



## ANNUAL PROJECT REPORT 2007

### United Nations Development Programme Afghanistan Accountability and Transparency (ACT) Project 01-01-2007 – 31-12-2007



**The opening of the Accountability and Transparency Office  
26<sup>th</sup> September 2007**

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<p><b>Project ID:</b> 00053687 <b>Duration:</b> 18 Months <b>Component (MYFF):</b> Democratic Governance <b>Total Budget:</b> USD 2,395,593 <b>Unfunded:</b> USD 247,922</p>
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## Executive summary

The UNDP Accountability and Transparency (ACT) Project was finalized and signed in January 2007. The project has three components: (1) improved institutional, legal and policy environment to support the implementation of anti-corruption policies and programs; (2) enhanced integrity and accountability in pilot ministries and aid management; and (3) increased awareness and understanding of corruption in Afghanistan.

During the reporting period, the project provided support to the Government, with a view to achieving the Compact Benchmarks and developing a broader anti-corruption strategy within the ANDS, and laying the foundation for strategic anti-corruption policies and programmes. As the majority of activities commenced in the second half of 2007, progress towards Country Programme Action Plan (CPAP) outcomes/outputs is difficult to assess. The ACT project is however expected to make an important contribution to achieving outcomes/outputs stated in the UNDP CPAP.

The project has reached a number of its expected outputs. A report on institutional arrangements with recommendations on how to improve existing institutional framework for fighting corruption was completed and submitted to the government for further consideration. The project is supporting the government with a complete review of the existing national legislation and regulations in comparison with the United Nations Convention against Corruption (UNCAC). In addition to providing capacity development support to the audit department in the Ministry of Finance (MOF), vulnerability to corruption assessments (VCAs) were carried out in the Administration and Budget departments of the Ministry of Finance, and a VCA is underway in the justice sector focusing on the covering Ministry of Justice (MOJ).

Despite the delay in start-up of the project, the majority of the activities planned for 2007 were completed or commenced. This will enable the project to achieve the results envisaged for 2008. The successful implementation of activities can, in large part, be attributed to the involvement of government counterparts during all stages of project implementation as well as the close partnership that has been developed with other donors and international organizations supporting the government in the fight against corruption. This has ensured that there is a common approach, and has avoided any overlap in the implementation of activities.

The main challenges to project implementation has been uncertainty regarding the political will on the part of the government to take concrete actions against corruption, as well as lack of clarity on institutional arrangements for combating corruption. The security situation has also posed a challenge in terms of difficulties in identifying and recruiting experts to undertake project activities.

The main lessons learned include: the importance of ensuring flexibility on project implementation in order to respond to the rapidly changing political and institutional situation; the necessity of ensuring knowledge management and codification to develop institutional memory; the need for planning of activities well in advance in order to prevent delays in project implementation; the benefit of involving government counterparts in all stages of project implementation; and the importance of broad partnerships amongst donors and international organizations to ensure a common approach and avoid overlap in implementation of activities. In order to strengthen project implementation in 2008, increased attention will be paid to developing partnerships with a broad base of government counterparts, as well as initiating planning at an early stage for project evaluation in order to ensure a smooth transition to the second phase of the project.

The annual progress report first provides the context of the project. This is followed by the performance review including progress review, implementation strategy review, and management effectiveness review. The project results summary provides an overview of activities implemented in 2007. The section on implementation challenges reviews project risks and issues and the actions taken to address these. This is followed by the section on lessons learned and an overview of financial status and utilization.

## I. Context

Corruption, both petty and grand, constitutes a serious problem in Afghanistan. Decades of war and repression, weak state authority, the omnipresent threat of violence, the high discretionary powers of public officials, low civil service salaries, and the weakness of the judiciary and legal enforcement system has led to a culture of corruption and impunity. Finally, there is little concern for transparency and accountability in the use of public resources.

The Government requires support in developing the institutional, legislative and policy frameworks needed to effectively address corruption. In addition, awareness-raising is an important element in providing an enabling environment for combating corruption, i.e. changing the public's perception of corruption as well as supporting civil society and media to develop the necessary capacity to act as 'watch-dogs'.

The UNDP Accountability and Transparency (ACT) Project, designed to support the development of the critical areas mentioned above, was finalized and signed in January 2007. During the design phase of the project there were extensive consultations with government counterparts, the international community and other relevant stakeholders. In particular the project was developed in close consultation with the Asian Development Bank and the World Bank in order to ensure close coordination and synergies, and to avoid overlap in support to the Government.

