



**United Nations Development Programme**  
**Afghanistan**  
**Accountability and Transparency (ACT) Project**  
**Second Quarter Project Progress Report – 2010**



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## Accountability and Transparency (ACT) Project DONORS



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## Acronyms

ACT	Accountability and Transparency
ACT-GF	Accountability and Transparency Grants Facility
ANDS	Afghanistan National Development Strategy
CAO	Control and Audit Office
CPAP	Country Programme Action Plan
CSO	Civil Society Organization
EUPOL	The European Union Police Mission in Afghanistan
FIU	Fraud Investigation Unit
GoIRA	Government of Islamic Republic of Afghanistan
HOO	High Office of Oversight
IPO	Integrity Promotion Office
LOA	Letter of Agreement
MEC	Monitoring and Evaluation Committee
MOE	Ministry of Education
MOF	Ministry of Finance
MOI	Ministry of Interior
MOJ	Ministry of Justice
NACS	National Anti-Corruption Strategy
SIGAR	Special Inspector General for Afghanistan Reconstruction
UNCAC	United Nations Convention Against Corruption
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNODC	United Nations Office on Drugs and Crime
USAID	United States Agency for International Development
VCA	Vulnerability to Corruption Assessment

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## Executive Summary

The revised Accountability and Transparency (ACT) project was signed between the Government of Afghanistan and UNDP in April 2009. In the first and second quarters of 2010, the project, building on the achievements from the previous years, continued to contribute to strengthening government institutions to deliver public services. The second revision and realignment to the ACT project presented here responds to the need to adapt UNDP's technical assistance to the GoIRA's latest institutional developments, such as the latest Presidential Decree and Executive order both aimed at strengthening the law enforcement-related competencies of the High Office of Oversight (HOO) and the mandates to engage the HOO through ministerial domains. A notable aspect of the proposed second revision is providing support to the government's holistic anti-corruption strategy through a novel mechanism for international assistance, the Monitoring and Evaluation Committee (MEC).

Main achievements in the second quarter of 2010 include provision of critical support to HOO leading to improved managerial, technical and administrative capacity, coupled with infrastructure support to the Ministry of the Interior anti-corruption unit, institutional support to the Control and Audit Office (CAO), and enhancing the complaints mechanisms at the Ministry of Finance.

In accordance to the technical advice and specifications provided by the recent arrival (on June 10) of the project manager, a proposal for project revision has been finalized and an acceleration of project activities is already under implementation, as follows:

Under Component 1, UNDP/ACT has focused on accelerating and revamping the build-up capacity of different departments in the HOO, in the first quarter of 2010 UNDP signed a letter of agreement (LOA) with the HOO to extend material and human resource support to carry forward its mandate which continued to the second quarter of 2010. With the recruitments taking place during the first quarter, capacities of key departments of HOO were enhanced and recruitment for remaining positions of the LoA is underway. This gave HOO more control and flexibility to hire human resources directly and strengthen its recruitment and staff management capacity. In addition, with the arrival of the International Anti-Corruption Consultant in the second quarter of 2010 HOO's core planning capacity was strengthened together with the Technical Specialist (Strategy and Planning) arrival in the first quarter of 2010.

The Strategy & Planning Advisor and the Senior Advisor jointly with the anticorruption UNDP Chief Advisor drafted a strategy paper on HOO, including the formulation of organograms for HOO and the Monitoring and Evaluation Committee (MEC) in accordance with the newly formulated proposed strategy. In addition, the formulation of HOO's strategic plan aims at satisfying the mandate emerging from the London Conference in March 2010. The Strategic Planning Advisor In addition, a UNDP anti-corruption advisory mission arrived in Kabul during the 1st week of May 2010 who conducted HOO's enforcement capacity assessment and provided recommendations for designing a holistic capacity development plan for HOO. In parallel, there have been discussions held with the USAID for coordinating future support to HOO. The strategy of the USAID has been reviewed by the project and duplication of efforts has been suitably avoided in formulating the strategic plan and realignment of the project. The project further assisted HOO in its preparations for the Kabul Conference to be held in July 2010, notably through HOO's participation in the Governance Cluster. Finally survey data collection and the hiring process for researchers/surveyors were finalized all within the framework of the signed Letter of Agreement (LOA) with UNODC in the first quarter of 2010 that will continue until the first quarter of 2011.

Under component 2, during the second quarter the project continued to provide support to the internal integrity framework within the MOF. During this period, the internal processes of the complaints mechanism were greatly improved in order to ensure better communication and coordination between the Fraud Investigation Unit (FIU) and the Complaints office that has

ensured evident compliance and action by the FIU. The number of complaints processed has increased by more than 50 percent and initial discussions have been undertaken with the MOF to expand the complaints mechanism to five provinces. In accordance to the Note of Understanding (NOU) signed with the MOI and key international partners, anti-corruption efforts in the Ministry of Interior, under the technical lead of EUPOL, were enhanced through the installation of 6 mobile anti-corruption teams and the Project Office was made operational in order to provide support.

