED. These will be finalised as individual engagement agreements are completed and compiled into a programme results matrix overall. The format of an overall results matrix at programme level will be drafted by the PSF monitoring and evaluation consultant, and is to be filled in by the engagement manager. Table 4 below summarises the theory of change informing the design of the thematic programme: its purpose is to show the key assumptions, processes of change and impacts to which the thematic programme will contribute. It also represents substantive linkages between the thematic programme objective and the kinds of available engagements identified through the formulation process.

The theory of change for this thematic programme is: if support is provided to sustain the Afghan security forces and to develop the technical capacities of Afghan and Pakistani security and justice institutions and the institutions are able to deliver and there is a political will, then these actors will be able to fulfil their mandate: protection of civilians, strengthening of the rule of law and cooperation bilaterally to address threats to stability. Consequently, the populations' trust in their governments will increase and thereby contribute to stabilising the region and reducing conflict in the long term.

Table 4: Thematic Programme A theory of change

Assumption 1	Other donors will provide the majority of support required to sustain and reform Afghan security and justice sector institutions
Assumption 2	The civilian governments of Afghanistan and Pakistan provide strategic direction of civilian security and justice sector institutions, including that they should cooperate bilaterally where relevant
Assumption 3	Technical assistance at the level of skills, knowledge and operations management will improve the effectiveness of beneficiary agencies despite other barriers (e.g. political) and capacity will be used and sustained
Inputs	<ul style="list-style-type: none"> • Funds for military and police salaries and logistics support in Afghanistan • Funds, expertise and equipment for training and advisory services • Political support for security sector reform and donor coordination
Short term changes	<ul style="list-style-type: none"> • A mechanism for Afghan police sustainment and reform has been consolidated and is supported by the Afghan Government and by donors • The Afghan Police sustained through on time payment enabling the ANSF to hold its ground through the critical years of transformation. • Enable the Afghan National Army Trust Fund (ANA-TF) to deliver projects in support of ANA operations • Enable UNODC Pakistan to provide training and advice on border management, policing and prosecutions • Enable the UK's support to Pakistan's counter-IED capacity to advance to higher-level skills in exploiting intelligence from IED incidents • Enable AIHRC to provide more expansive human rights training to ANA officers and enable the UK to improve opportunities for ANA education, including female cadets • Initiate delivery of new knowledge to the Pakistan Maritime Security Agency (PMSA)
Medium term changes	<ul style="list-style-type: none"> • Afghan police improve their effectiveness in protecting civilians and engendering citizen trust • ANA maintains a level of security and stability that leaves space for the Afghan Government to operate and engender civilian trust • Pakistan border management, policing and prosecutions agencies improve in strengthening Rule of Law and countering crime that could otherwise potentially fund militant networks • Pakistan military and civilian security agencies increase their ability to counter and if possible reduce the IED threat and act on intelligence generated by IED incidents • ANA officers demonstrate stronger knowledge of human rights and the role of force, with female cadets showing increased skills of value to ANA operations • Denmark develops a trusted relationship with PMSA as it institutionalises new knowledge on counter-narcotics, search and rescue and environmental protection

3.3. Summary of Engagements

3.3.1. Sustaining Police Capacity in Afghanistan

The purpose of funding under this PSED is to sustain the Afghan National Police through a pooled funding mechanism. Danish support is provided as part of PSP Af-Pak II's Thematic Programme A. The theory of change for this engagement is that if Denmark funds a pooled fund to support the MOI and police, then the Afghan police will be able to fund salaries, thereby enabling the Afghan police to sustain security and policing operations, to weaken the insurgency, protect the population and set the conditions for peace and reconciliation.

Since 2002, donors have contributed US\$3.7bn to the sustainment of the Afghan National Police (ANP) through the LOTFA administered by UNDP. An effective ANP is central to the security and development plans for Afghanistan laid out at the conferences held in Chicago, Wales and London. However, as a funding mechanism for the ANP, LOTFA has been problematic. Successive audit reports commissioned by the UNDP, the UK government, and the US Special Inspector General for Afghanistan Reconstruction (SIGAR) have identified areas of risk and failings of controls. Hence, the UNDP and its core partners in dialogue with the wider donor group worked up a design for a revised LOTFA (*Akheri*, phase VII), which would have an inception period for the first half of 2015 and expected to run for two-three years in total.

This approach was adjusted due to the insistence from President Ghani that UNDP be rapidly phased out and that the MOI be handed the capacity to administer the trust fund, payrolls and capacity building efforts by itself. President Ghani and his transition team are particularly determined to ensure full Afghan ownership for the development of the MOI and the police, to reduce the reliance on international advisers, whom they deem of very variable quality, and to build Afghan systems by ensuring that payroll is managed by the ministry. LOTFA phase VII has been temporarily approved for the six-month inception until June 2015. This deadline is not considered realistic for a full transition, but currently donors are in negotiations with the Afghan government on the way forward with LOTFA and the ANP. On 24 April, President Ghani outlined for donors his vision of how the three phase LOTFA transition plan should proceed to achieve the MOI's five stated developmental goals. This included an agreement for UNDP to retain its role through 2016 but with a decreasing role and overhead payments.

The long-term implementation mechanism for this engagement will not become clear until later in 2015. Donors have made clear that they "require a multilateral trust fund, managed by an internationally renowned organisation with a proven track record." As a small player, Denmark's approach is to support the major powers who are leading the negotiations with the Afghan government (US, Germany, UK, EU, Japan and Italy). In any case, the favoured Danish option is to have the EU in Kabul take on the role of financial and administrative management of this engagement. The EU has agreed to take on this delegated cooperation agreement.

3.3.2. Sustaining Military Effectiveness in Afghanistan

The purpose of funding under this PSED is to sustain the ANA, through the ANA Trust Fund (ANA-TF). The theory of change for this engagement is that if Denmark funds the ANA-TF, then the ANA-TF will be able to fund infrastructure, operations and maintenance activities for the ANA, thereby enabling the ANA to sustain security operations, to weaken the insurgency and set the conditions for peace and reconciliation.

The rationale for this engagement is that the ANA plays a central role in the stabilisation of Afghanistan, and hence the wider region. The ANA has proved itself able over the last year of ISAF drawdown to hold its own against the Taliban and other insurgent groups and is growing in capability even in the face of high rates of attrition. International financial support for the sustainment of the ANA is critical since, despite a plan for a gradual move to Afghan funding of the ANSF, the ANA is massively reliant on international finances.

Denmark's commitment to support the ANA was affirmed at the Chicago Summit in 2012 and renewed at the Wales NATO Summit in September 2014. Danish commitments to support the ANA

are an important element in the success of the 2015-2024 Decade of Transformation, to which Afghanistan's international partners recommitted at the December 2014 London conference.

This engagement will be implemented by the NATO ANA-TF Office (NATFO). NATFO's implementing arm is the US Department of Defence's CSTC-A, reporting to Resolute Support. For 2015, the leadership of the ANA-TF has pledged to move to a more proactive and strategic approach through the adoption of an implementation plan that prioritises and sequences ANA requirements.

Furthermore, in line with the London conference's commitment to a gradual shift of ownership to the Afghan government, NATFO is programming a modest portion of on-budget support for the MOD in 2015, with plans to increase the proportion of on-budget support in coming years as and when the MOD meets the required fiduciary control conditions.

