



**DEPUTY CHIEF OF STAFF SECURITY ASSISTANCE
COMBINED SECURITY TRANSITION COMMAND – AFGHANISTAN
KABUL, AFGHANISTAN
APO AE 09356**

13 December 2016

REPLY TO

ATTENTION OF

TO: North Atlantic Treaty Organization Afghan National Army Trust Fund In-Theater Board

SUBJECT: NATO ANA TRUST FUND IMPLEMENTATION PLAN 2017

INTRODUCTION

1. This memorandum holds the 2017 NATO ANA Trust Fund (ANATF) Implementation Plan for tabling and approval at the ANATF In-Theater Board meeting on 13 December 2016. This Implementation Plan has been updated with the revised business practices that were adopted by the ANATF In-Theater Board in the course of the past three years and represents proposed Donor Nations for the projects identified in Annex A to this document. This project Working Plan may be updated quarterly throughout 2017 for presentation and approval by the Donor Nations and Trust Fund Board at that time. The 2017 Implementation Plan will finance approximately \$384,907,788 (USD) worth of critical Afghan National Defense and Security Forces (ANDSF) sustainment requirements. This represents donations pledged for 2017 and the remainder of unused and/or outstanding pledges from 2016 and 2015. Approval of this document will be the authority for the execution of donor nations funds without further actions with those nations unless changes to the projects or changes to the allocation of donor nation funding becomes necessary; written national caveats will be honored according the desires of the donating nation.

BACKGROUND

2. The ANATF was originally set up by the North Atlantic Council (NAC) in 2006, initially to support the efforts to equip the Afghan National Army (ANA). In 2009, the role of the ANATF was expanded by the NAC to include long-term sustainment requirements and further expanded in 2011 to support long-term literacy, English language training and professional military education of ANDSF. In 2013, Donor Nations decided to adapt the ANATF in view of the 2012 Chicago Summit commitments to support ANDSF sustainment post-2014. The NAC agreed that ANDSF sustainment should be Afghan-led, be based on a comprehensive requirements plan, involve multiple funding streams, including the ANATF, and operate within a robust accountability framework. The Donor Nations acknowledged the need for close coordination between the different funding streams and with the Afghan government. Based on these initiatives, the ANATF is controlled by the Arrangements, Rules and Responsibilities agreed by the NAC with PO (2013) 0588, dated 28 November 2013, and by a Revised

Memorandum of Understanding (MOU), dated 17 June 2014, which provides organizational, fiscal and management arrangements and covers the roles and responsibilities of the U.S., NATO HQ and Supreme Headquarters Allied Powers Europe (SHAPE). An extract of the MOU describing these responsibilities is at Annex B, with the main divisions being:

- a. NATO HQ is responsible for fund raising, the ANATF website, and for mobilizing International Community support.
- b. SHAPE is responsible for financial management of the SHAPE Trust Fund Bank Account.
- c. The United States are responsible for management and execution of ANATF funds.
- d. Resolute Support Mission is responsible for coordinating capacity building, integrity building, and women's participation activities.

SCOPE OF THE TRUST FUND

3. The ANATF will, within its adapted arrangements, continue to focus on the Afghan National Army while maintaining the already existing flexibility, if necessary, for the use of the Trust Fund in support of literacy training, capacity and integrity building activities, as well as women's participation within the relevant Afghan Ministries and security institutions. Requirements are built into the consolidated ANDSF requirements plan developed by the Afghan Ministry of Defense/Interior (MoD/MoI), with the support and assistance of the Combined Security Transition Command-Afghanistan (CSTC-A). The ANATF will concentrate on those requirements that lend themselves to structural reporting, inventory control and auditing. Within these adopted arrangements, the execution of funds will adhere to written national caveats. Nations are to limit their caveats to broad categories of expenditure (see *Broad Funding Categories*). The United States confirmed at the ANATF Plenary session conducted in Brussels (May 16) that they would continue the management of the ANATF. The key elements of the adapted arrangements remain, including:

- a. The ANATF Implementation Plan.
- b. The 2014 Memorandum of Understanding.
- c. Reporting and accountability requirements.
- d. Auditing arrangements.
- e. The NATO ANATF Board.

