

# EUROPEAN EXTERNAL ACTION SERVICE



DELEGATION OF THE EUROPEAN UNION  
TO AFGHANISTAN  
OFFICE OF THE SPECIAL REPRESENTATIVE

Mr. Jan Kubis  
SRSG  
UNAMA  
Kabul

Kabul, 19 May 2012  
VU/mr/363/12

Dear Jan,

**Subject: Allegations of mismanagement in the Law and Order Trust Fund for Afghanistan**

I am writing, on behalf of the LOTFA donors listed below as represented by their diplomatic missions in Kabul, to follow up on the recent allegations of mismanagement within the Law and Order Trust Fund for Afghanistan (LOTFA), as reporting in recent editions of the Wall Street Journal.

First, I would like to thank you for the swift reaction by UNAMA and UNDP as regards these allegations, UNDP's prompt release to donors of the 2011 KPMG audit, and the close interaction you and your colleagues have maintained with donors in the past few days.

Second, I should inform you that a number of donors, including the European Union, have or are considering taking precautionary measures to ensure the integrity of the funds they provide or intend to provide to LOTFA pending full clarity on the issues currently under investigation. In this regard, it will be important for UNDP to make rapid progress in this regard, so as not to undermine continuity in support for the Afghan National Police through LOTFA.

Third, as concerns the immediate way forward, we would like to stress the crucial importance of maintaining close interaction with donors and other stakeholders. As regards specific measures, we strongly urge you to ensure effective follow-up as concerns the following key issues:

1. We stress the crucial importance of ensuring that all evidence is carefully preserved and protected;
2. We also stress the importance of fully guaranteeing the rights of any "whistleblowers";
3. We request to be fully informed of the outcomes of the ongoing investigation by UNDP's Independent Audit and Investigation Office. We appreciate that this investigation is confidential and will take some time to complete, but it will be important that key stakeholders remain fully informed of its progress and outcomes, within the framework

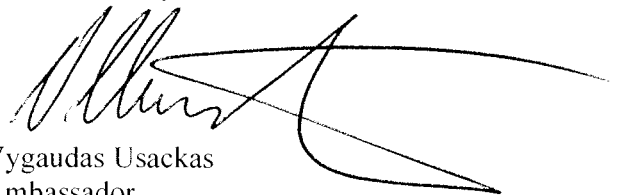
of agreed principles of confidentiality and protection of parties. We hope that a meeting between the investigation team and donors could be arranged.

4. We request an update on the outcomes of previous audits of LOTFA and the remedial actions taken.
5. We urge UNDP to fully and rapidly implement the recommendations and benchmarks set out by the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) in its report on its fourth mission (third set of benchmarks), including a risk assessment and risk mitigation plan.
6. We request that UNDP establish a monitoring plan for the payroll related functions, including a methodology for monitoring those payroll related functions that will be transferred to the Government of Afghanistan.

I would like to take this opportunity to inform you that the undersigned donors also intend to follow up on these matters with UNDP headquarters in New York in the coming days.

I thank you in advance for the careful attention and follow up I am sure you will give to these important issues, which will be crucial for ensuring that LOTFA can continue to play a key role in supporting the Government of Afghanistan in the coming period.

Yours sincerely,



Vygaudas Usackas  
Ambassador  
European Union Special Representative and  
Head of Delegation

Signed on behalf of:

The Embassy of Canada  
The Embassy of Denmark  
The Embassy of France  
The Embassy of Germany  
The Embassy of Japan  
The Embassy of The Netherlands  
The Embassy of Norway  
The Embassy of the United Kingdom  
The Embassy of the United States of America

*Cc.: Mr Michael Keating, Mr Alvaro Rodriguez*