3.3.3. Countering the IED Threat

The purpose of funding under this PSED is to support the development of the ability of Pakistan's military and civil security forces to counter the threat from IEDs (Improvised Explosive Devices). The aim of this engagement is to build more capable Pakistani security forces to make them better able to stabilise Pakistan in the face of a significant terrorist threat and to protect the civilian population. The theory of change for this engagement is that: If Pakistani C-IED operators are provided with training and equipment, through Pakistan's Centre of Excellence for C-IED, then the capacity of Pakistan's security forces to protect its citizens from attacks with Improvised Explosive Devices will increase. The assumption is that the improved capacity can and will be used to protect the civilian population, help to counter insurgents, and build trust in the Pakistani government, so stabilising the region.

Pakistan faces a severe threat from insurgency and terrorism which has seriously destabilised the country; suicide bombers and IEDs have formed a significant proportion of this threat. In 2014, IEDs constituted 43% (516) of all terrorist attacks. IEDs have targeted civilians and security forces across the country in terrorist and mass casualty attacks. During Pakistani military clearing operations in FATA, it is reported that insurgents have been proficient in extensive use of IEDs to delay military advances.

Although the Pakistani military is in many ways capable, it has lacked the ability to deal effectively with IEDs. The UK has been building Pakistani capacity in this area since 2006, with Danish assistance in the previous phase of PSP Af-Pak. According to the UK, significant progress has been made in building Pakistani military capabilities. By the end of March 2015, the programme will have trained some 400 Pakistani personnel.

Senior Pakistani officers have stated publicly that the UK, and by implication the Danish, assistance has measurably reduced military casualties. Pakistan's Chief of Military Operations reportedly told UK counterparts that the C-IED capacity building had helped the army achieve zero casualties from IEDs in its recent North Waziristan operation and stated that "the UK C-IED programme has saved the lives of our soldiers".

The next phase of UK support (Operation Hallex) will start in the new UK financial year (after 1 April 2015). The UK hopes to have £1.5m for the year to fund twice yearly courses, provided through 16 week deployments by UK Military Support Teams (MST). The MSTs will conduct training in IED

disposal, IED search, dog handling and exploitation. The UK also aims to develop Pakistan's Attack the Network capability by mentoring Pakistan's Joint IED staff. Other UK activities will include an annual C-IED forum and visits by senior Pakistani officials to the UK and of British officers to Pakistan.

As well as building Pakistani military capability in the areas mentioned above, the UK intends its future programme to focus more on building the capacity of civilian C-IED teams to defeat the device since these are often heavily under-resourced and yet are often on the front-line in protecting the civilian population.

This engagement will be implemented by the UK military Capacity Building Augmentation Team (CBAT), based in British High Commission Islamabad, providing support to the Pakistan Army's Military Engineering Institute at Risalpur. The engagement will comprise a delegated partnership in which Danish funds are contributed to the UK and used to implement the work plan agreed with the Pakistani authorities.

3.3.4. Strengthening the Rule of Law and Border Management in Pakistan

The purpose of this engagement is to improve legislative frameworks, technical capacities and cross-border cooperation that support security and justice institutions to uphold the rule of law and counter cross-border threats in Pakistan. This directly implements the HRBA in improving civilian protection and increasing accountability of government institutions that are key to peace and stabilisation.

The Afghanistan-Pakistan border is over 2,400 km long, with two formal crossings in the tribal areas and one in Balochistan. Managing it effectively is a critical issue for both countries' economic development and security. The major drivers of instability that are unaddressed by poor border management can be summarised as drugs; movement of militants and weapons; and rampant general smuggling.

In the justice sector, systems in Pakistan are diverse and range from informal dispute resolution to formal adjudication based on common law principles to military courts. Institutions implementing these systems are critical to maintain the rule of law, free and fair trials, provide access to justice for citizens and ensure that trust is developed between the state and its citizens. They are a potential force for stabilisation in Pakistan, but also a source of conflict and instability where they fail. Even when individual officials have the capacity to deliver, the political context and legislative frameworks in which they work can inhibit them from performing.

There are few options available to PSP Af-Pak II to support more effective border management in Pakistan. There are large-scale, military-driven programmes, such as from the USA. There are also numerous policing, governance and civil society efforts that occur in border areas, without assisting directly the agencies managing the border. Denmark has previously funded UNODC towards Outcome 3 of its Country Programme for Pakistan, which is targeted towards illicit trafficking and border management. In policing and prosecutions, there are major donor-funded programmes, including large-scale bilateral efforts, such as from the UK and European Union. They also include small-scale, NGO-led projects. Denmark has experience supporting UNODC's Country Programme for Pakistan in policing and its associated work on prisons.

The rationale for continuing support is that UNODC provides a vehicle by which Danish resources can reform criminal legislative frameworks, improve the effectiveness of law enforcement and judicial actors, and develop technical capacities in border management agencies, with the intention that these changes will disrupt actors hostile to peace and stability, and increase citizen-government cooperation on threats to peace and stability. Improvements to these institutions will advance Denmark's interests in promoting human rights in Pakistan. Recognising that institutions in the security and justice sectors continue to be dominated by men, UNODC's results monitoring reflects an interest in disaggregating progress by gender.

The objective of this engagement is to improve the legislative frameworks, institutional capacities and cross-border cooperation that support Pakistan's security and justice institutions to uphold the rule of law. The engagement theory of change is that, if UNODC supports reform of criminal law and provides knowledge, training, equipment and advice to police, prosecutors, judges and border management agencies, as well as facilitates collaboration with Afghanistan, then they will be more effective in protecting the public against crime and terrorism. The theory assumes that officials in rule of law institutions will be constrained by their political context but will become more capable of seizing opportunities to implement their technical mandates within that context. It also assumes that, in the long term, more capable officials and more effective legislative frameworks make it easier for progressive political leaders to deliver effective governance and to develop more positive perceptions of what is possible and necessary in securing the border areas and cooperating bilaterally.

The UNODC evaluation, the UNODC team in Pakistan and Danish observations in the past³ have noted a general weakness in UNODC's monitoring and evaluation system when it comes to outcome-level measurement. UNODC is good at tracking activities but has unclear methods and justifications for its influence on results at the strategic level. Danish monitoring and dialogue with UNODC will stress an interest in the systems and methods that UNODC is developing to assess change at the outcome level.

Denmark is concerned about the risk of the death penalty applying to individuals that are arrested and prosecuted by agencies supported through this engagement. RDE Islamabad will assess this risk bi-annually as part of the programme risk review and will expect UNODC to provide an update of its dialogue with the government on this issue. Funding may be withdrawn or re-focused on the basis of results from these monitoring processes.

This engagement will be implemented by an agreement between RDE Islamabad and the UNODC Country Office for Pakistan, earmarking the Danish contribution to border management, police and prosecutions. UNODC's current Country Programme ends in December 2015. A programme beyond that will be developed during 2015 and subject to a desk appraisal in order to finalise the engagement. RDE Islamabad will request that UNODC provide its Country Programme as soon as

³ Including the PSP Af-Pak review of 2013.

possible, then adapt the PSED to incorporate baselines and reflect expected results. It is likely that the UNODC Country Programme will become available in October, after which the engagement documentation can be finalised by MFA ALO and a contribution agreement prepared by UNODC, for signature by RDE Islamabad. If the UNODC Country Programme is still moving through the approval process with the Pakistani authorities, then all documentation shall reflect that the Danish contribution is contingent on Pakistan's approval of the UNODC programme. If this occurs smoothly, the first disbursement would be scheduled for quarter 1 of 2016.

