

United Nations Development Programme
Afghanistan
Accountability and Transparency (ACT) Project
3rd Quarter Project Progress Report – 2009



Awareness-raising workshop for Afghan CSOs on ACT Grants Facility in Kabul, September 15, 2009

Project ID: 00053687
Duration: 63 Months (January 2007 to March 2012)
Strategic Plan Component: Democratic Governance
CPAP Component: Public Sector Capacity and Accountability
ANDS Component: Cross-cutting Issues – Anti-Corruption
Total Budget: USD 22,310,625
Implementing Partners: HOO, CAO, MOE, MOF & MOI

Accountability and Transparency (ACT) Project DONORS



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Executive Summary

The Accountability and Transparency (ACT) project continued implementation of its activities in key government institutions such as the Control and Audit Office (CAO), Ministry of Education (MOE) and Ministry of Interior (MOI) in addition to the High Office of Oversight (HOO) and the Ministry of Finance (MOF). Emphasis remains on expanding the project team and mobilizing additional resources to ensure effective and efficient delivery of project outputs in order to ensure maximum impact.

Under **Component 1**, critical support was provided leading to improved managerial, technical and administrative capacity of the HOO. The project also supported the HOO in revising the anti-corruption law, providing the basis for strengthening HOO's role in the fight against corruption. The project also continued to contribute to coordination efforts in the area of anti-corruption and in particular the coordination of support to the HOO.

Under **Component 2** the project continues to provide support to the internal integrity framework within the MOF with considerable progress made in the current reporting period. As stated by the Minister of Finance during a press conference, these efforts have contributed to a significant increase in revenue collection. The project signed a Note of Understanding (NoU) with MOI and key international partners to coordinate anti-corruption efforts in the ministry. Recruitment of key national and international staff is on-going to facilitate the planned expansion to CAO, MOE and MOI, with a NoU also under development with the MOE.

Under **Component 3** of the project, the first round the Accountability and Transparency Grants Facility (ACT-GF) has been completed with all three civil society grants recipients completing their activities on time and within budget. The project launched the second round of the ACT-GF and has launched an awareness-raising campaign on ACT-GF at the national and sub-national level which is currently on-going.

Under **Component 4** limited progress was made during the reporting period with the recruitment of national and international staff still on-going. Recruitment of staff remains a prerequisite for planned activities to move ahead.

Despite facing the considerable challenge of rapid expansion of the project, satisfactory progress is being made in the implementation of activities. However, the expected slowdown due to the election and post-election phase has resulted in delays in the implementation of project activities. This will require making adjustments in the project implementation plan.

The main challenges to project implementation have been ensuring continued political will and commitment to the fight against corruption and delays in project implementation following the Presidential elections and uncertainties as to the direction of the fight against corruption following the elections. The deteriorating security situation continues to impact on the ability of the project to implement activities and attract the necessary expertise. The project is addressing these risks by taking mitigating and administrative actions to minimize the impact of these challenges on project deliverables.

Context

The Accountability and Transparency (ACT) project has been designed to support the Government of Afghanistan and Afghan civil society in developing the necessary capacities to fight corruption.

The revised ACT project, signed by the Government of Afghanistan and UNDP in April 2009, will support the implementation of the National Anti-Corruption Strategy (NACS) and the capacity development of the High Office of Oversight (HOO), support to the strengthening of internal integrity frameworks / mechanisms in key government institutions – the Control and Audit Office (CAO), Ministry of Education (MOE), Ministry of Finance (MOF) and the Ministry of Interior (MOI), support the active engagement of civil society in the fight against corruption, and supporting efforts to increase awareness and understanding amongst civil servants and the public in Afghanistan of their role in the fight against corruption. The ACT project takes the Afghanistan National Development Strategy (ANDS), the NACS and the United Nations Convention Against Corruption (UNCAC) as its starting point, with the ANDS addressing anti-corruption as a cross-cutting issue. The project components have been developed in order to support the Government of Afghanistan in meeting the priorities and requirements set out in these key strategies and conventions. The ACT project will contribute to Outcome 2 (Government capacity to deliver services to the poor and vulnerable is enhanced) and Outcome 3 (The institutions of democratic governance are integrated components of the nation state). The project commenced in January 2007 and will run until March 2012.

Implementation Progress

Output 1.1: High Office of Oversight enabled to fulfil its mandate

In the previous quarter the project provided support to the HOO in terms of institutional capacity development through two national experts in the areas of administration and finance, human resources, and IT and one international expert provided support to the senior management of the HOO. The project also supported the HOO with strengthening institutional capacity through the provision of critical IT and communications infrastructure, construction of additional office space and security upgrade of the HOO premises.

During this quarter a legal expert was recruited to support the HOO in developing a revised Anti-Corruption Law. This support has provided the HOO with the foundation to move forward with seeking the revision of the Anti-Corruption Law with the aim of strengthening the institution's mandate and role in the fight against corruption. The revised law should also provide the basis for the HOO to coordinate its efforts more effectively with other government institutions. The draft law will be further consulted with relevant government counterparts and the international community as part of efforts to further strengthen the HOO and the fight against corruption.