During the reporting period, the expected results of the ACT project were pursued in line with ANDS objectives. The project provides support to the Government, with a view to achieving the Compact Benchmarks and developing a broader anti-corruption strategy within the ANDS, laying the foundation for strategic anti-corruption policies and programmes by testing pilots in key public institutions (Ministry of Finance and Ministry of Justice), providing an integrity monitoring system including the necessary diagnostics and surveys, and raising awareness and educating the public at large, as well as the civil service, on corruption.

The project is intended to support the realization of the overall UNDAF Outcome 2: "By 2008, an effective and more accountable and more representative public administration is established at the national and sub-national levels, with improved delivery of services in an equitable, efficient and effective manner;" and Outcome 5: "By 2008, Government is enabled to comply with its obligations agreed to under international conventions and to ratify other non-ratified conventions." Project resources have been applied towards the achievement of Country Programme Outcome 2: "The democratic state and government institutions strengthened at all levels to govern and ensure the delivery of quality public services including security with special attention to marginalized groups;" and CPAP Output 2: "Public sector capacity strengthened through the development of civil service at the central and sub-national levels, the establishment of accountability mechanisms and the enhancement of information management for better service delivery."

The ACT Project aims to strengthen its links with other UNDP initiatives, in particular the Afghanistan Sub-national Governance Programme (ASGP), UNDP's Support to Establishment of the Afghan Legislature (SEAL) and UNDP's projects and programmes in the justice sector, acknowledging the cross-cutting nature of corruption. The ACT Project will also seek to strengthen collaboration with other donor's initiatives in the area of anti-corruption.

To ensure effective ownership by the main beneficiaries of the ACT Project, the MOF and MOJ serve as Senior Beneficiaries on the ACT Project Board. To reflect the key role that the MoF plays as signatory of the Project Document as well as housing the project, the Ministry also jointly acts as the Executive together with UNDP. In addition to this, other relevant government institutions as well as donors and partners are present during project board meetings to ensure that their views on the project are taken into account.

## II. Performance review

### *Progress review*

#### **1. Overall progress towards the CPAP outcome and output(s)**

The ACT project, by laying the basis for systematically addressing the phenomenon of corruption, is expected to make an important contribution towards the achievement of UNDP's CPAP Outcome 2 and Output 2. Due to delays in the start up of the project the majority of activities commenced in the second half of 2007. Hence it is still early to measure progress towards the achievement of CPAP outcomes/outputs. However, efforts have been made to strengthen government institutions in the delivery of public services through support aimed at improving the institutional, legal and policy environment, enhancing integrity and accountability in pilot ministries, and increasing awareness and understanding of corruption in Afghanistan.

The project works closely with other UNDP projects as well as donors and international organizations to avoid overlap and ensure that there is a joint approach and synergies in anti-corruption activities.

#### **2. Capacity development**

The project is assisting the government with a complete review of the compatibility of existing national legislation and regulations with the United Nations Convention against Corruption (UNCAC). The goal of this review is to identify gaps and potential incompatibilities and to prioritize mandatory and optional new or revised legislation, directly contributing to the short-term Compact Benchmark. A comprehensive report on institutional arrangements with recommendations on how to improve existing institutional framework to more effectively fight corruption has already been submitted to the government for consideration.

Vulnerability to corruption assessments (VCAs) have been carried out in the Budget and Administration Departments of the MOF to identify areas of potential corruption, and recommendations were made for improving the current workflow. Government staff have been involved in the VCA process, in order to facilitate transfer of knowledge through the consultancy. The project is also supporting capacity development of the audit department of the MOF through training in internal audit and fraud investigation. In addition to this, the project facilitated and supported participation of government officials in three anti-corruption learning events that took place during the reporting period.

#### **3. Impact on direct and indirect beneficiaries**

The project has three main beneficiaries (MOF, MOJ, and civil society), with the people of Afghanistan as indirect beneficiaries. The project has provided support to the MOF in accordance with the annual workplan. Support to the MOJ has been initiated. As a result of delays in the start-up of the project, the main activities of the project aimed at MOJ and civil society will commence in 2008. In terms of the wider engagement with all relevant government stakeholders, uncertainty on the institutional framework for fighting corruption has presented an obstacle. The impact on direct and indirect beneficiaries remains difficult to assess at this stage given that the implementation of the project is still at an early stage.