3.3.5. Cooperating with Pakistan to Protect Civilians from Maritime Threats

The purpose of this engagement is to improve Danish-Pakistani cooperation that addresses maritime threats to Pakistan stability and security. The threats are chosen because they are acute, under-addressed and match relevant Danish expertise. This links to the PSP Af-Pak II objective of developing more effective and accountable security sector institutions. It also connects with regional threats and other engagements that foster defence-defence relationships for political and operational benefits.

Pakistan faces multiple threats in its maritime domain. These range from drug smuggling through illegal fishing to maritime pollution. The two institutions that have responsibility for Pakistan's maritime security are the Pakistan Navy and the Pakistan Maritime Security Agency (PMSA). Danish Defence has explored a relationship with PMSA in the previous regional programme, which has involved visits in both directions and a request for assistance from the PMSA. The most promising capacities to focus on are PMSA's responsibilities for counter-narcotics; countering threats to the marine environment and economic resources; and search and rescue. These areas are complementary to PSP Af-Pak II engagements on land. Beyond the Afghanistan-Pakistan region, there are potential synergies to explore in the broader PSF. Notably, the PSF has supported a number of engagements in the Horn of Africa with experts in maritime strategy and maritime domain awareness, working on the other side of the Indian Ocean from the PMSA. It is likely that the engagement with the PMSA – and PSF's value-for-money – could benefit from including in Karachi this expertise on offshore policing and maritime domain awareness.

The objective of this engagement is to develop a cooperative, capacity-building relationship with a Pakistani defence organisation requiring Danish expertise to fulfil its mandates in law enforcement and civil protection. There will be three activity areas under this engagement. First, the Royal Danish Navy will provide training courses and advice to PMSA senior staff in relation to skills concerning environmental protection and search and rescue. Training that involves operational contact with civilians will include attention to human rights issues. Should early courses proceed well, the engagement will develop a stream of work to integrate improved training and operational methods into PMSA training curricula and standard operating procedures. Second, the engagement will provide for PMSA personnel to participate in the search and rescue exercise BALTEX. The purpose is for PMSA officers to gain knowledge and experience, both in terms of planning exercises, practical operations and in terms of approaches to simulation, exercises and learning on this topic. Third, there is likely to be a role for delivering specialist equipment. There is no specific inventory of expected deliveries at present; developing this list collaboratively and as part of a needs assessment through early activities is considered the best approach to specifying what may be provided.

The engagement theory of change is that if Denmark provides specialist training and advice, along with small-scale equipment, then a relationship will develop with PMSA based on improving its performance as a security institution and civil protection agency, which will reduce threats and thereby contribute to greater legitimacy for the state and support stability. Defence Command Denmark is the engagement manager, supported by RDE Islamabad. This engagement will be implemented by the Royal Danish Navy on behalf of the Ministry of Defence in Copenhagen. Local coordination will be facilitated and supported by RDE Islamabad and a view to involvement by the Defence Attaché for the purpose of developing Denmark's relationship with the PMSA.

3.3.6. Increasing Accountability and Capability through Afghan Military Education

The purpose of this engagement is to contribute to the development of officers' knowledge and skills in the ANA. The focus of activities is chosen because they are meaningful to contribute with limited Danish resources, complement the activities of other donors, build on existing relationships and are needs identified in Afghan officer training. The ANA has come a long way in its institutional development, particularly given that the process is occurring in the middle of a conflict. The ANA is operating with close to the planned number of troops and has proven itself capable of holding the line against insurgent campaigns. It is unlikely that military force will be able to resolve the conflict, so the ANA's military effectiveness must be complemented by efforts to ensure its operations support peaceful and stabilising political dynamics. This includes a need to ensure that ANA officers understand the broader context of military force in Afghanistan and the region; respect international humanitarian law and protect civilians; and integrate human rights concerns into tactics and operations.

Discussion with the UK and review of their plans for the ANA Officer Academy (ANAOA) has identified three areas for support. First, there is minimal content and expertise in delivering human rights training among the ANA trainer cadre. The Afghan Independent Human Rights Commission (AIHRC) has run some limited courses at the ANAOA and would like to expand the number and depth of training in issues such as civilian protection and international humanitarian law. The UK has also identified this as an area in which further support would be beneficial. Denmark's cooperation with the AIHRC through the Afghanistan Country Programme has demonstrated that the AIHRC has the capacity to deliver training. This relationship has also allowed Denmark to support AIHRC in monitoring detainees of military operations, including those handed over by Danish forces in the past.

Second, ANA officer education is currently dependent on a minimal library and a curriculum constrained by the lack of materials in Dari and Pashto that draw from international standards. Among other consequences, this appears to reinforce a low level of knowledge by officers of Afghan military history, a lack of alternative perspectives on conflict in international relations, and a narrow understanding of the role of military force. The library building available in the ANAOA is excellent, but there is not yet a plan to stock it with resources in local languages.

Third, the development of female cadet facilities proceeded well in the previous regional programme and the process has identified the potential for additional, small-scale support. There is a focus on improving the living and studying environment for female cadets, including as part of an effort to encourage parents to permit enrolment and to give female officers niche skills that male superiors may value. Equipment and expenditure needs are small relative to the PSP Af-Pak II

budget, but will be a niche contribution to advance Denmark's interest in empowering female officers and cooperating with the UK, while at the same time building on existing relationships.

The objective of this engagement is to improve military education at the ANAOA by contributing materials, facilities and expertise that advance Danish interests in human rights, gender and the use of force. The engagement theory of change is that if training, facilities and equipment, including books, are provided to ANAOA officer cadets, then the future officers will improve their understanding of the political and historical context for military operations, the role of human rights in military operations, and the ANA will be both more effective and contribute more positively to building trust between citizens and the government and with regional countries.

This engagement will be implemented in two parts, by the UK through delegated partnership and by the AIHRC through a contribution agreement. The engagement will comprise a delegated partnership in which Danish funds are contributed to the UK and used to implement the facilities refurbishment and procurement of library materials. The Defence Attaché at RDE Kabul will sign a contribution agreement with the AIHRC, which will take responsibility for providing trainers and liaising with the ANA.

4. Thematic Programme B: Reconciliation and Trust-Building

4.1. Objective

The objective of Thematic Programme B is to enhance the environment for political solutions in Afghanistan and Pakistan and reduce tensions between actors in the region, which contributes to regional stability. The context analysis indicates that between 2015 and 2017 there may be a prospect of making progress on reconciliation and peace negotiations between the Afghan government and the Taliban, while there are also prospects for increasing trust between Pakistan and Afghanistan, even between the traditionally hostile and sceptical security establishments. Hence, the engagements under this programme have been chosen to reinforce these potential drivers of stability. Previous phase activities which included less focused track 2 regional dialogues with vaguer, longer-term aspirations have been deprioritised.

At the same time, some of the engagements under Thematic Programme A, including support to the ANA Officers Academy and support to UNODC on Afghan-Pakistan border cooperation, have been chosen to complement Thematic Programme B. Building relations between border security officials and encouraging young Afghan officers to study and think more widely about their regional role should help to support the higher level trust-building processes envisaged under Thematic Programme B.

It is at present not clear how the new Afghan government will organise reconciliation initiatives. Therefore, no engagement has been proposed, but there is made room within the unallocated budget for exploring possible options.