The project team has also been providing advice to the senior management of the HOO through regular interaction to further develop institutional capacity. This support is aimed at improving the management, technical and administrative capacity of the HOO. This support has also included the continued provision of services of one international and two national experts. The support provided by these experts have contributed directly to the establishment of a functioning IT infrastructure in the HOO, effective coordination with partners in the international community and the completion of the recruitment of key staff at the management level through the Management Capacity Programme (MCP).

During this quarter the HOO has made progress on the implementation of its mandate, with the support of the ACT project. This includes the receipt of 1,200 asset declarations (with more than 50 percent of cabinet members submitting their asset declarations) as part of the asset registration mechanism, the reform of the vehicle registration processes as part of initiating work on the simplification of administrative processes (ACT project support included the provision of critical IT

equipment), and the submission of the majority of government institutions of anti-corruption action plans as required by the NACS.

The project is also supporting coordination amongst key actors in the area of anti-corruption to ensure that the support provided to HOO is effective and that coordination amongst donors is increased in order to minimize overlap and duplication.

The need to identify long-term international and national expertise to provide capacity development support to the HOO remains a priority. Recruitment is on-going with two international experts having been identified (in the areas of prevention and strategy & planning) and three national staff have been recruited who will together work with the international experts to strengthen key departments of the HOO. Recruitment is currently on-going for one international position and four national positions.

To ensure HOO ownership of project implementation an agreement has been reached through which the project will fund key positions in the various departments of the HOO, with the HOO managing the recruitment and supervision of the staff. As such these staff will be considered as contracted by the HOO, not UNDP and will contribute directly to strengthening the HOO's ability to fulfil its mandate. These staff will contribute to the overall progress of the work of the HOO as they will hold key positions within the various departments. This arrangement will be managed through a Letter of Agreement (LoA) which will ensure that all processes are in compliance with UNDP's rules and regulations.

The project supported the HOO, together with the MOE, to take part in the conference of the anti-corruption network for Eastern Europe and Central Asia. This provided an opportunity to learn from international experiences in the area of anti-corruption. Afghanistan is considering becoming a permanent member of the network.

Output 1.2: Comprehensive corruption monitoring system established

In the previous quarter, the project initiated the process of moving towards an agreement with UNODC to jointly establish a corruption monitoring system and a survey unit in the HOO.

During this quarter the project has continued discussions with UNODC and an agreement is expected to be signed in Q4, 2009. Together with UNODC, the project is going to commence a survey on public perception and experiences of corruption in the justice sector. This survey will ensure that activities under this output are initiated providing the basis for the establishment of a comprehensive corruption monitoring system. The project will also provide support to the HOO in the establishment of its survey unit by providing national and international experts. Once established, the survey unit will directly contribute to the corruption monitoring system.

Output 2.1: Vulnerability to Corruption Assessments (VCA) completed and recommendations integrated in on-going technical assistance in Control and Audit Office, Ministry of Education, Ministry of Interior and a Municipality

In the previous quarter, the project reached an agreement with the MOE to carry out VCAs. The project also initiated a discussion with the MOI on carrying out VCAs as part of a wider set of anti-corruption initiatives.

While there is an agreement to carry out the VCAs the project is putting the implementation of the VCAs on hold, pending the appointment of the new cabinet following the finalization of the Presidential election in order to ensure that the VCA process has the full buy-in of the management of the institutions in which the VCAs are to be conducted.

Output 2.2: Complaints and investigation capacity established / developed in Control and Audit Office, Ministry of Education, Ministry of Finance, and Ministry of Interior

In the previous quarter, the project continued to provide support to the MOF Complaints Office, including procuring critical equipment and renovating the premises of the Complaints Office. Furthermore, the project supported the MOF in developing an Anti-Corruption Action Plan, parts of which have been included in the Revenue Action Plan presented to the JCMB. The project also started the recruitment of three international technical specialists to take the lead in establishing and strengthening complaints handling and internal fraud investigation mechanisms in CAO, MOE, MOF and MOI.

In this quarter, the project continued to provide support to the MOF Complaints Office, including the recruitment of two national staff posted in the MOF Complaints Office. The Complaints Office has also been integrated in the MOF structure with MOF staff assigned to the office. The installation of 12 billboards announcing the MOF complaints hotline at major border and inland customs stations was completed. In addition to this the project is finalizing the procurement of billboards to be installed at all Mostufiats throughout the country, 34 in all. By the end of September the Complaints Office has received over 140 complaints, 80 of which were received in the quarter indicating that the awareness-raising campaign has been effective. Out of the cases received close to 70 percent have been resolved. The Minister of Finance stated that the revenue of the MOF had increased dramatically acknowledging that the anti-corruption efforts undertaken in the Ministry, and in particular the establishment of Complaints Office, have been a contributing factor to this.