4. **Donor Nation Pledges.** The ANATF Implementation Plan relies on the annual pledges provided by each country. This 2017 Implementation Plan relies on the 2012 Chicago summit pledges for 2017 and nation account balances held with SHAPE. All pledges were identified in US Dollars (USD). According to the 3 November 2015 update to the MOU, pledges given in Euro will remain in Euro until it is determined how the money will be executed, but all other donations should be given in USD, or will be converted to USD upon receipt.

THE IMPLEMENTATION PLAN

5. **ANATF's Planning and Implementation Processes.** The ANATF Implementation Plan is based on overarching ANDSF Requirements, supported by the CSTC-A 'J' Book, and developed by the Afghan MoD/MoI as endorsed annually by the Oversight and Coordination Body (OCB). The Implementation Plan takes these approved requirements and aims to satisfy them through ANATF projects and activities, linked clearly to Donor Nation contributions. In doing so, the Implementation Plan will include the ANATF's funding mechanisms (with financial flow details attached at Annex C), broad funding categories and a Working Plan listing the individual projects.

6. **2017 Working Plan.** The ANATF's 2017 Working Plan is attached at Annex A and includes a prioritized summary of projects with Donor Nation details at Appendix 1, Project Details in project sequential order at Appendix 2 and Donor Nation Financials in Appendix 3.

7. **Working Plan Updates.** The Working Plan is, by necessity, a dynamic document; potentially changing throughout the period, as individual projects are added, removed, adjusted or refined. New requirements will be actioned appropriately by the NATO ANA Trust Fund Office (NATFO) and, in consultation with the Co-chairs, submitted to the Trust Fund Board members for approval. On behalf of the Board, changes to the working plan may be submitted for consideration via silence procedures. The Co-chairs may seek Working Level guidance before asking the Board to consider projects under Silence Procedure (for example, for particularly complex or multi-year proposals). Should a Board member raise an objection during Silence Procedure, the project will be considered in a, possibly extraordinary, Board meeting. Communication with all stakeholders is critical, and is supported by a communications plan attached at Annex D.

8. **On/Off-budget activities.** The Implementation Plan identifies projects that will be implemented on-budget by the Afghan authorities as well as projects that will be implemented off-budget by CSTC-A authorities. Within these elements, the Implementation Plan includes projects covering capacity and integrity building within Afghan counterpart organizations, fostering the participation of women in the ANDSF, as well as providing for meeting the costs of managing the fund.

REPORTING AND ACCOUNTABILITY

9. **Reporting.** The Resolute Support Mission's (RSM) key to success in Afghanistan is transparency, accountability, and performance management. The three pillars supporting the transparency and accountability policy are the 1396 Commitment Letters (further details are at annex E), internal audits (attached at annex F) and external audits (attached at annex G). In support of the requirements for good governance, NATFO will provide the following reporting and accountability mechanisms for the ANATF:

- a. **Performance Report and Certified Financial Account Statement.** An Annual Performance Report and Certified Financial Account Statement at the end of the fiscal year. NATFO is to provide the Annual Report to stakeholders (as identified with the 2014 MOU, paragraph 7-1) by 15 March of each year.
- b. **Execution Reports.** Quarterly Execution Reports that provide updates on implementation, quarterly expenditures incurred, and results achieved during the respective quarter. Quarterly Execution Reports are due to NATO HQ 45 days following the end of the quarter and available to Donor Nations via the ANATF Website.
- c. **Auditing.** The ANATF is subject to auditing in accordance with Section 9 of the 2014 MOU. The intent of these audits is to provide the Donor Nations with confidence that their funds are spent in accordance with the 2014 MOU in an accountable and transparent manner. The auditing regimen is specified in annexes F and G, and includes DoDIG and IBAN audits as well as an ANATF procured audit by an independent public accountant, starting with the yearly review of FY2015 execution. All audit reports covering ANA TF management and implementation will be brought to the attention of, and be reviewed by, the ANA Trust Fund Board.
- d. **On-budget accountability.** Additionally, CSTC-A EF1 Auditor conducts audits of ANDSF on-budget requirements and execution. The intent of these audits is to provide Donor Nations with accountability reports including details on the status of funding, the disposition of the products and services provided to the Afghan Government.