Table 5 shows the results expected for the thematic programme at impact level. Annex E provides further detail on programme results to the outcome level.

Table 5: Thematic Programme B results at impact level

Thematic Programme	B. Reconciliation and trust-building
Thematic Programme Objective	To reduce tensions between actors in the region, which contributes to regional stability
Impact Indicator 1B	Qualitative improvement in perceptions among Afghan and Pakistani participants in regional trust-building engagements
Impact Indicator 2B	Number of Afghan and Pakistani serving security personnel engaged in Danish supported joint education or training initiatives

4.2. Theory of Change

A provisional framework of results is shown in each PSED. Table 6 below summarises the theory of change informing the design of Thematic Programme B: its purpose is to show the key assumptions, processes of change and impacts.

The theory of change for the present engagement under this thematic programme is that, if educational and training activities are undertaken with the Pakistani National Defence University and other military branches, then the possibilities for an opened dialogue is created between between Danish, Pakistani and Afghan security experts, leading to increased possibilities for better understanding and trust among the actors and hence to reduced regional tensions and to greater regional stability.

Table 6: Thematic Programme B theory of change

Assumption 1	Dialogue and educational exchanges between Pakistan and Afghanistan will reduce tensions between the countries
Assumption 2	Dialogue between the Afghan government and the Taliban will contribute to substantive peace negotiations
Assumption 3	That the actors will be interested and willing to participate in a regional dialogue. The Pakistan government and the Pakistani Army make a strategic choice to engage positively with the Afghan government and so to encourage and support dialogue and trust-building processes
Inputs	<ul style="list-style-type: none"> Funds to cover meetings, events, travel, for workshops, conferences and exchanges Intellectual and personnel input from RDDC and RDEs Kabul and Islamabad Public diplomacy and political engagement from RDE Kabul, RDE Islamabad and Copenhagen
Short term changes	<ul style="list-style-type: none"> Denmark builds a trusted relationship with the Pakistani NDU that ensures continued Pakistani Army support for further engagement
Medium term changes	<ul style="list-style-type: none"> Afghan government-Taliban negotiations that make tangible progress towards a reduction in violence Tangible progress on provincial and local level reconciliation within Afghanistan Institutionalised dialogues with Pakistani, Afghan defence universities and regional academic partners that provide safe and trusted spaces for trust-building dialogue Denmark a trusted partner of the Pakistani military establishment
Long term, lasting changes	<ul style="list-style-type: none"> An ongoing peace process in Afghanistan that supports a political settlement, a reduction in violence and in the size of the Afghan security establishment, and enables development

- | | |
|--|---|
| | <ul style="list-style-type: none">• Relations between Afghan and Pakistani security establishments cooperative, so underpinning increased stability in both countries and opening opportunities for wider regional political and economic cooperation |
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4.3. Summary of Engagements

4.3.1. Promoting Regional Dialogue and Trust-Building

The purpose of funding under this PSED is to enable Denmark to build trust with the Pakistani, and Afghan, militaries, build relations with the next generation of military officers and to promote trust-building activities, such as conferences, exercises and exchanges, in order to contribute to regional stability. The theory of change for this engagement is that: If security actors in Pakistan and Afghanistan can be engaged on academic discussions of regional security issues and on professional military topics via exchanges and exercises, by Danish security officials and other opinion formers, then trust will be built between the two countries which will help to reduce tensions and increase the prospects for regional stability.

The rationale for this engagement is that a lack of trust between regional security actors undermines progress towards regional stability. To date, Denmark has had limited access to the closed military establishment in Pakistan. By opening up Danish access through the quasi-academic National Defence University or other Pakistani military institution this engagement will enable Denmark to support a programme of conferences, seminars, studies, exercises and exchanges of students and personnel that will improve communication between Afghan and Pakistani security agencies and so help to build trust and confidence.

An additional rationale for this engagement is to strengthen bilateral ties between Denmark and the Pakistani military. This long-term relationship building generates situational awareness that the Danish government can use to help prevent and respond to future crises.

Under the previous phase of the PSP programme, Denmark supported a range of track 2 initiatives with the aim of promoting regional dialogue and stability. In this phase, there is an opportunity to achieve tangible results by building on the growing Danish ties with security actors in Afghanistan and Pakistan and the new book in Afghan and Pakistan relations that has opened in recent months.

Using events (conferences, exercises, and exchanges) is a tried and tested method to build trust among suspicious adversaries. In the Afghan-Pakistan context it is a particularly appropriate tool since the populations and security establishments of both countries are suspicious of one another. Anecdotal evidence is that Pakistani security sector leaders in particular have a limited understanding of conditions in Afghanistan. On the Afghan side, meanwhile, security sector leaders often regard the Pakistani military as an active enemy.

As well as learning these lessons, this engagement builds on the early momentum generated, and hence owned, by the authorities in both countries. There is already an active military and intelligence dialogue on counter-terrorism and Afghanistan has sent a first batch of six officer cadets to the Pakistan military academy. The ANA's head of training is visiting Pakistan in February 2015 to explore other training opportunities.

This engagement will be overseen by RDE Islamabad, with support from RDE Kabul. Individual projects within the engagement may be managed by MoD agencies such as the RDDC or an

individual service, depending on the exact nature of the project. In general, though, Royal Danish Defence College will assist with implementation and RDE Islamabad will commission support from partners such as Pakistani or Afghan universities or think-tanks as required. This engagement will only make use of international academic, think-tank, NGOs or private sector partners if they bring unique added value in a regional context. To this end, RDE Islamabad and MFA will request and examine proposals from Ottawa University for further support; these will only be supported if they provide tangible added value to work with regional academic and think-tank partners.

5. Programme Management

PSP Af-Pak II will be implemented in accordance with the PSF Guidelines. There are numerous Danish stakeholders in the programme and the aim of the division of labour among stakeholders is to integrate programme activities into local work-flows as much as possible and to maintain flexibility and accountability. At programme launch, the PSP Af-Pak II consists of seven engagements with implementing modalities that include multilateral trust funds, grants to international organisations and local NGOs, delegations to donor partners and direct support for small-scale activities providing advice and convening opportunities. The responsibility for managing each engagement is listed in Annex A, which will be updated if engagements or staffing availability change.

The **programme owners** are ALO and MoD. To be sure that management is not falling between chairs it has been agreed that the programme will be anchored in the regional department in MFA, ALO, alone. This responsibility will, however, be conducted in close coordination with MoD. ALO is responsible for driving the programming cycle. This includes preparation of this Programme Document, its presentation to the Steering Committee, for obtaining the ministers approval as well as initiating reviews, and is responsible for completion of the programme, including for collecting lessons learnt that will be fed into a potential next cycle of preparation of a stabilisation programme.

Likewise, ALO has overall ownership of **unallocated funds**, including any funds derived from necessary adjustments to or cancellations of planned engagements. Allocation of these funds will be undertaken in consultation and coordination with the MoD and relevant units. It will be the responsibility of the unit of the relevant engagement manager to prepare **new engagements** and finalise approved PSEDs and contracts with implementing agencies.

ALO will appoint a designated Programme Coordinator. The programme coordinator has the responsibility for compiling and consolidating reporting, producing the semi-annual report on progress – as well as any ad hoc reporting required, monitoring the budgetary status and following up on challenges that materialise. Further, the programme coordinator calls and directs the quarterly virtual meeting between all relevant units.