A Note of Understanding (NoU) was signed by the project and the MOI, CSTC-A, EUPOL and UNODC providing for the effective coordination of anti-corruption efforts within the Ministry as well as setting out an action plan for the implementation of activities. The NoU sets out how the international community, including the ACT project, will support the MOI in implementing the Ministerial Action-Plan developed in compliance with the NACS. Implementation of the action plan is under way with regular coordination meetings taking place. The project, in coordination with EUPOL, has initiated procurement of necessary equipment for the strengthening of the Inspector General's Office and the establishment of six regional MOI anti-corruption teams. This will increase the ability of the MOI to carry out effective investigations of corruption within the Afghan National Police (ANP). In addition to this the project is also procuring equipment for the establishment of a computerized document and case filing system aimed at increasing the effectiveness of case handling within the MOI.

The project is in the process of finalizing a NoU with the MOE setting out the support that will be provided to the Ministry's complaints and investigation mechanisms. Similarly to the support to the HOO the project will fund key positions in the relevant departments in the Ministry, with the MOE managing the recruitment and supervision of the staff. As such these staff will be considered as contracted by the MOE, not UNDP and will contribute directly to strengthening the MOE's capacity to receive and investigate complaints. This arrangement will be managed through a Letter of Agreement which will ensure that all processes are in compliance with UNDP's rules and regulations. It is worth noting that the on-going discussion between the project and the MOE on the NoU and LoA has promoted a dialogue within the MOE itself on what measures need to be taken in the fight against corruption including the proposal to establish an anti-corruption committee with the Ministry bringing together the heads of the relevant departments.

The project is in the process of recruiting three international technical specialists who will lead the implementation of project activities under this output. Once the technical specialists have been

recruited it is expected that implementation of activities under the output will be considerably accelerated.

Output 2.3: Integrity Promotion Offices (IPO) established in Control and Audit Office, Ministry of Education, Ministry of Finance, and Ministry of Interior

As part of the revised project, the project will support the establishment of IPOs to promote ethics and enhanced professional standards in the CAO, MOE, MOF, and MOI. The establishment of the IPOs will follow on the recruitment of the international technical specialists mentioned above.

Output 2.4: Capacity of Control and Audit Office to ensure financial accountability in government institutions strengthened

In the previous quarter, the project initiated recruitment of an international technical specialist to lead the project capacity development activities in the CAO.

In this quarter, the project identified the international technical specialist, who is expected to join in Q4. Once on board the technical specialist will initiate project support to the CAO, including carrying out a review of existing financial and auditing procedures to assess effectiveness in deterring and detecting fraud and corruption, conducting a needs assessment, developing a capacity development plan and training materials, and providing mentoring and on-the-job training.

Output 3.1: Civil society actors and media increasingly involved in the fight against corruption

In the previous quarter, one out of three civil society organizations i.e. Saba Media Organization (SMO) who received funding from the Accountability and Transparency Grants Facility (ACT-GF) completed the investigative journalism capacity building project for Afghan journalists.

In this quarter, under ACT-GF first round, the remaining two civil society organizations, Integrity Watch Afghanistan (IWA) and Integrated Approaches to Community Development (IACD), completed their projects on capacity development of CSOs and monitoring of service delivery in the education sector. All the three projects were completed on time and within budget, in accordance with the grants agreements signed - resulting in the successful completion of the first round of the ACT-GF.

The training manual developed by SMO has attracted considerable interest from academia and journalists due to its practical usefulness and the manual is being considered by the Journalism Faculty of Kabul University to be included in its curricula. During the post-training capacity assessment of journalists carried out by the project, the vast majority of the journalists receiving training responded that the trainings, based on the manual, were useful in their daily work and that they would share it with other journalists.

The manual produced by IWA on capacity development of CSOs to undertake activities in the area of anti-corruption also received positive responses during the trainings organized based on the manual. The ACT project is using the manual to raise awareness and develop capacity of CSOs during its awareness-raising workshops that are being conducted in support of the second round of ACT-GF.

The IACD project was welcomed by both the Logar Provincial Council and the Logar Department of Education. It has been reported that the school administration and the related constituencies found the project useful in terms of raising their awareness on their role in themselves addressing issues related to corruption.

Overall, the experience from the implementation of the three projects supported through the ACT-GF provide a strong basis for the second round of the ACT-GF to learn, improve and replicate those

activities in the future. The project has developed an implementation strategy and a plan for the launch of the second round of the grants facility. The project has launched an awareness raising campaign including ACT-GF announcements through newspapers and radio. The project also organized an awareness-raising and training workshop in Kabul and has announced the call for proposals. The project is also organizing four awareness-raising and training workshops at sub-national level (Bamyan, Herat, Jalalabad and Mazar-e Sharif) to build the capacity of civil society actors and media to ensure a high number of responsive applications for the second round of the ACT-GF. It is expected that the ACT-GF will receive a significantly increased number of proposals as a result of the nationwide awareness-raising campaign. It should also be noted that the call for expression of interest this resulted in over 100 responses, close to three times more than for the previous round of the ACT-GF.