10. **Dual Financing.** The Working Plan will be, by necessity, a dynamic document with amendments and cancelations to previously approved requirements included within the Plan. The Quarterly Working Plan updates will reflect the changes within the ANDSF operating environment and the evolution of the ANDSF towards a sustainable, effective, and affordable force. NATFO will continue to work towards minimizing any amendments and cancelations to

the Working Plan where possible. CSTC-A continues to acknowledge donors concern over this issue and has instituted internal procedures to reduce this governance risk associated with projects with multiple funding streams under execution by the ANATF. The 2017 Implementation Plan represents the most projects that can be executed with single funding streams and participation of the majority of the donor nations.

11. **2017 Broad Funding Categories.** Within the arrangements for the 2014 MOU, decisions on the execution of funds will adhere to written national caveats and specific procedures required to comply with each donor nation's domestic laws and regulations. Nations are to limit their caveats to broad categories of expenditure. In order to enable Donors to give direction to their contributions, the requirements to be funded by the Trust Fund have been grouped into six designated Broad Funding Categories. These Broad Funding Categories have been defined as follows:

- a. **C4ISR (Command & Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance).** Defined to enable funding for procurement, sustainment, operations and maintenance support for all communications, IT and aerial surveillance requirements provided to the ANA as well as maintenance and repair of night vision equipment. Requirements include supplies and support equipment necessary to support ANA communications and intelligence integration.
- b. **Infrastructure Sustainment.** Defined to enable funding for requirements to keep the ANA facilities in good working order, including Facilities Sustainment, Restoration and Modernization (SRM) and Maintenance. Also includes: day-to-day maintenance requirements, including operating power plants, waste water treatment, periodic maintenance inspections as well as measures that correct minor deficiencies and implements new or higher standards to accommodate a facility's new functions or mission. For all recurring maintenance requirements within this funding category, a detailed plan is to be included to ensure Afghan self-sufficiency into the future, for example, a 'train the trainer' or apprenticeship type plan.
- c. **Logistical Sustainment.** Defined to enable funding for ANA sustainment requirements, including but not limited to: clothing, individual equipment, medical supplies and consumable, medical vaccines and pharmaceuticals, replacement equipment, and operational sustainment. This category includes repair parts procured to support recurring maintenance conducted organically or through contract support. For all recurring maintenance requirements within this funding category, a detailed plan is to be included to ensure Afghan self-

sufficiency into the future, for example, a ‘train the trainer’ or apprenticeship type plan.

- d. **Training.** Defined to enable funding for professional military education at Afghan institutions and Mobile Training Teams, including individual training, unit collective training, as well as specialty training.
- e. **Other:** Defined to enable funding for requirements that are distinct or unique from the above categories, for emerging requirements driven by complex counter-insurgency operations and for requirements that support women’s participation in the ANA. In addition, the administrative cost of the NATO ANA Trust Fund Office is also included in this funding category. Forecasted administrative cost for 2017 includes but not limited to the following: External Audit, Commercial Phone/Internet/VTC services, Translation services, Banking Fees, Travel, and Consulting Fees.

PROJECT EXECUTION

12. In accordance with the MoU updated 17 June 2014, approval of this document will be the authority for the execution of donor nations funds without further actions with those nations unless changes to the projects or changes to the allocation of donor nation funding becomes necessary; written national caveats will be honored according the desires of the donating nation. All quarterly updates to the plan will seek donor nation and Trust Fund Board approval before implementation. NATFO will continue to provide transparent updates to the Trust Fund Board on actions using donor funds as approved by the donor nations.

Richard Fogg, Col, USAF
Director, CSTC-A CJ8

Annexes:

- A. 2017 Requirements Working Plan
- B. ANATF responsibilities – MOU Extract
- C. Financial Execution Process
- D. NATFO Communications Plan
- E. Commitment Letters
- F. Internal Audit Plan
- G. External Audit Plan

2017 REQUIREMENTS WORKING PLAN

1. The 2017 Implementation Plan anticipates NATFO will manage more than 37 projects and finance approximately \$384,907,788 (USD) worth of ANDSF critical sustainment requirements. Appendix 1 to this annex provides the NATFO Working Plan which shows the detailed breakdown of projects by priority including the Donor Nation and then in Appendix 2 by individual project and Appendix 3 includes Donor Nation financial details.