Engagement managers: Responsibility for managing the individual Peace and Stabilisation engagements vary. As a general rule, MoFA financed engagements relating to Pakistan are decentralised to the representation in Islamabad, while those pertaining to Afghanistan are managed by ALO - except for the engagement “Sustaining Police Capacity in Afghanistan” (LOTFA).

For the engagement “Sustaining Police Capacity in Afghanistan” (LOTFA), a delegated cooperation agreement is expected to be signed with the EU. Given this agreement, the embassy in Kabul will be

responsible for the financial management and strategic oversight of the LOTFA programme, through dialogue with the EU LOTFA manager and participation in central and strategic donor meetings, as well as LOTFA Project Board meetings. As per Nordic Plus guidelines for delegated cooperation, the embassy will in other respects remain “silent” and will rely on the EU for day-to-day administration as well as all monitoring and reporting on the programme. Likewise, the EU will contribute to technical level working groups on Denmark’s behalf.

For MoD financed activities, the MoD agencies are responsible for the management of Peace and Stabilisation engagements but this responsibility can be delegated to posted staff (including advisors). The division of labour and responsibility is described for each engagement in the respective PSED. For each engagement a desk officer of the responsible unit (representations/departments/agencies) must be designated to manage it. Once the appropriation has been approved the engagement manager is principally responsible for all aspects of management, financial management and reporting. The reporting is to be delivered to ALO (via MoD for MoD financed engagements) on a semi-annual basis. The format for this will be developed in cooperation with the consultant hired by the PSF-secretariat with the task of enhancing and streamlining the monitoring and reporting process – see chapter 5.1.

RDE Islamabad employs a local stabilisation advisor is contracted to provide technical assistance to partners and assist in administrating the programme. The advisor will report to the head of embassy. Terms of reference are enclosed in Annex D.

Preparation of new engagements will be undertaken by the unit of the relevant engagement manager. This is in particular relevant in regard to preparation of new engagements under the “unallocated” budget line, and for finalising already approved PSEDs and contracts with implementing agencies under those. ALO will handle the process of presentation of new engagements to the Steering Committee.

5.1. Monitoring and Reporting

5.1.1. Reporting responsibilities

The PSP Af-Pak II monitoring and reporting system follows PSF Guidelines and incorporates lessons from earlier programming. A key constraint is that most engagements involve contributing to multi-donor arrangements with reporting timelines and formats determined without regard to PSF needs. The basic approach is therefore to have engagement managers in embassies, who will feed information to the MFA/ALO and MOD International Department programme owners in Copenhagen twice a year, based on the reports received from the organisations or bilateral/strategic partners supported.

As the programme is set up, the engagement managers will discuss reporting formats with partners to ensure that reporting requirements and formats are consistent and adhered to. If partner reports are received in a format that does not directly correspond to the results matrix in the engagement PSED or with PSF reporting guidelines overall (discussed further below), the engagement manager will have responsibility for adapting information to conform. The focus of these reports is on progress toward achieving thematic programme and programme objectives, lessons learned and adaptation needs, based on the results frameworks for each engagement.

Semi-annual reports in no way substitute for routine, ongoing monitoring by the programme owners but will enable them to better track progress against desired outputs and outcomes, both at the engagement and, importantly, at the thematic programme levels. These reports will also help keep headquarters informed of progress on achieving objectives, the use of resources and changes in the risk landscape. This reporting system will enable early intervention at the appropriate level. In particular, it will help political actors at embassies to engage in an effective and timely manner as required.

A quarterly meeting on a VTC basis called by ALO with participation of RDE Islamabad, RDE Kabul, MOD International Department and MFA (SSP and ALO) will follow up on any adjustments required in the programme. As required, MFA ALO (in collaboration with MOD International Department) will report twice a year to the Inter-Ministerial Steering Committee (IMSC) through the Whole of Government Secretariat.

5.1.2. Monitoring systems

MOD and MFA representatives in each embassy will hold annual consultations with partners. The purpose is to develop comprehensive dialogue and whole-of-government interaction between Denmark and partners with whom there is a major investment or broader political objectives. Examples may include discussion with the ANA-TF and with other donors monitoring UNODC. An inception review will take place in the middle of 2016, with its major purpose to adjust the present programme phase and to inform the decision on whether programming of a subsequent programme phase (2018-20) is relevant. The need for a final review will be assessed.

A major challenge across the PSF and evident in the PSP Af-Pak II theories of change is that the programme attempts to contribute to wide-ranging and long-term impacts. Attributing these impacts to the programme will be difficult, particularly because many engagements involve joining with other donors and Denmark is a relatively small contributor. The PSP Af-Pak II approach is to:

- Monitor the impact indicators specified under each thematic programme;
- Report on results at the engagement level, acknowledging dependence on implementing partners' own interest and capacity for assessing and attributing impacts;
- Maintain support for implementing partners to invest in outcome and impact monitoring.

The Inter-ministerial Steering Committee of the PSF has committed to allocating 3% of total PSF resources to additional monitoring and reporting in the 2015-2017 period. It is anticipated that the need for additional monitoring and reporting funds will vary across the PSF. The formulation process is aware that PSF may be applying resources to the design of a monitoring and reporting system overall.

In the Afghanistan-Pakistan region, there is a critical challenge in the small number of Danish personnel in RDE Kabul, who are also managing Denmark's largest development cooperation programme in a conflict zone with a new Afghan government formulating major approaches on issues affecting peace and stability. For comparison, several other donors have dedicated 1-2 diplomats to managing their commitment to LOTFA alone.

In order to manage the PSP Af-Pak II monitoring workload for 2015-2017 the formulation process has identified the option of delegating the major Danish contribution on policing in Afghanistan to

another donor such as the EU, using Nordic+ principles. These principles include an obligation on the lead donor to respond to risks in the funding. The delegated partner will be monitoring at the technical level of engagements along with reviewing substantive and financial reports. RDE Kabul will be engaged at the political/strategic level only.

5.1.3. Financial management

The PSP Af-Pak II's financial management arrangements will be in accordance with the provisions of the various interventions supported by its engagements. In line with the PSF Guidelines, these arrangements will be specified in contribution agreements and will reflect the principles and requirements of the programme's two funding sources. As the risk matrix in Annex C shows, there are some financial and fiduciary risks in the programme. If these risks become manifest, they should trigger consideration of steps such as initiating audits, reclaiming funds or adjusting work-plans with partners to reflect new feasibility and performance information.