The project has identified and recruited a Grants Manager who will lead the implementation of the ACT-GF. The project is also moving forward with the recruitment of an international expert to provide long-term capacity development support to civil society as well as additional national staff.

Output 4.1: Training materials and modules developed and integrated into on-going training initiatives

The TOR for the development of training materials / modules has been developed in close consultation with HOO and the recruitment of international consultant is on-going. The international consultants will conduct training needs assessment amongst civil servants, develop training materials / modules on anti-corruption, ethics and conflict of interest, conduct training of trainers and develop a plan for the mainstreaming of training materials / modules in on-going training activities delivered at the central and sub-national level.

Output 4.2: Advocacy plan developed with materials disseminated nationwide through wide range of media

A National Advocacy Officer who was to support advocacy activities in the HOO was identified but turned down the offer. The project has restarted the recruitment process. The project is also moving ahead with the recruitment of an international expert to provide additional capacity development support to the HOO in the area of advocacy and awareness-raising.

Expansion of ACT Project Team

In the previous quarter, the project started expansion of its staff and offices in CAO, MOE, and MOI. To date, the project has recruited a number of key operational staff to ensure the effective implementation of project activities. The project has also completed procurement of equipment to enable its staff to carry out project activities. The project has established an office in the HOO which will allow for increased support to the HOO. A joint office space has also been established in the MOI in accordance with the NoU. The project continues the process of recruitment and procurement for the expansion of the project into the fourth quarter. The continued recruitment of project staff will be a key factor to the project's ability to move forward with the implementation of project activities and the achievement of project outputs.

Challenges

Risks

Political will

A number of key steps have been taken by the Government of Afghanistan in the fight against corruption, including the establishment of the HOO. The HOO itself has taken several critical steps towards fulfilling its mandate. The HOO will however require considerable and continuous support from the Government of Afghanistan as well as the international community if it is to be successful in fulfilling its mandate. Strengthening the anti-corruption law is one of the most critical areas that the HOO and the Government of Afghanistan will need to focus on. The fight against corruption will however not depend only on the HOO, but will also require support to the justice sector, support to key ministries and institutions to develop anti-corruption action plans, and the effective coordination of anti-corruption efforts across all government institutions. This will require that the Government of Afghanistan and the international community allocate the necessary resources for the fight against corruption and that the issue of corruption remains at the top of the political agenda. Additional efforts are also necessary to increase coordination with the government as well as amongst the international community in its support to the fight against corruption.

Action taken: The ACT project continues to work closely with the HOO to provide the necessary support for developing the capacity of it and its staff. The project supported the HOO through an international expert to revise the anti-corruption law for strengthening HOO's mandate and its role as lead government institution in the fight against corruption. However, it will depend on the Government of Afghanistan to expedite the process of adopting the revised law. It also falls upon the international community to work together with the HOO to advocate for the adoption on the revised law.

The project continues to be involved in formal and informal anti-corruption networks established to coordinate efforts within the international community as well as within the government. These efforts are aimed at putting the project in a position by which it can advocate for concrete actions to be taken by the Government of Afghanistan in the fight against corruption as well as coordinate the projects support to the HOO with that of others. The project also provides support to the fight against corruption in several other key government institutions to ensure a broader approach to the overall fight against corruption.

Post Elections Environment

The fight against corruption requires a long term commitment from both the Government of Afghanistan and the international community. There was a perceived risk that the political will and momentum generated to fight corruption would be affected by the run-up to the elections. While nothing conclusive can be said about the impacts of the elections on political will there was a slowdown in project implementation in the run-up to the election. The uncertainty following the Presidential elections has continued to negatively impact the implementation of project activities and as a result the project has not been able to follow planned timelines. It is also acknowledged that priorities may shift in the post-election environment, potentially rendering certain project activities obsolete.

Action taken: To mitigate this risk, the revised project is designed in a way so as to respond to changing political priorities and needs. The performance of the project and the political environment will be evaluated early next year, to ensure that the project is responsive to the post-election environment. Prior to this the project will also enter into discussions with its donors to agree on the future direction of the ACT project.

Security concerns

With the presidential elections taking place, the security situation continues to pose a risk to project delivery with the project facing difficulties in identifying and recruiting suitable international staff. Security is likely to remain a risk to implementation of project activities in the future.

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. The project will make full use of available networks to source potential candidates for the project. Furthermore the project remains committed to ensuring flexibility in the implementation of activities, and with the support of the UNDP Country Office will continuously monitor the potential impact that the security situation may have on the project.

Issues

Project expansion

The project continued to expand during this quarter both in terms of staff and infrastructure to enable it to deliver planned project activities in a timely manner. However, the need for rapid expansion of the project continues to place a considerable workload on existing project staff, potentially resulting in bottlenecks. This may cause delays to the expansion of the project as well as the implementation of planned project activities.