2. By category the projects are divided as follows:

a.	ANA Salaries and Incentive Pay:	nil funding in 2017
b.	C4ISR	\$50,951,880
c.	Infrastructure Sustainment.	\$116,089,116
d.	Logistical Sustainment.	\$91,376,809
e.	Medical	\$98,255,640
f.	Training.	\$27,340,343
g.	Other – Gender	\$894,000

3. Projects are reflected as currently planned and may be subject to adjustment or change in the course of their execution. Urgent and new project requirements might present themselves in the course of the year, as well as, project amendments in scope or cost or notification of cancelled projects. These changes will be made in consultation with the Co-chairs and be submitted to the In-Theater Trust Fund Board members either at ANATF meetings or via Silence Procedure as needed. After the successful completion of Silence Procedures, the Quarterly Working Plan will be considered approved by the board and, barring written national caveats, no further approval action will be sought during subsequent drawdown activities. The procurement process will be reviewed by NATFO periodically with the requirement holders.

Appendices:

1. 2017 Working Plan – Project Priorities
2. 2017 Working Plan – Project Details
3. 2017 Working Plan – Donor Nation Financials

**APPENDIX 1 TO
ANNEX A**

2017 WORKING PLAN - PROJECT LISTINGS

1. The following (Table A) is a prioritized summary list of the planned 2017 projects identifying donor country totals for each project:

TABLE A – IP Projects by Priority (All cost are USD\$)

Pri	Proj #	Project Title	Donor Country	Total
Top	215/S	Mi-17 Aircraft Overhaul/Heavy Repair, AAF	Australia	\$61,773,000
Top	228/S	Power Delivery Power Purchase Agreement (PDPPA)	Belgium	\$15,000,000
			Germany	\$35,000,000
			Netherlands	\$5,000,000
			Total 228/S	
1	219/S	ANDSF Medical Lab Reagents – NSPA	Czech Republic	\$750,000
			Luxembourg	\$3,000,000
			Norway (\$3,450,000 total)	\$2,010,000
	247/S	ANDSF Medical Lab Reagents – US DLA	Norway (\$3,450,000 total)	\$1,440,000
Total 219/S and 247/S				\$7,200,000
2	225/S	ANDSF Medical Pharmaceuticals – NSPA	Italy	\$20,160,000
	250/S	ANDSF Medical Pharmaceuticals – US DLA		\$5,040,000
Total 225/S and 250/S				\$25,200,000
3	221/S	Medical Consumables – NSPA	Italy	\$14,490,000
	248/S	Medical Consumables – US DLA		\$3,960,000
	249/B	Medical Consumables – GIRoA on budget		\$1,350,000
Total 221/S, 248/S and 249/B				\$19,800,000
4	222/S	Greengum/Greygum Sustainment Prgm (REDWING)	Australia	\$10,496,290
5	238/S	ANDSF Medical Equipment	Azerbaijan	\$441,220
			Georgia	\$677,500
			Montenegro	\$1,200,000
			Italy (\$9,181,280 total)	\$6,881,280
251/S	ANDSF Medical Equipment – US DLA	Italy (\$9,181,280 total)	\$2,300,000	
Total 238/S and 251/S				\$11,500,000
6	223/S	Medical Equipment Maintenance	Luxembourg	\$2,750,000
7	217/S	ANDSF Medical Vaccines – NSPA	Italy	\$24,000,000
	246/S	ANDSF Medical Vaccines – US DLA		\$6,000,000
Total 217/S and 246/S				\$30,000,000
8	218/S	Professional Scholarship Prgm for the Women in ANA	Finland	\$794,000
9	214/S	ANA/ANP Advanced English Learning Training	Canada	\$11,584,570
10	199/S	ANASOC Sch of Ex Commando & Air Force Lit Trng	Turkey	\$518,300
11	212/S	A-29 Light Air Support Pilot Training	Norway	\$9,600,000
12	213/S	C-208 BT/LL Maintainer and Pilot Training	Italy	\$4,500,000
13	207/S	Afghanistan Electrical Interconnect - Phase I	Germany	\$35,559,024
14	210/S	ANASOC School of Excellence Commando Phase Ia	Turkey	\$3,557,750
15	220/S	AKMB Individual Dismounted Cell phone Jammer	Australia	\$7,611,460
16	229/S	Wolfhound Training, Sustainment and Maintenance	Republic of Korea	\$2,320,320
17	226/S	Dari and Pashto Wolfhound reconfiguration	Turkey	\$1,794,700
18	227/S	C-IED/EOD Warrior Training Alliance (WTA) ANA/ANP	Italy	\$10,277,934
19	236/S	ANA Medical Air Transportable Treatment Units	Bulgaria	\$500,640
20	239/S	ANA/ANP National Intelligence Mgmt System (NIMS)	Luxembourg	\$5,438,000
21	224/S	ANA Facility Condition Assessment Services	Turkey	\$3,627,900
22	205/S	MFNDU Ph II Information Technology	TBD	\$5,003,238