Annex A: Monitoring and Reporting Responsibilities

Engagement	Engagement manager	Programme owner
Sustaining Military Effectiveness in Afghanistan –ANA-TF	Defence Command Denmark – through DA Kabul.	MoD
Sustaining Police Capacity in Afghanistan	RDE Kabul	ALO
Afghan Military Capability and Accountability – ANAOA	Defence Command Denmark – through DA Kabul.	MoD
Strengthening the Rule of Law and Border Management in Pakistan – UNODC	RDE Islamabad	ALO
Protecting Pakistan from Maritime Threats – PMSA	Defence Command Denmark – through DA Islamabad.	MoD
Countering the IED Threat in Pakistan	Defence Command Denmark – through DA Islamabad.	MoD
Promoting Regional Dialogue and Trust-building	DA Islamabad	MoD
Monitoring and Evaluation		
Task	Lead	Timing
Reporting and monitoring framework and process design	Whole of Government Secretariat (MFA ALO) (Defence Command Denmark – through DA Kabul/Islamabad)	By August 2015
Inception review	MFA Technical Advisory Services MFA ALO MOD International Department	Before December 2016
On-going monitoring	Engagement manager	Continuous
Semi-annual reporting on engagement	Engagement manager	Semi-annual
Quarterly reporting on embassy engagement portfolio	Embassy	Every quarter
Annual review meeting with partners	Embassy	December 2015 December 2016 December 2017
Consolidated reporting on programme	MFA ALO MOD International Department	Semi-annual
Consolidated financial reporting	Programme owners (ALO/MOD)	Every quarter
Terminal evaluation	MFA Evaluation Department	Early 2018

Annex B: Programme Budget (DKK million)

	2015		2016		2017		Total
	DAC	non-DAC	DAC	non-DAC	DAC	non-DAC	
Total budget	127,00	32,00	45,00	28,00	61,00	25,00	318,00
Thematic Programme A:							
Sustaining Military Effectiveness in Afghanistan –ANA-TF		20,00		20,00		20,00	60,00
Sustaining Police Capacity in Afghanistan - LOTFA	120,00		35,00		55,00		210,00
Afghan Military Capability and Accountability – ANAOA		0,75		0,75		0,50	2,00
Strengthening the Rule of Law and Border Management in Pakistan			4,00		4,00		8,00
Protecting Pakistan from Maritime Threats – PMSA		0,20		0,80		0,75	1,75
Countering the IED Threat in Pakistan		9,00		4,00		2,00	15,00
Sub-totals	120,00	29,95	39,00	25,55	59,00	23,25	296,75
Thematic Programme A total	149,95		64,55		82,25		297,00
Thematic Programme B:							
Promoting Regional Dialogue and Peacebuilding		1,25		1,25		1,25	3,75
Sub-totals	0,00	1,25	0,00	1,25	0,00	1,25	3,75
Thematic Programme B total	1,25		1,25		1,25		3,75
External LOTFA – EU monitoring and evaluation administration	6,50						6,50
Reviews, public diplomacy			1,00	0,50	0,00	0,50	2,00
Unallocated	0,50	0,80	5,00	0,70	2,00	0,00	17,00
Total (funding streams)	127,00	32,00	45,00	28,00	61,00	25,00	318,00
Total	159,00		73,00		86,00		318,00

Budget by country (DKK million)

	2015	2016	2017	Total	In %
Total	159,00	73,00	86,00	318,00	100,00
Afghanistan	140,75	55,75	75,50	272,00	85,53
Pakistan	10,45	10,05	8,00	28,50	8,96
Monitoring, reviews, public diplomacy	6,50	1,50	0,50	8,50	2,67
Unallocated	1,30	5,70	2,00	9,00	2,83

Annex C: Risk Management Matrix

Risk factor	Likelihood	Background	Impact	Background	Risk response if applicable / potential effect on development cooperation in context	Residual
Contextual Risks						
Insecurity impacts on partner effectiveness in implementation	Likely	High-intensity conflict occurring in some areas of Afghanistan and in areas of Pakistan. Generalised insecurity affecting most of Afghanistan and in major focal areas of Pakistani engagements.	Significant	This varies greatly by location but is most relevant to non-combat partners. Conflict interferes with operations and capacity for implementing partners to work directly (and monitor) beneficiary agencies and communities. More direct military and humanitarian-style cooperation can continue.	Embassies to advocate for partners to include transparent and specific reporting on how insecurity affects operations. Embassies to consider re-allocating money away from programmes made infeasible or inefficient by insecurity.	Major
Disintegration of Afghan Government undermines programme logic	Unlikely	The new government is afflicted by internal rivalries and external pressures. Conflict intensity is expected to increase in 2015, although the consensus assessment is that the central government will survive and be available for planning and implementing international assistance.	Significant	Programmes that are based on support to government institutions would likely be illogical.	Embassies to maintain political monitoring and reporting. Embassies to consider greater emphasis on activities that can achieve objectives through local, non-government actors. Embassies to cease disbursement and reclaim unspent funds. Consider shifting programme logic to one of stabilising the region through a focus on Pakistan.	Minor

Risk factor	Likelihood	Background	Impact	Background	Risk response if applicable / potential effect on development cooperation in context	Residual
Diversion of funds and benefits reduces impact	Likely	Diversion is a major issue in Afghanistan. Afghanistan is already seriously challenged by pervasive corruption. Political instability and a worsened security and safety situation would weaken public sector capacity and transparency and accountability mechanisms. It will also increase opportunities for the diversion of funds. An increase in on-budget support could have implications for rent-seeking and fraud.	Major	Diverted funds can be a source of conflict in several ways: (1) conflicts can be exacerbated through conflicts over diverted resources, (2) diverted funds can be used to support conflicts at the local level, and (3) diverted funds can be used to support groups such as the Taliban.	Embassies to delegate to strong partners' financial management systems. Embassies to commission external audit of Danish funding if severe allegations or evidence of diversion affect a partner. Embassies to request partners to reclaim funds and consider ceasing disbursement.	Major
Major terrorist attack on foreign civilians causes withdrawal of many civilians/agencies and increases security restrictions on implementation	Likely	Foreign agencies have strict security protocols in place, due to the context. An attack would need to occur on a high-profile foreign presence (embassy), which are the most difficult to attack.	Minor	International implementing partners and diplomats are already highly insulated from direct work on PSP Af-Pak II activities. A reduction in monitoring capacity would be a negative but not major impact on the programme.	Embassies and partners to re-assess feasibility and review work-plans. If partners become incapable, embassies to consider reclaiming funds and re-allocating within the programme.	Minor
Escalation of conflict involving local and foreign parties undermines political and practical space to implement	Unlikely	Until 2017 there may be continuing evidence of foreign parties supporting political factions and non-state armed groups, but this is unlikely to develop into more open, multi-party conflict.	Significant	Escalation of conflict will severely limit the legitimacy of the Afghan Government and will likely reduce prospects for cooperation with Pakistan. A sense that Afghanistan is becoming subject to more intense proxy conflict would undermine public confidence further and would increase the focus of Denmark on political and conflict issues.	Embassies to maintain political monitoring and reporting. Embassies to work with implementing partners to review work-plans and re-allocate budgets or priorities. Embassies to cease disbursement and reclaim unspent funds.	Minor

Risk factor	Likelihood	Background	Impact	Background	Risk response if applicable / potential effect on development cooperation in context	Residual
Afghan and Pakistan security force abuses impact on reputation of Danish engagement	Likely	Afghan and Pakistani security forces are likely to be accused of human rights abuses by i.e. international monitoring institutions, the media and NGOs	Major	If the Danish public and press see that Danish support is associated with abusive security forces who are violating human rights, then public support for Danish engagement is likely to reduce.	The proposed engagements include human rights training and monitoring. While not entirely mitigating these risks, it will be an argument for continuing the support. ALO, RDE Kabul and RDE Islamabad will prepare press lines in advance of any negative coverage.	Minor
Programmatic Risks						
Insecurity affects intended activities	Almost certain	Insecurity is an existing and persistent situation in several provinces of Afghanistan and in some activity areas in Pakistan. The situation is not static and is likely to continue to ebb and flow through the programme's life. The likelihood of declining security in Afghanistan is increased by the withdrawal of foreign enablers.	Minor	Several engagements are premised on supporting security forces to protect the population and to advance the governments' writ. Nevertheless, lack of access to areas has several consequences for international organisations and local NGOs, including (1) cessation of programming and redirection to other areas, (2) programming through remote management, leading to increased risk of diversion, (3) dangerous operations or poor operational standards, leading to reputational risk	Embassies monitor the security situation and share with partners where relevant. Programme contributes to broader trust funds aimed at having flexibility. Embassies support partners to cease programmes in highly insecure areas and allow flexibility to re-allocate funds.	Minor