Actions taken: In view of the constraints faced in the post-election environment the project is prioritizing key areas with the greatest potential of achieving results, rather than going with activities for which there are not sufficient resources. This will result in the postponement of certain activities pending e.g. the recruitment of the necessary staff. Furthermore, a recruitment plan has been developed which identifies key positions necessary to ensure the timely expansion of project resources. These positions have been prioritized for recruitment in order to develop key operational, coordination, and managerial capacity within the project.

Human resources

Lack of adequate human resources remains a challenge to the project as the project has faced difficulties in identifying qualified and suitable candidates, national as well as international. For instance, a number of candidates were identified for key positions but the letter of offer was rejected resulting in the project having to restart the recruitment process for several key positions resulting in the delay of project expansion and the implementation of activities. As the project is going to go through a significant expansion, this will remain a critical challenge.

Actions taken: The project is working to provide a favourable working environment including learning opportunities to its staff to attract and retain qualified staff. A long-term approach has been taken to build the project team with junior national staff whose capacities can be developed over time. These staff will then be able to fill senior level positions in the future. The project is also ensuring that all vacancy announcements get as wide distributions as possible in order to attract a wider pool of candidates. In addition to this the project is planning to sign LoAs with partner institutions allowing them to take the lead of the recruitment of key staff. This will reduce the burden on the project and, it is hoped, speed up the recruitment process.

Lessons Learned

The post-election environment and the uncertainties following the election have brought a significant slowdown on the part of the project and government counterparts in terms of moving ahead with planned activities. It is clear that the expansion and implementation of a project such as the ACT project remains a major challenge during times of political uncertainty. Flexibility and the ability to adapt to changing circumstances remain critical to the success of the project in a

rapidly changing institutional and political environment. Flexibility also includes the need to be responsive to arising needs of government counterparts.

To this end the project has allowed for flexibility in project implementation at the same time as trying to ensure that it remains on track towards achieving its stated outputs. However, if the priorities of the government shift following the elections, the project will focus its activities in areas in which there is willingness to move forward. The presidential elections has also required that the project carefully consider the feasibility of implementing planned activities so as not to carry activities under potentially unfavourable circumstances to avoid jeopardising the quality and sustainability of project outputs.

Carrying out activities in government institutions requires considerable time for consultation and coordination. However, ensuring that sufficient consultation and coordination takes place when developing and planning project activities with the government counterparts has proved to be crucial to strengthening long-term relationship and ensuring government buy-in. Although at times it may lead to delays in the implementation of activities this continues to be a key element to the successful implementation of the project and to ensuring national ownership of project activities.

Coordination continues to be critical to the effective implementation of project activities as well as in ensuring the effective use of project resources. Based on the experience of developing a NoU for activities to be carried out in the MOI, the project will seek to develop similar NoUs for the implementation of project activities in the CAO and MOE. This will be critical to avoid duplication of efforts as well as ensuring that project activities truly have the buy-in of and meets the needs of government counterparts.

Future Plans

As had been foreseen the Presidential elections have resulted in a slowdown of the implementation activities in government institutions. Following the finalization of the elections it will therefore be necessary to revisit the project and the project implementation plan to ensure that it is in line with current priorities. The project will however move ahead with certain activities including support to the implementation of the MOI action-plan, the finalization of a LoA with the HOO and an NoU with the MOE, the development of anti-corruption training materials / modules and the continuation of the second round of ACT-GF. In addition to this there will be a continued focus on the recruitment of project staff and expansion of the ACT project.

Financial Section

[Note: All financial data presented in this report are provisional. From UNDP Bureau of Management/Office of Finance and Administration, an annual certified financial statement as of 31 December will be submitted every year no later than 30 June of the following year.]

Table 1. Funding Overview

Donor	Commitment	Received (As in Agreement)	Received (USD)	UNORE	Balance
CIDA	CAD 1,500,000				CAD 1,500,00
DFID	GBP 6,030,000	GBP 3,000,000	4,249,292	0.71	GBP 3,030,000
Italy	EUR 300,000	EUR 300,000	374,532	0.8	0
Norway	NOK 7,400,000	NOK 3,700,000	662,240	5.59	0
		NOK 3,700,000	662,240	5.59	0
UNDP	USD 1,066,500	USD 1,066,500	1,066,500	-	0
Total			USD 7,014,804		

Table 2: Expenditure Status (by activity)