### *Implementation strategy review*

#### **1. Participatory/consultative processes**

Consultation with partners was a foundation of the project formulation process, with a wide range of stakeholders representing the government, civil society and international community consulted in setting the priorities for the project. The overall planning for the implementation of the project involves relevant beneficiaries and stakeholders through the quarterly project board meetings. In

terms of implementation of activities, the project has sought the views and direct involvement of the direct beneficiaries at all stages of planning and implementation.

## 2. Quality of partnerships

The project is working closely with the MOF and MOJ as the main beneficiaries, providing them with the support needed to effectively implement project activities.

The project has developed a close partnership with a number of international partners, including the World Bank, the Asian Development Bank, UNODC, DFID, the Government of Germany, the Government of the Netherlands and the Government of Norway. These partnerships have resulted in the effective coordination of activities in anti-corruption, exemplified by the coordination and division of labour in conducting the vulnerability to corruption assessments (VCA) and the agreement on a common approach. Direct results of these partnerships have been the VCA of the MOF Budget Department jointly conducted by UNDP and DFID, and the survey on corruption in the justice sector designed and jointly funded by UNDP and UNODC. The project is also working to strengthen its links with other UNDP project, in particular in the area of local government and justice.

Partnership with the wider range of government stakeholders has been negatively impacted by concerns surrounding lack of clarity on institutional arrangements for combating corruption. In view of this it will be necessary for the project to seek alternative venues for ensuring that partnerships are formed with all relevant government stakeholders.

## 3. National ownership

To ensure national ownership, it was decided at the initial stages of the project that the project should be housed by a government entity that has the political leverage and commitment to move the anti-corruption agenda forward. The project was therefore anchored in the MOF. National ownership is also promoted through representation on the project board. Government counterparts are involved at all stages of planning and implementation of activities, including through stakeholder consultations, to ensure that project outputs and recommendations benefit from their inputs. The project has also made efforts, to the extent possible, to be responsive to requests for assistance from government counterparts when in line with the overall priorities of the project.

## 4. Sustainability

The current ACT project constitutes Phase I of a longer-term commitment of UNDP to support anti-corruption policies and programmes in Afghanistan. Considering the complexities and challenges of addressing corruption in this country, it is clear that anti-corruption efforts cannot only aim at quick fixes but will require long-term approach supported by a variety of international organizations.

In order to build the capacity of the national staff, ACT consultants are required to deliver at least two training sessions to civil servants and enable the transfer of knowledge through on the job training and coaching.

The technical assistance provided through the ACT project to relevant government coordination bodies will also improve the capacity of these forums to coordinate and build consensus among various stakeholders involved in driving an anti-corruption agenda forward.

The pilot initiatives in the ministries will produce lessons learned and best practice to be transferred to other key institutions in Phase II. Through this approach, Phase I of UNDP's ACT project will facilitate the development of Phase II.

## *Management effectiveness review*

### 1. Quality of monitoring

Regular monitoring and evaluation of the project was ensured to adjust the pace and design of the project to a rapidly changing institutional, political and economic environment. The Output Targets contained in the Results Framework served as reference for the project activities and provided guidance for the ongoing monitoring of achievement of agreed project outputs. To this end, a mid year review and a quarterly progress report was prepared by the Project Manager and submitted to the UNDP Country Office and members of the Project Board.

The project management team has carried out internal monitoring of the project through regular project management team meetings. The general oversight and monitoring of the project has been ensured by the UNDP programme officer, under the supervision of the Assistant Country Director.

A final external evaluation of the project will be carried out three months prior to the end of the first phase of the ACT project. The purpose of the final evaluation will be to document the project's approach, achievements, and failures, and to record lessons learned that will be useful for future project design of the Phase II and for the sharing within the UNDP Democratic Governance Practice Network.

In accordance with UNDP corporate regulations, an audit of the project will be conducted at the end of the first phase, to ensure that UNDP resources are being managed in accordance with the financial regulations, rules, practices and procedures, the project document and project workplans.

## **2. Timely delivery of outputs**

Although there were delays in the start-up of the project (resulting from difficulties in recruiting project staff and consultants to carry out project activities), satisfactory progress has been made towards achieving most of the project outputs indicated in the project's annual workplan and the project document.