Risk factor	Likelihood	Background	Impact	Background	Risk response if applicable / potential effect on development cooperation in context	Residual
Diversion of funds and benefits reduces impact	Almost certain	Corruption is pervasive and political instability increases opportunities for diversion.	Major	From a programmatic point of view, the most significant issues with diversion relate to the fact that only a portion of aid funds reach their destination, leading to more restricted programming than originally anticipated in PSP Af-Pak II.	Majority of funding directed to internationally supervised financial systems. Embassies to consider audits of Danish funds. Inception review reports on disbursement of funds according to programme targets. Embassies to request partners to reclaim funds and consider ceasing disbursement.	Major
Diversion of funds and benefits increases conflict	Unlikely	As above, but in relation to conflict, there are only a few areas in which PSP Af-Pak II resources may exacerbate tensions, primarily in policing and ANA operations.	Minor	Diverted funds can be a source of conflict in several ways: (1) conflicts can be exacerbated through conflicts over diverted resources, (2) diverted funds can be used to support conflicts at the local level, and (3) diverted funds can be used to support groups such as the Taliban.	Relevant partners to conduct activity or project-level conflict analysis and screening. Embassies to cease disbursement and reclaim unspent funds from partners.	Insignificant
A new Afghan administration, parliamentary elections in Afghanistan and civil-military tensions in Pakistan create heightened political uncertainty that reduces interest or availability of government partners to act on peace and stability issues	Unlikely	Vested political interests will secure a largely credible Afghan administration with an incentive to distribute ministerial and other positions that enable the government to function. However, there are likely to be active spoilers that if not managed will contribute to persistent political instability. Pakistan military is unlikely to seek a takeover and the government will maintain at least a minimum of functionality.	Major	Government instability has serious consequences for large-scale programmes with primary responsibilities in the government, particularly the ANSF, and which assume that governments can implement policies on a nationwide scale.	Embassies to monitor stability and report on threats to implementation. Embassies and partners assess costs of continued implementation vs. impact of programs and review work-plan/ fund allocation accordingly. Embassies to consider withdrawing funds from programmes that require central government management.	Minor

Risk factor	Likelihood	Background	Impact	Background	Risk response if applicable / potential effect on development cooperation in context	Residual
Reductions in other donors' interests in Afghanistan and Pakistan undermine political pressure towards programme objectives	Unlikely	Since commitments to Afghanistan in previous high-level conferences, major new conflict issues have arisen, notably in Syria, Iraq and Ukraine. Nevertheless, there appears to be momentum in donor commitments to Afghanistan at least until 2017.	Major	Significant declines in other donors' support to pooled funding initiatives would undermine their feasibility and reduce channels for Danish monitoring.	Embassies to monitor donor commitment and facilitate communication of feasibility and changing priorities	Insignificant
Conflict and associated donor support increases military strength and political dominance in Pakistan	Likely	Developments such as the expansion of jurisdiction by military courts indicate movement towards further control of security policy by the military.	Major	Although most engagements could continue in a practical sense, further militarisation of Pakistani politics would inhibit progress on creating accountable security institutions and undermine the prospects for effective democratic governance in the long term.	RDE Islamabad to maintain political monitoring and reporting. RDE Islamabad to work with implementing partners to review work-plans and re-allocated budgets if militarisation threatens engagement purposes.	Minor
Escalation of conflict involving local and foreign parties undermines political and practical space to implement	Unlikely	Until 2017 there may be continuing evidence of foreign parties supporting political factions and non-state armed groups, but this is unlikely to develop into more open, multi-party conflict.	Significant	Escalation of conflict will severely stress the Afghan Government's stability and will reduce opportunities to support Afghanistan-Pakistan cooperation.	Inclusion of activities that involve Denmark-Pakistan and Denmark-Afghanistan bilateral cooperation, which would likely be immune. Embassies to maintain political monitoring and reporting. Embassies to consider reclaiming funds from non-feasible activities and re-allocating.	Minor

Risk factor	Likelihood	Background	Impact	Background	Risk response if applicable / potential effect on development cooperation in context	Residual
Institutional Risks						
Partner staff and programmes affected by physical threats	Likely	This probability is highest in Afghanistan. Large and small-scale attacks on foreign-related targets are frequent.	Major	On top of the immediate physical and mental stress, these threats affect freedom to work and reduces institutional effectiveness at pursuing PSP Af-Pak II results. However, there are only a few internationally-led engagements in the programme, which would suffer the highest impact.	Embassies to accept cessation of activities when partners face imminent threats to life and limb. Embassies and partners to review feasibility of work-plans and ambitions. Embassies to consider re-allocating geographically or to other partners.	Minor
Diversion of funds and benefits reduces impact	Almost certain	Corruption is pervasive and political instability increases opportunities for diversion.	Major	Partner institutions and Denmark face reputational impacts from diversion and mismanagement. Institutions are corroded in their effectiveness by tolerance of misuse.	Partners to implement high-quality financial controls, audits and transparent reporting. Embassies to consider periodic external auditing of Danish funds. Inception review reports on disbursement of funds according to institutions' targets. Embassies to consider reclaiming funds and re-allocating.	Major

Risk factor	Likelihood	Background	Impact	Background	Risk response if applicable / potential effect on development cooperation in context	Residual
A new Afghan administration, 2015 parliamentary elections in Afghanistan and civil-military tensions in Pakistan create heightened political uncertainty that reduces interest or availability of government partners to act on peace and stability issues	Unlikely	Vested political interests will secure a largely credible Afghan administration with an incentive to distribute ministerial and other positions that enable the government to function. However, there are likely to be active spoilers that if not managed will contribute to persistent political instability. Pakistan military is unlikely to seek a takeover and the government will maintain at least a minimum of functionality.	Major	The impact varies by institution. NGO partners can largely continue. Those involved in supporting central government capacities – such as the ANSF – would likely become illogical.	Embassies to monitor stability and report on threats to implementation. Embassies and partners assess costs of continued implementation vs. impact of programs and review work-plan/ fund allocation accordingly. Embassies to consider withdrawing funds from programmes that require central government management.	Minor
Partner agencies perpetrate human rights violations	Likely	This is most possible in relation to military support and police support. There are rights violations at present and it appears unlikely that conflict and instability will increase enough to worsen this situation.	Significant	Directly undermines stabilisation objectives. Partner institutions and Denmark face reputational impacts.	Engagements include training to improve civilian protection and respect human rights. Embassies to support investigations and punishments for human rights violations. Consider withdrawing funds and re-allocating to institutions more capable of mitigating risks and promoting HRBA.	Major

Annex D: TOR for RDE Islamabad National Programme Officer

National Programme Officer – Danish Embassy Islamabad – Peace and Stabilisation Programme – 2015-2017

Denmark's Peace and Stabilisation Programme (PSP) for the Afghanistan-Pakistan region, 2015-2017 (PSP Af-Pak II) consists of two Thematic Programmes with a total budget of DKK 318 million:

- A. Security and Justice Sector Support
- B. Reconciliation and Trust-Building

The purpose of the programme is to contribute to the stabilisation of the Afghanistan-Pakistan region in order to support Danish interests in mitigating transnational threats, promoting regional stability and supporting development. Lack of security is one of the most important determinants of economic and human development, and countries affected by conflict and violence are the farthest from achieving the Millennium Development Goals (MDGs). Resonating with global concerns such as international security and crime and chronically low human development, fragile and conflict-affected areas have increasingly become a priority of Denmark and the international community.