Activity	Donor	Budget	Expenditure Status at 30 June 2009		Expenditure in Reporting Quarter		Quarter Expenditure	Total Expenditure	Balance	Delivery
			Commitment	Disbursement	Commitment	Disbursement				
ACTIVITY01 – Improved Institutional and Policy environment to support the implementation of National Anti –Corruption Strategy	UNDP	(3,240)	(25,838)	25,838	5,451	18,966	24,417	24,417	(27,657)	-754%
	NORWAY	329,593	142,170	139,128	(177,638)	170,599	(7,039)	274,259	55,334	83%
	DFID	431,694	-	-	91,996	26,872	118,868	118,868	312,826	28%
<i>Activity 1 Subtotal</i>		758,047	116,332	164,966	(80,190)	216,436	136,246	417,544	340,503	55%
ACTIVITY02 – Enhanced accountability, transparency and integrity in key governmental Institutions	UNDP	78,459	(61,702)	56,149	27,539		27,539	21,986	56,473	28%
	ITALY	-	(5,400)	4,800			-	(600)	600	0%
	NORWAY	71,027	(23,114)	68,909	(6,340)	6,340	-	45,795	25,232	64%
	DFID	605,223	-	-	250,981	16,006	266,987	266,987	338,236	44%
<i>Activity 02 Subtotal</i>		754,709	(90,216)	129,858	272,180	22,346	294,526	334,169	420,540	44%
ACTIVITY03 – Enhance capacity of Civil Society and media to effectively contribute to the fight against Corruption	UNDP	25,681	-	955			-	955	24,726	4%
	ITALY		-	4,455		(4,455)	(4,455)	-	-	#DIV/0!
	NORWAY	(65,516)	(37,117)	39,691	-		-	2,574	(68,090)	-4%
	DFID	266,450	-	-		2,973	2,973	2,973	263,477	1%
<i>Activity 03 Subtotal</i>		226,615	(37,117)	45,101	-	(1,482)	(1,482)	6,502	220,113	3%
ACTIVITY04 – Increased Awareness and understanding amongst civil servants and public in Afghanistan of their role in fight against corruption	UNDP	30,100	-	60,549		40,432	40,432	100,981	(70,881)	335%
	ITALY		(13,575)	19,117		(5,576)	(5,576)	(34)	34	0
	NORWAY	94,325	16,602	119,124	(7,256)	21,987	14,731	150,456	(56,131)	160%
<i>Activity 04 Subtotal</i>		124,425	3,027	198,790	(7,256)	56,843	49,587	251,404	(126,979)	202%

ACTIVITY05 – Project Management	UNDP	119,000	-	81,555	26,680	25,791	52,471	134,026	(15,026)	113%
	ITALY						-	-	-	
		196,940					-	-	196,940	
	DFID	419,569	-	-		12,826	12,826	12,826	406,743	3%
<i>Activity 05 Subtotal</i>		735,509	-	81,555	26,680	38,617	65,297	146,852	588,657	20%
GMS		176,828		40,564			-	40,564	136,264	23%
Grand Total		2,776,133	(7,974)	620,271	211,414	332,761	544,174	1,197,035	1,579,098	43%

Table 3. Expenditure Status (by donor)

Donor	Budget	Activity	Expenditure Status at 30 June 2009		Expenditure in Reporting Quarter		Quarter Expenditure	Total Expenditure	Balance	Delivery
			Commitment	Disbursement	Commitment	Disbursement				
UNDP	(3,240)	Improved Institutional and Policy environment to support the implementation of National Anti –Corruption Strategy	(25,838)	25,838	5,451	18,966	24,417	24,417	27,657	-754%
	78,459	Enhanced accountability, transparency and integrity in key governmental Institutions	(61,702)	56,149	27,539		27,539	21,986	(56,473)	28%
	25,681	Enhance capacity of Civil Society and media to effectively contribute to the fight against Corruption	-	9,55			-	955	(24,726)	4%
	30,100	Increased Awareness and understanding amongst civil servants and public in Afghanistan of their role in fight against corruption	-	60,549		40,432	40,432	100,981	70,881	335%
	119,000	Project Management	-	81,555	26,680	25,791	52,471	134,026	15,026	113%

<i>Subtotal (UNDP)</i>	250,000		(87,540)	225,046	59,670	85,189	144,859	282,365	(32,365)	113%
Italy		Enhanced accountability, transparency and integrity in key governmental Institutions	(5,400)	4,800			-	(600)	(600)	0%
		Enhance capacity of Civil Society and media to effectively contribute to the fight against Corruption	-	4,455		(4,455)	(4,455)	-	-	0%
		Increased Awareness and understanding amongst civil servants and public in Afghanistan of their role in fight against corruption	(13,575)	19,117		(5,576)	(5,576)	(34)	(34)	0%
GMS								0	0	0
Subtotal (Italy)			(18,975)	28,372	-	(10,031)	(10,031)	(634)	(634)	0%
Norway	329593	Improved Institutional and Policy environment to support the implementation of National Anti -Corruption Strategy	142,170	139,128	(177,638)	170,599	(7,039)	281,298	(48,295)	85%
	71027	Enhanced accountability, transparency and integrity in key governmental Institutions	(23,114)	68,909	(6,340)	6,340	-	45,795	(25,232)	64%
	-65516	Enhance capacity of Civil Society and media to effectively contribute to the fight against Corruption	(37,117)	39,691	-		-	2,574	68,090	-4%
	196940	Increased Awareness and understanding amongst civil servants and public in Afghanistan of their role in fight against corruption	16,602	119,124	(7,256)	21,987	14,731	135,725	(61,215)	69%
GMS	40046			40,564.00			0	40564	518	101%
<i>Subtotal (Norway)</i>	572,090		98,541	407,416	(191,234)	198,925	7,692	513,648	58,442	90%
DFID	431,694	Improved Institutional and Policy environment to support the implementation of National	-	-	91,996	26,872	118,868	118,868	312,826	28%