23	206/S	MFNDU Ph II Facilities, Furnishings and Equipment	Turkey	\$6,896,300
24	237/S	ANDSF Medical Training Contracts	Portugal	\$1,305,000
25	241/S	ANAOA All-Weather Shelters	Turkey	\$1,049,094
26	216/S	Scan Eagle Training and Sustainment	Republic of Korea	\$35,017,590
27	235/S	Asphalt AAF Bases at Kandahar	Denmark	\$1,540,000
28	244/S	ANDSF Ombudsman	Italy	\$100,000
29	198/S	ANDSF Sr Ldrs Defense Enhanced Edu Program (DEEP)	Turkey	\$178,890
30	232/S	KMHS Bathroom/Shower restoration	Turkey	\$131,504
31	234/S	NMAA Outdoor sports facilities	Turkey	\$265,700
32	230/S	NMAA Gym equipment and supplies	Turkey	\$290,581
33	231/S	KMHS Computer lab modernization	Turkey	\$328,020
34	233/S	KMHS Artificial Turf construction	Turkey	\$273,400
35	208/S	National O&M	Republic of Korea	\$4,500,000
36	203/S	Organizational Individual Sports Clothing (OISC)	Estonia	\$291,450
			Hungary	\$400,000
			Latvia	\$500,000
			Lithuania	\$708,910
			Netherlands	\$2,765,640
			Slovakia	\$500,000
			Slovenia	\$500,000
			Total 203/S	\$5,666,000
37	209/S	AFMIS Training	TBD	\$958,583
Total of all 17X Projects				\$384,907,788
16X*	091/S	ANA/ANP Advanced English Learning Trng – increase	Australia (\$4,560,114 T)	\$422,366
16X*	121/S	Organizational Clothing & Individual Eqmt (OCIE) Total Allocated: \$43,500,000 This project will start execution once the 15X OCIE completes.	Australia	\$5,000,000
			Bulgaria	\$500,000
			Denmark	\$500,000
			Gerogia	\$500,000
			Germany	\$20,000,000
			Latvia	\$500,000
			Netherlands	\$3,330,000
			Norway	\$3,070,000
			Portugal	\$1,100,000
			Republic of Korea	\$5,500,000
			Slovakia	\$500,000
Turkey	\$3,000,000			
16X*	174/S	ANA and ANP Next Generation Symphony Replcmt	Italy	\$48,000,000
16X*	183/S	KNMH Gender Facilities Construction	AUS/GE/Nwy \$1.5M ea	\$4,500,000
16X*	194/S	KNMH Pediatrics and Women's Wellness Clinic	Italy	\$8,500,000
16X*	196/S	ANAOA Multi-purpose Sporting Facilities	Luxembourg	\$996,000
16X*	197/S	MFNDU Training Area Extension	Italy	\$5,631,046
16X*	200/S	AAF Fire Emergency Services Capability Restoration	Czech Republic	\$320,000
			Turkey – Mx add	\$300,000
16X*	201/S	CAPDIV New Laundry, Bath and Kitchen	Turkey	\$2,161,300
16X*	202/S	KMTC Range Area Shed Construction	Turkey	\$371,400
16X*	204/S	KMTC M-16 Shooting Simulator	Turkey	\$286,300
16X*	211/S	ANDSF Ballistic Range Equipment	Czech Republic	\$13,800
16X*	245/S	ADNSF Medical Vaccines – NSPA (split out from 184/S)	Australia	\$6,750,000
			Czech Republic	\$750,000
INT	148/S	ANA Trust Fund SME Contractor	TF INT	\$125,000
INT	149/S	NSPA Support Agreement Imbed	TF INT	€232,000

* Those projects identified as 16X are projects with 2016 money on them that will execute in 2017.

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