PSP Af-Pak II will be implemented in accordance with the PSF Guidelines and currently consists of nine engagements anchored in two embassies, with implementing modalities that include multilateral trust funds, grants to international organisations and local NGOs, delegations to partner donors and direct support for small-scale activities providing advice and convening opportunities. The programme owners are ALO and MoD respectively. They will coordinate between them on reviews, financial management at the programme level, preparation of new engagements etc.

Regarding the national programme officer in Islamabad Danish MoD will pay 1/3 of their annual costs from the MoD PSP-funding, and MFA will pay 2/3 from external funding outside PSF for the period of the programme.

Main tasks:

Together with and referring to, the Danish defence attaché, the national programme officer will support the planning, implementation and follow-up of the Danish support to the Peace and Stabilisation Programme (PSP) through performing the following tasks:

1. Administration of the various projects including ensuring that all programme documents are correctly up-loaded and filed in the administrative systems;
2. Preparation of meetings with partners and donors including the with background information, current status, risk, spending situation, outstanding questions;
3. Participation in meeting with partners and donors including taking notes and preparing minutes;
4. Assist in the preparation of monthly updates on the development on the PSP;
5. Assist with drafting the communication of results from the PSP on Facebook and in other media;

6. Participate in monitoring visits to the organisations supported and draft minutes from the meetings;
7. Other tasks assigned.

Annex E: Programme Results at Outcome Level

Thematic Programme A. Security and Justice Sector Support	
Objective	To contribute to building capable and accountable institutions within the security and justice sector, so that the institutions protect the population, thus increasing trust in government, which contributes to sustaining stability
Impact Indicators	
1A	Effectiveness of ANA, including civilian protection, as assessed by Danish MOD, including with reference to US Department of Defense metrics in annual Afghan security force report to Congress
2A	Effectiveness of Afghanistan civilian security and justice institutions, as assessed by Danish MFA and MOD, including with reference to OCB reporting, reports from national and international civil society and existing public surveys
3A	Effectiveness of Pakistan civil and military institutions, as assessed by Danish MFA and MOD, including with reference to UK and US reporting, along with reports from multilateral organisations and national and international NGOs
4A	Citizen trust in Afghan and Pakistani security institutions, as assessed by MFA and based on reports from multilateral organisations and national and international NGOs
Engagement A.1. Sustaining Police Capacity in Afghanistan	
Objective	To sustain the Afghan National Police so that they can counter insurgents and terrorists and protect the Afghan public
Outcome	A.1.1. ANP/CPD on authorized tashkil paid within 15 days of Treasury authorization
Outcome indicator	# of ANP/CPD on authorized tashkil paid within 15 days of Treasury authorization
Engagement A.2. Sustaining Military Effectiveness in Afghanistan and Capacity in Afghanistan	
Objective	To provide financial sustainment to the ANA so that it remains capable of operating
Outcome	A.2.1. ANA Operations, Maintenance and Infrastructure requirements provided
Outcome indicator	Narrative reporting on how funds have been used
Engagement A.3. Countering the IED Threat	
Objective	To improve the capacity of Pakistan's security forces to protect its citizens from attacks with Improvised Explosive Devices
Outcome	A.3.1. Military and civil C-IED operators have improved skills and knowledge
Outcome indicator	Qualitative assessments by UK; qualitative assessments by Pakistani Army and civil agencies
Engagement A.4. Strengthening the Rule of Law and Border Management in Pakistan	
Objective	To improve the legislative frameworks, institutional capacities and cross-border cooperation that support Pakistan's security and justice institutions to uphold the rule of law
Outcome	A.4.1. Improved cooperation between Pakistan and Afghanistan border agencies
Outcome indicator	# BLOs fully staffed
Outcome indicator	# meetings between BLOs
Outcome indicator	# joint operations
Outcome	A.4.2. Border management and criminal justice officials' knowledge and skills enhanced
Outcome indicator	# police, prosecutors, judges and border management officers provided training, by gender

Outcome indicator	Change in trainee scores from pre- to post-test, by gender
Outcome indicator	Participant feedback on UNODC training courses, by gender
Outcome indicator	# resource tools/publications developed to improve police and prosecution services
Outcome indicator	Agency-specific learning gains under UNODC training courses
Outcome indicator	Location of border management agencies provided training assistance vis-à-vis districts/provinces vulnerable to illicit trafficking
Outcome	A.4.3. Improved legislative framework and operational rules to support inter-agency and international cooperation on criminal cases
Outcome indicator	Prosecution rules developed and implemented in provincial prosecution departments
Engagement	A.5. Cooperating with Pakistan to Protect Civilians from Maritime Threats
Objective	To develop a cooperative, capacity-building relationship with a Pakistani defence organisation requiring Danish expertise to fulfil its mandates in law enforcement and civil protection
Outcome	A.5.1. PMSA officers have improved skills in its specialised mandate areas
Outcome indicator	Development in trainee achievements and evaluations from courses and training activities
Outcome indicator	Operational capacity, as assessed by a Danish Defence review of procedures
Outcome	A.5.2. Improved institutional support for sustained capacity
Outcome indicator	Revised SOPs adopted
Outcome indicator	Revised training curriculum adopted
Engagement	A.6. Increasing Accountability and Capability through Afghan Military Education
Objective	To improve military education at the ANAOA by contributing materials, facilities and expertise that advance Danish interests in human rights, gender and the use of force
Outcome	A.6.1. Male and female officers at ANAOA have better support to develop knowledge and skills in relation to human rights and the context for military force in Afghanistan
Outcome indicator	Rating of AIHRC training by ANA officers and qualitative reporting on ANA senior staff attitudes to AIHRC training, disaggregated by gender
Outcome indicator	Volume of materials available to cadets through the ANAOA library
Outcome indicator	A.6.2. Female cadet rating of facilities, as reported by UK
Thematic Programme	B. Reconciliation and trust-building
Objective	To reduce tensions between actors in the region, which contributes to regional stability
Impact Indicators	
1B	Qualitative improvement in perceptions among Afghan and Pakistani participants in regional trust-building engagements
2B	Number of Afghan and Pakistani serving security personnel engaged in Danish supported joint education or training initiatives
Engagement	B.1. Promoting Regional Dialogue and Trust-building
Objective	To increase transparency within the region's closed security systems and build trust among the region's security actors

Outcome	B.1.1. Increased transparency within the Pakistani military
Outcome indicator	The quality of Danish engagements with senior Pakistani military leaders
Outcome	B.1.2. Increased trust among regional security actors
Outcome indicator	Qualitative improvement in perceptions among participants in the engagement
Outcome	B.1.3. Strengthened bilateral ties between Denmark and Pakistan
Outcome indicator	Qualitative improvement in in relations at the military and security levels