		Anti –Corruption Strategy								
	605,223	Enhanced accountability, transparency and integrity in key governmental Institutions	-	-	250,981	16,006	266,987	266,987	338,236	44%
	266,450	Enhance capacity of Civil Society and media to effectively contribute to the fight against Corruption	-	-		2,973	2,973	2,973	263,477	1%
	94,325	Increased Awareness and understanding amongst civil servants and public in Afghanistan of their role in fight against corruption					-			
	419,569	Project Management	-	-		12,826	12,826	12,826	406,743	3%
GMS	136,783					0	0	136,783		
<i>Subtotal (DFID)</i>	1,954,044		-	-	342,977	58,677	401,655	401,655	1,552,389	21%
Grand Total	2,776,134	-	(7,974)	660,835	211,414	332,761	544,174	1,197,035	1,579,099	43%

Annexes

Annex I: Performance Tracking Matrix

Result/Goals	Performance Indicators	Baseline Info	Performance Benchmark and Targets	Implementation Progress in reporting quarter
Output 1.1: High Office of Oversight enabled to fulfil its mandate	<p>Indicator 1: Number of ministries and government offices (e.g. Control and Audit Office, Attorney General's Office) that have developed anti-corruption action plans based on the National Anti-Corruption Strategy and reporting to the High Office of Oversight on implementation progress.</p> <p>Indicator 2: Number of administrative procedures/processes assessed/reviewed by the HOO and recommendations for simplification made to the relevant ministries/ government offices</p>	<p>Baseline 1 (2008): No ministries or government offices have to date developed anti-corruption action plans based in national anti-corruption strategy</p> <p>Baseline 2 (2008): 1 assessment / review ongoing</p>	<p>2009 Annual Target/ Deliverables: Target 1: All ministries and government offices have anti-corruption action plans and are reporting on implementation progress to the HOO on a regular basis by February 2012. Benchmark: 5 ministries/ government offices in 2009</p> <p>Target 2: 68 procedures/processes reviewed and recommendations for simplification made by February 2012 Benchmark: 8 processes/ procedures reviewed in 2009</p>	<p>MOF has prepared its anti-corruption action plan with the help of ACT project.</p> <p>The project is working with the HOO to establish its Prevention and Public Administration Reform Department to undertake business process simplification in key government institutions.</p>
Output 1.2: Comprehensive corruption monitoring system established	Indicator 3: Baseline on experiences and perceptions of corruption amongst the general population, civil servants and the business sector	Baseline 3 (2008): To date no comprehensive survey of corruption perceptions and experiences has been carried out	Target 3: comprehensive corruption monitoring system established by February 2012 Benchmark: 3 national surveys completed in 2009	An agreement is being reached with UNODC to jointly conduct five surveys. It is expected that activities will commence in Q4

				2009.
Output 2.1: Vulnerability to Corruption Assessments (VCA) completed and recommendations integrated in on-going technical assistance in Control and Audit Office, Ministry of Education, Ministry of Interior and a municipality	Indicator 1: 1 Number of action plans developed, adopted and implemented based on VCAs conducted	Baseline 1 (2008): No action plans adopted	Target 1: 7 action plans developed, adopted and implemented by end of 2010 Benchmarks: 3 action plans developed, adopted and implemented in 2009	MOF developed its action plan using the previous VCAs.
Output 2.2: Complaints and investigation capacity established/ developed in Control and Audit Office, Ministry of Education, Ministry of Finance and Ministry of Interior	Indicator 2: Percentage of complaints referred within the ministry/office investigated and completed at year end	Baseline 2 (2009): No baseline data available – to be collected in 2009	Target 2: 80 percent of all cases referred investigated and completed by end of 2011 Benchmarks: Capacity development initiated in 2009	Capacity development is going on in the MOF. Plans are underway to initiate capacity development in CAO, MOI and MOE.
Output 2.3: Integrity Promotion Offices (IPO) established in Control and Audit Office, Ministry of Education, Ministry of Finance and Ministry of Interior	Indicator 3: Percent of civil servants aware of ministry/office internal integrity mechanisms and understand and apply the Code of Conduct and Conflict of Interest policies	Baseline 3 (2009): No baseline data available – to be collected in 2009	Target 3: 90 percent civil servants aware of ministry / office internal integrity mechanisms and understand and apply the Code of Conduct and Conflict of Interest policies by end of 2011 Benchmarks: Capacity development initiated in 2009	Capacity development initiated in MOF with help of Complaints Office.
Output 2.4: Capacity of Control and Audit Office to ensure financial accountability in government institutions strengthened	Indicator 4: Percentage of cases referred to CAO by HOO reviewed and completed at year end	Baseline 4 (2009): No baseline data available – to be collected in 2009	Target 4: 90 percent of all cases referred reviewed and completed by end of 2011 Benchmarks: Capacity development initiated in 2009	Key technical expert has been identified to initiate capacity development in the next quarter.
Output 3.1 : Civil society actors	Indicator 1: Number of CSOs,	Baseline 1 (2008): 3	Target 1: 14 CSOs / Media	First round of the