However, progress towards some of the outputs has not been fully according to the plan due to the aforementioned reasons. The activities which have not been fully achieved in 2007 are scheduled for the first quarter of 2008. Due to this fact, the timeframe for the first phase of the project will need to be extended to the end of 2008 in order to allow sufficient time to achieve all project results and to ensure a smooth transition to the next phase.

## **3. Resources allocation**

Over 71% of project resources were allocated to cover development activity costs, while 29% of the resources were allocated for the project costs.

## **4. Cost-effective use of inputs**

Overall, the project has been successful at delivering a wide range of activities using a modest level of resources. The project has benefited from the use of space in the MOF provided at no cost. To the extent possible equipment, including vehicles, has been obtained from other UNDP projects. The project is being implemented by a small team including only one international.

### III. Project results summary

#### Output 1.1: National Legislation revised in view of UNCAC and priority legal reforms identified

The TORs for international and national consultant were drafted, and both consultants were selected in November 2007. The international consultant arrived in November 2007 to meet with key government officials and learn more about the legislative and institutional framework in Afghanistan. The Gap Analysis will be completed in Q1 2008, and lead to a workshop with key government stakeholders.

An agreement has been reached with UNODC that once UNDP completed Gap Analysis, UNODC will support the Ministry of Justice in implementation.

This activity is a priority for the Government of Afghanistan following Parliament's ratification of the UN Convention against Corruption on 15th August 2007. It is also part of the short term Compact Benchmarks.

#### Output 1.2: Options for institutional arrangements to steer and coordinate a national anti-corruption strategy submitted to public debate

The report on institutional arrangements was completed and sent to donors for their comments. Donor comments have been integrated into the report, and the revised report was shared with the Government in Q4. Upon receiving comments from the Government, a workshop will be organized to discuss proposed institutional arrangements in more detail. The workshop will take place in Q1 2008.

#### Output 1.4: Strategic regional and international partnerships developed

Three seminars took place in Q3. These were the Extractive Industries Transparency Initiative (EITA) Regional Seminar on corruption in natural resource extraction in August, the ADB-OECD Anti-Corruption Initiative Regional Seminar on Conflict of Interest in August, and the Annual Meeting of the ADB-OECD Anti-Corruption Initiative with Mutual Legal Assistance seminar in September. The Deputy Minister of Justice and representatives of the Ministry of Finance and the Civil Service Commission took part in the abovementioned seminars. The project is facilitating the entry of Afghanistan into ADB/OECD Anti-corruption Initiative which currently consists of 28 countries in the Asia-Pacific region.

#### Output 2.1: Ethics and integrity initiatives implemented in two pilot ministries

The consultant for the Vulnerability to Corruption Assessment (VCA) in the Budget Department of the Ministry of Finance was selected, and the activity started in mid-October. The DFID consultant worked together with the UNDP consultant and the report represents a joint product. The consultants together organized a learning session for approximately 30 civil servants in the Budget and Audit Department of the Ministry of Finance where they presented the findings of the VCA. The VCA is now in the final draft form. The ACT project will discuss the VCA with the Ministry of Finance and the UNDP Making Budgets Work project (which is supporting the Budget Department in the MOF) to help the Ministry develop a concrete action plan to implement the recommendations.

The consultant for the Vulnerability to Corruption Assessment (VCA) in the Administration Department of the Ministry of Finance was selected and the activity started in early November. The consultant held a learning session for staff in the Administration Department called "Good Administrative Behaviour," and made a presentation of the early findings of the VCA. Once the report is finalized, the ACT project will discuss with the Ministry of Finance ways to support the implementation of the VCA's recommendations.

The TOR for preparatory assessment for the justice sector VCA was completed and consultations with Ministry of Justice, Attorney General Office and Supreme Court were carried out. A consultant

was recruited, and the activity commenced in Q4 and is expected to be completed by the first quarter of 2008.

The Audit Department in the Ministry of Finance has requested the support of the ACT project in Forensic Audit/Fraud Investigation. The TOR was developed and a consultant has been recruited to carry out the job. The consultant will work on the organization of the Fraud Investigation Unit and conduct weekly trainings for the civil servants in the Audit Department who are transferring to the newly created Fraud Investigation Unit. The activity started in Q4 and will be completed in Q1 2008.

In collaboration with UNODC, the project has designed a questionnaire for conducting a perception survey within the justice sector. The survey activities started in Q4 with UNODC as the implementing partner. The activities are ongoing and it is expected that the survey will be completed in Q1 2008.