Furthermore, the project signed a Letter of Agreement (LOA) with the MOE on 6 July 2010 with a provision to ensure sustainable support of a complaint mechanism linked to the technical assistance of three integrity promotion officers (ensuring the revamping of procedures to ensure investigations and resolutions of complaints) and a monitoring mechanism lead by civil society network of associations. Additionally, the recruitment of an international advisor (Complaints Handling and Fraud Investigation) is underway for supporting the MoE, MoI and MoF in strengthening internal integrity mechanisms.

The ACT Technical Specialist started his activities with the CAO beginning in late May, ensuring after a short period of time that a sequence of training programs and capacity development framework have all already been developed hand in hand with CAO activities. Through the ACT Technical Specialist's direct assistance to CAO during June and part of July 2010, CAO's participation in the Governance Cluster for the preparation of the Kabul Conference has been greatly recognized for its technical inputs. Through the participation in the Governance Cluster meetings, as well as in the meetings of the international community, a consensus on the independent role and status of the CAO being the Supreme Audit Institution for Afghanistan was achieved and an emphasis on the passage of the Audit Law, ensuring independence and the reporting line to the Parliament and President, was secured with a timeline of 6 months in the legislative drafting Governance Cluster paper to be presented in Kabul Conference. Training on fraud and corruption detection is scheduled for late July and early August for which the training material was developed in the month of June.

As part of the project revision, component 4 has been merged into component 3. The UNDP Country Office finalized and adapted guidelines for provision grants to four networks of civil society organizations that will be receiving technical assistance from ACT in order to operationally mobilize and interact with the state within the complaint mechanism/investigative domains of MOE, MOI, and MOF. Additionally, this network of civil associations will be receiving technical assistance from UNDP in order to report to the Monitoring and Evaluation Committee (MEC). This will set the basis for the provision of grants to CSOs through the Accountability and Transparency Grants Facility (ACT-GF). In addition, working on the public awareness, the project has produced a booklet on the project to generate awareness on the anti-corruption work being performed by UNDP in Afghanistan. The booklet will be distributed among civil society and donors for information sharing that would help in better cooperation and coordination between the project and various other actors

Component 4 represents a new dimension of work that will be focused on establishing the 27-member technical capacity of the Monitoring and Evaluation Committee (MEC). In the absence of effective monitoring of the executive branches' agencies in charge of law enforcement, the Government of Afghanistan invited the international community to form the MEC and to offer it policy advice, monitor and evaluate progress against specific benchmarks. The invitation from the Government of Afghanistan was welcomed by the international community gathered at the London Conference. The technical drafting of MEC's monitoring and evaluation reports will require technical assistance. In this context, UNDP has been requested that such assistance be channeled through ACT project in order to constitute a technical secretariat for the MEC while establishing independent channels for MEC to gather information from Afghan civil society, the private sector, media, and HOO. The revised ACT project is also now aimed at developing technical capacities within the HOO, civil society networks, private sector network and media network of organizations in order to produce the required technical information necessary for MEC's assessment of the anticorruption efforts undertaken by the GoIRA. In this context, a component to ACT project has been added. A technical organogram of the MEC was developed and accepted by the GIRA and

ACT donor countries. Moreover, four outputs were added to the project document within this component.

Despite facing considerable lack of project satisfactory progress is being made during the second quarter of 2010. Yet, the deteriorating security situation in general and the attack the frequent attacks throughout the country against the government and international community , have all had a severe impact on the ability of the ACT project to implement activities and to recruit key project staff.

Headings of outputs in this report reflect the new outputs that are proposed in the Project Document revision, but encompass all activities which were carried out in the second quarter.

## 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, 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 crosscutting 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 strategy and convention. 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.

The revised Accountability and Transparency (ACT) project was signed between the Government of Afghanistan and UNDP in April 2009. In the first and second quarters of 2010, the project, building on the achievements from the previous year, continued to contribute to strengthening government institutions to deliver public services. During that period, the London Conference in January 2010 outlined focused activities for the anti-corruption efforts in Afghanistan, especially through the High Office of Oversight. The conference was followed up with a Presidential Farman (Presidential Decree) that outlines specific powers and activities for the HOO. The project engaged in discussions with all stakeholders and donors to chart out its course in light of the Presidential Decree and the Kabul Conference. In this light, the project document has been revised and is formally subject to the Project Board's (PB) approval. The second revision to the ACT project presented here responds to the need to adapt UNDP's technical assistance to the GoIRA's latest institutional developments, such as the latest Presidential Decree and Executive Order both aimed at strengthening the law enforcement-related capacities of the High Office of Oversight (HOO) and the mandates to engage the HOO through ministerial domains, and most notably creating a new Monitoring and Evaluation Committee (MEC) composed of international and Afghan personalities.

## Implementation Progress

### **Component 1: Improved institutional and policy environment created to support the implementation of the national anti-corruption strategy**

#### Output 1.1: High Office of Oversight enabled to fulfill its mandate

Pursuant to placement of a technical specialist on strategy and planning at the end of the 1st quarter and a senior advisor to HOO's management during the 2nd quarter, under the guidance of the chief adviser and project manager, ACT's technical team supporting HOO was substantially enhanced. The newly arrived advisers together with UNDP's anti-corruption chief adviser/project manager focused their efforts on the preparations for the Kabul Conference and the three-member ACT team developed HOO strategy paper to be proposed in the third quarter. Additionally, the senior adviser developed a proposed communication strategy for HOO. Finally, the joint three member ACT team produced an organogram of HOO and of the Monitoring and Evaluation Committee (MEC) that will reflect the newly proposed HOO strategy.