<p>and media increasingly involved in the fight against corruption</p>	<p>youth and media organizations selected for funding through ACT Grants Facility (ACT-GF)</p> <p>Indicator 2: Number of CSOs and media organizations receiving funding through ACT-GF achieving targets as per grant agreement</p>	<p>CSOs/Media Organizations have received grants</p> <p>Baseline 2 (2008): All grants recipients on target – activities to be finalized in 2009</p>	<p>Organizations received grants by end of 2011</p> <p>Benchmarks: 3 CSOs/Media Organizations received grants in 2009</p> <p>Target 2: 12 out of 14 CSOs/Media Organizations fully achieved targets by February 2012</p> <p>Benchmarks: 4 CSOs/Media Organizations fully achieved targets in 2009</p>	<p>grants facility has completed with three CSOs receiving grants delivered all planned activities. Second round of the ACT-GF has been launched to provide grants to CSOs in the next quarter.</p>
<p>Output 4.1: Training materials and modules developed and integrated into on-going training initiatives</p>	<p>Indicator 1: Percentage of population aware of mechanisms available for reporting cases of corruption</p>	<p>Baseline (2007): 18 percent of survey respondents would report anticorruption cases to previous anti-corruption agency, 15 percent would report corruption cases to the judiciary (Integrity Watch Afghanistan)</p>	<p>Target: 80 percent of general population survey respondents indicate that they are aware of the mechanism available by end of 2011</p> <p>Benchmark: 30 percent of general population survey respondents indicate that they are aware of the mechanism available in 2009</p>	<p>TOR for experts to develop training materials has been developed and the project is identifying experts to carry out the job.</p>
<p>Output 4.2: Advocacy plan developed with materials disseminated nationwide through wide range of media</p>	<p>Indicator 1: Percentage of population aware of mechanisms available for reporting cases of corruption</p>	<p>Baseline (2007): 18 percent of survey respondents would report anticorruption cases to previous anti-corruption agency, 15 percent would report corruption cases to the judiciary (Integrity Watch Afghanistan)</p>	<p>Target: 80 percent of general population survey respondents indicate that they are aware of the mechanism available by end of 2011</p> <p>Benchmark: 30 percent of general population survey respondents indicate that they are aware of the mechanism available in 2009</p>	<p>The project is working together with the HOO to develop an advocacy plan and national staff to support this effort are being recruited.</p>

Annex III: Risk Log

#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted , updated by	Last Update	Status
1	Lack of political will to fight corruption	Beginning of the project	Political	Lack of concrete actions and follow up on the project's capacity development, findings, and recommendation by the Government of Afghanistan in the fight against corruption. P=4 I=5	ACT project continues to work closely with the HOO to provide the necessary support for developing the capacity of it and its staff. The project continues to coordinate efforts within the international community as well as within the government	Nils Taxell	Nils Taxell	30 Sep 2009	Increasing
2	The project may not be able to implement activities in accordance with planned timelines due to the post elections environment	Q1 2009	Political	Political will and momentum generated to fight corruption might be affected in the run-up to the elections. P=4 I=4	The revised project is designed in way so as to respond to changing political priorities and needs. The performance of the project and the political environment will be evaluated early next year, to ensure that the project is responsive to the post-election environment.	Nils Taxell	Nils Taxell	30 Sep 2009	Increasing
3	Security concerns	Q1 2009	Other (Security)	Project facing difficulties in identifying and recruiting suitable international staff P=3 I=4	The project holds detailed discussions with potential consultants regarding the work and social environment in Afghanistan, and explains thoroughly about security measures taken by the UN. The project will make full use of available networks to source potential candidates for the project.	Nils Taxell	Nils Taxell	30 June 2009	Increasing

Annex IV: Issue Log

ISSUES LOG						Date: 01 July 2009
Award ID: (00045444)			Project: Accountability and Transparency (ACT) Project			
ID	Type	Date Identified	Description	Status/Priority	Status Change Date	Author
1	Operational	April 2009	Project expansion: Project expansion will place a considerable workload on existing project staff potentially resulting in bottlenecks. This may delay the expansion of the project as well as implementation of planned project activities.	Decreasing/High	N/A	Nils Taxell
2	Operational	April 2009	Human resources: The project has been facing difficulties in identifying qualified and suitable candidates, national as well as international.	Increasing/High	N/A	Nils Taxell
3	Operational	August 2009	Project Extension: Project expansion continues to place a considerable workload on existing project staff resulting in bottlenecks leading to some delays in the expansion of the project as well as implementation of planned project activities			