#### Output 3.1: Establishment of a "Grants Facility" to build the watchdog capacity of civil society actors and the media

The TOR for the grants facility has been completed and the project plans to conduct training workshops with civil society organizations in Q1 2008 in preparation for the launch of the grants facility. The activity had a slow start as the initial assessment showed that the civil society sector has a weak understanding of anti-corruption and that before launching the grant facility more ground work needs to be done in preparation. In that regard, the ACT project had extensive consultations and meetings with different civil society organizations such as Integrity Watch Afghanistan to discuss the best strategies to prepare for the launch of the grant facility.

#### Output 3.2 Study on inventory of existing complaints mechanisms and proposals for improvement

The TOR was prepared and a consultant was recruited to conduct this study in November. The consultant held a workshop with various stakeholders (Civil Service Commission, MOJ, MOF, Parliament, etc.) to discuss the ways of improving the existing complaint mechanism. An assessment report was completed and recommendations made to improve existing/establish new complaints mechanisms. The ACT project is in discussions about providing support to the newly established Complaints office in the Ministry of Finance and is liaising with UNDP SEAL project to support the complaints office in both Upper and Lower House of the Parliament (as per the consultant's recommendations).

#### Coordination/Policy support to Government of Afghanistan

As part of ensuring the successful implementation of the ACT Project, the project team, with support from the country office focal points, has engaged in extensive dialogue with development partners involved in the fight against corruption. This has ensured close coordination between donors and beneficiaries, and has also helped to avoid potential overlap in activities. These efforts will continue throughout the duration of the project and will be integral to the overall success of the project and the overall effectiveness of international efforts to help the Afghan Government fight corruption.

Outside of direct project implementation, policy support to the Government has also been a key objective of the project. This has included support to the Government of Afghanistan in developing a Roadmap on Anti-Corruption which will serve as a foundation for the anti-corruption strategy development process. The project team and country office focal point have also provided input on the newly developed Anti-Corruption Strategy by the ANDS.

#### Visibility of the Project

On Wednesday, 26th September, the project organized an opening ceremony of the project office. The Minister of Finance, two Deputy Ministers of Finance, the Deputy Minister of Justice, and the UNDP Country Director attended the ceremony. This opening ceremony was broadcasted on national television and four private television stations, and reported in the major newspapers. This event played an important role in helping the project strengthen its relationships with Ministry of

Finance and Ministry of Justice officials and increase the awareness of these officials and the general public about the project's activities.

Celebration of Anti-corruption Day on 9<sup>th</sup> December

The ACT project, in partnership with UNODC and with support from the Ministry of Education and Ministry of Finance, organized an event on 9<sup>th</sup> December to celebrate the International Anti Corruption Day. Key government and donor officials, civil society representatives, and media partners participated in the event. The devastating consequences of corruption and its negative effects on people's lives and on development were explored by key speakers. Anti-corruption information and messages were disseminated through printed material and media interviews. This marked the first time that the Anti-corruption Day has been celebrated in Afghanistan.

## IV. Implementation challenges

### *Project risks and actions*

#### Political will

In spite of numerous public statements from government officials that the fight against corruption is one of the top priorities of the country, few concrete actions to fight corruption have been taken by the Government to date. The main focal point in the Government for anti-corruption activities, the General Independent Administration against Corruption (GIAAC), continues to represent an obstacle to wider project engagement due to its leadership issue.

In relation to project activities, a concern is whether the analytical work being carried out and the recommendations made will receive the necessary adoption and buy-in from government counterparts in order to achieve the desired project outputs.

*Actions taken:* In order to mitigate these risks, the project team, with support of the country office focal points, is making an effort to work more closely with anti-corruption 'champions' within the Government. The project is also building on the informal anti-corruption network established within the donor community, in order to be in a position to advocate for concrete actions to be taken by the Government of Afghanistan. The project also anticipates potentially calling upon UNDP and UNAMA senior management in the future if necessary to facilitate dialogue and concrete actions at the highest political level.

#### Lack of institutional clarity/Coordination within government

There is currently a lack of clarity in terms of the institutional arrangements in place within the government for fighting corruption. This lack of clarity creates challenges for the project in terms of identifying and building long-term sustainable relationships with government counterparts. It also compromises the project's ability to identify 'champions' within the government, which is essential to mitigating the abovementioned risk.

*Actions taken:* The project has completed a study of the institutional arrangements for combating corruption in Afghanistan and has provided the Government of Afghanistan with a set of recommendations for how these institutional arrangements can be improved and clarified. In order to ensure that these recommendations are taken into serious consideration, the project team, with the support of the country office, will enter into a dialogue with government counterparts as well as seek the support of the international community in advocating for adoption of the recommendations. This process will be facilitated by high level support from UNDP and UNAMA senior management.

#### Security concerns/recruitment issues

Due to security concerns, the project is facing increasing difficulties in recruiting consultants. The project's experience has been that consultants are requesting premiums due to security issues or are insisting on doing the entire work from their home country, without having to come to Afghanistan. Because of these difficulties, the project in one instance faced a situation in which a recruitment process was completed, the offer was sent, and at the last minute the consultant refused to come. As a consequence, a new selection process had to be done, which had an impact on the Annual Workplan in terms of on-time delivery of the project outputs.

*Actions taken:* The project is making an effort to mitigate this risk by having detailed discussions with potential consultants regarding the work and social environment in Afghanistan, and explaining thoroughly about security measures taken by the UN. If the security situation in Afghanistan continues to deteriorate, support from UNDP senior management will be required in order to readjust some expectations regarding the timeline for implementation of the project activities and delivery.

## Project issues and actions

### Human resources

The main issue/challenge facing the ACT project was a lack of human resources which led to a delay in the implementation of project activities. This was a result of a lack of satisfactory candidates for national as well as international positions within the project. Only after the fourth advertisement for the position of project manager, for example, was a suitable candidate identified and recruited, more than six months after the project was launched. Similarly, the position of Deputy National Project Manager was advertised twice, and the position was only filled five months after the commencement of the project. The position became vacant again at the start of November because the newly recruited Deputy Project Manager resigned from the post. A Project Specialist has been recruited to assist the project manager with overall management of the project, and although the project management team is not complete yet, it is anticipated that the rate of implementation and delivery will not be very much affected in the short term.

*Action to be taken:* As a result of the delays in implementation resulting from the lack of human resources, a six-month no-cost extension is recommended in order for the project to achieve the expected outputs.

### Operational issues

The project faced challenges in identifying office space for project staff. Due to delays in recruitment of project staff, the space initially identified for the project within the Ministry of Finance was taken up by Ministry Staff. This caused delays in terms of setting up the project office. Following extensive discussions with the Ministry of Finance, a space for the ACT project was identified and the necessary renovations completed. The project office space is too small to adequately accommodate the current project staff, however, and given that the project is expanding in terms of activities and staff, a larger office space will become essential in the near future.

*Action taken:* The project management is in regular contact with the MoF administration to find a solution to this problem. Additional space has been identified and the project's office is expected to expand in Q1 2008.

## V. Lessons learnt and next steps

### *Lessons learnt*

In a rapidly changing institutional and political environment it is essential that the project has sufficient flexibility to adapt to changing circumstances. This will require that the project have flexibility in project implementation while at the same time ensuring that it remains on track towards achieving its stated outputs. Flexibility also applies seeking out champions within the government and identifying 'islands of integrity' to ensure that anti-corruption strategies become entrenched within the government.

Recruitment has proven to be a challenge for the project, in particular in terms of identifying experts to carry out specific activities. This is in part a result of the deteriorating security situation, but also results from the limited number of experts in the field of anti-corruption. In view of this lesson, it would have been better if recruitment planning for the project had started further in advance of the planned commencement of activities; this would have potentially prevented some delays in project implementation.

Knowledge management and documentation strategies have proven useful in terms of ensuring that there is an institutional memory of activities carried out and lessons learned.

Involving government counterparts at the earliest stage of implementation has proved to be an effective means of ensuring government ownership of project activities. This engagement needs to happen consistently through the planning stage, recruitment and implementation processes. It is also crucial that government partners are involved in verifying findings and recommendations coming out of the project.

Coordination with donors and international organizations has played a crucial role in ensuring the successful implementation of project activities. It is essential that the project remain in close partnership with all actors supporting the anti-corruption agenda in order to ensure a common approach as well as synergies in project implementation. In this regard it will also be crucial to ensure close collaboration with other UNDP projects.

### *Recommendations*

While partnerships with donors and other international actors have been strong, the project has had more limited partnerships with government counterparts, primarily focusing on those directly involved in project implementation. It will be necessary for the project to develop closer partnerships with a wider range of government stakeholders in order to ensure the sustainability of project achievements.

Closer partnerships will also need to be forged with other UNDP projects to achieve potential synergies. While discussions and consultations have been on-going, concrete decisions on areas of collaboration and possible joint activities will need to be taken.

The partnership with donors and international actors has been of an ad hoc nature. In order to maintain and deepen existing partnerships, the project will suggest that informal donor meetings be held on a more regular basis.

It is essential that planning for activities, in particular recruitment, is carried out well in advance of planned implementation of activities in order to avoid any delays in project implementation.

In order to ensure a smooth transition into Phase II of the project, and to build on the lessons learned of the current phase, it is essential that a project evaluation is carried out well in advance of the end date of the current phase.

## VI. Financial status and utilization

### Financial status

**Table 1: Contribution overview [01-Jan-2007 –31-Jun-2008]**

DONOR NAME	CONTRIBUTIONS		CONTRIBUTION BALANCE
	Committed	Received	
UNDP	566,500	566,500	-
Italy	374,531	374,531	-
Norway	1,223,140	611,570	611,570
<b>TOTAL</b>	<b>2,164,171</b>	<b>1,552,601</b>	<b>611,570</b>

**Table 2: Funding status (as of the end of the year)**

DONOR NAME	RECEIVED*	EXPENDITURES			PROJECT BALANCE	EARMARKED**	AVAILABLE FUNDING (as of 1 Jan 2008)	REMARKS
		Period Prior to the Reporting Year	Reporting Year Only	TOTAL				
UNDP	566,500	-	581,913	581,913	(15,413)			
Italy	374,531	-	11,742	11,742	362,789		362,789	
Norway	611,570	-	70,474	70,474	541,096		541,096	
<b>TOTAL</b>	<b>1,552,601</b>	<b>-</b>	<b>664,129</b>	<b>664,129</b>	<b>888,472</b>	<b>-</b>	<b>903,885</b>	

### Financial utilization

**Table 3: Annual expenditure by activity [1 January 2007 – 31 December 2007]**

Activity	Budget 2007	Accumulative Expenditures 2007	Balance	Delivery
ACTIVITY01: Legal and Policy Framework	140,112	70,213	69,898	50%
ACTIVITY02: Pilot Project	159,278	159,433	- 155	100%
ACTIVITY03: Awareness and Education	10,892	28,783	- 17,892	264%
ACTIVITY04: Project Team Support	380,468	399,944	- 19,476	105%
GMS 7%	9,352	5,755	3,597	62%
<b>Grand Total</b>	<b>700,102</b>	<b>664,129</b>	<b>35,973</b>	<b>95%</b>

Table 4: Annual expenditure by donor [1 January 2007 – 31 December 2007]

Donor	Activity	Budget 2007	Accumulative Expenditures 2007	Balance	Delivery
UNDP	ACTIVITY01:Legal and Policy Framework	91,196	48,150	43,046	53%
	ACTIVITY02: Pilot Project	122,496	122,496	-	100%
	ACTIVITY03: Awareness and Education	10,892	28,930	- 18,038	266%
	ACTIVITY04: Project Team Support	341,916	382,336	- 40,420	112%
	GMS 0%				
<b>UNDP Total</b>		<b>566,500</b>	<b>581,913</b>	<b>-15,413</b>	<b>103%</b>
Italy	ACTIVITY02: Pilot Project	144	155	- 11	108%
	ACTIVITY03: Awareness and Education		- 146	146	
	ACTIVITY04: Project Team Support	31,856	10,912	20,944	34%
	GMS 7%	2,409	822	1,587	
<b>Italy Total</b>		<b>34,409</b>	<b>11,742</b>	<b>7,254</b>	<b>34%</b>
Norway	ACTIVITY01:Legal and Policy Framework	48,772	22,063	26,709	45%
	ACTIVITY02: Pilot Project	36,782	36,782	-	100%
	ACTIVITY03: Awareness and Education	-	-	-	
	ACTIVITY04: Project Team Support	6,696	6,696	-	100%
	GMS 7%	6,944	4,933	2,010	
<b>Norway Total</b>		<b>99,193</b>	<b>70,474</b>	<b>28,719</b>	<b>71%</b>
<b>Grand Total</b>		<b>700,102</b>	<b>664,129</b>	<b>35,973</b>	<b>95%</b>

## Annexes

Annual Work Plan