Preparations for Kabul Conference included contribution to inter-agency coordination through the Governance Cluster, which grouped together key governance state institutions to identify and move forward goals of more effective, participatory, and accountable structures and systems. Work of the Governance Cluster which was in part led by HOO articulated a holistic government approach to anti-corruption and culminated in the presentation of a paper to the Standing Committee of the Joint Coordination and Monitoring Board (JCMB).

During the same period, pursuant to extensive internal assessment, work on drafting a strategic plan for HOO under overall supervision of ACT's technical specialist started. The strategy paper is based on the inputs and data gathered by the Technical Specialist and an understanding of the broader context in which HOO functions (including MEC) as well as its strengths and weaknesses, and aiming to create a framework for HOOs activities.

A Presidential Decree (Farman) was issued at the end of the 1st quarter, followed by a Presidential Executive Order (Hukum) both focusing on anti-corruption efforts of the government and the role of HOO. The project provided advice on drafting and implementation of the Farman and the Hukum. The Hukum requires all government ministries/agencies to set three anti-corruption priorities to be consolidated by HOO. In this context, the ACT project supported the HOO in organizing a one-day conference on implementation of the Hukum which brought together representatives from different government ministries/agencies to ensure clarity and coordination in setting three anti-corruption priorities by different agencies.

The project used the occasion of a visit by an Anti-Corruption Advisory Mission from UNDP's Headquarters and Asia-Pacific Region to organize a half-day workshop for HOO management focusing on challenges for newly-established anti-corruption agencies and experiences from other countries in the region. This mission's report provided inputs, suggestions, and priorities to be addressed by the ACT Project.

The project continued its support to 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 to minimize overlap and duplication.

The implementation of the Letter of Agreement (LOA) signed with HOO during the first quarter of 2010 continued during the second quarter extending material and human resource support to carry forward its mandate. The capacities of different departments in the HOO were built up through the letter of agreement which gave HOO more control and flexibility to hire human resources directly and strengthen its recruitment and staff management capacity.

Also during the second quarter, the project assisted HOO in renting an office space in the vicinity of the current HOO premises as per the official request made by the management of the HOO. The project also assisted in procurement of different office equipments which included 7 vehicles, 53 desktop and 10 laptop computers and a number of other office equipments. Yet, in order to eliminate the high costs of rent, the ACT chief adviser recommended consolidating the infrastructure in one place through the use of prefabricated installations until the permanent building of HOO is finalized.

The project has continued its support to ensure that relevant government officials are exposed to international experiences and lessons learned during the 2nd of quarter of 2010 the ACT Project has sponsored participation of the HOO management in international events on anti-corruption including the Global Forum on Asset Recovery in Paris France from 6-9 June 2010. These trainings and meetings provide a forum for delegates to exchange experiences and best practices on the issues of fraud and anti-corruption. The participants have better understanding of policy and programme implementation on fighting corruption.

#### Output 1.2: Comprehensive corruption monitoring system established

During the 1st quarter of 2010 ACT Project signed a Letter of Agreement (LOA) with UNODC to jointly establish a survey unit in the HOO which has continued during the second quarter. This activity will continue until the first quarter of 2011. Under the Letter of Agreement (LOA) surveys

on public perception and experiences of corruption will be conducted. This survey will ensure that activities under this output are initiated providing the basis for the establishment of a corruption monitoring system.

A suitable implementing partner that will carry out the data collection has been identified by UNODC and paperwork is now being submitted to UNDP for further processing. Additionally, interviews were held for two research officers who will be based at UNODC. Three candidates were identified as being acceptable and the recruitment paperwork is now being finalized by UNODC. Also interviews for the posts that will be based in the High Office will take place in the near future.

As part of the new proposed organic structure of HOO (reflecting a newly conceived strategy) produced in late June and to be proposed to HOO and to donor countries in July, a Comprehensive corruption monitoring system will be established which will include the survey unit, policy review unit, and a institutional assessment unit.

## **Component 2: Enhanced accountability, transparency and integrity in key government institutions**

### Output 2.1: Vulnerability to Corruption Assessments (VCA) completed and recommendations integrated in on-going technical assistance in four government institutions

Based on the agreement reached during the first quarter with the MOE to carry out VCAs in identified areas a VCA TOR is being advertised during the second week of July 2010 to conduct VCA in the MOE. The VCA will be conducted together with the relevant staff of MOE with participation of technical staff from the Prevention Department of HOO ensuring ownership and transfer of skills to HOO in conducting VCAs in other areas in the future.

### Output 2.2: Complaints and investigation<sup>1</sup> capacity established/developed in four government institutions

As part of the latest project review, in the component 2 certain measure have been suggested and included to further enhance the effectiveness of the complaints mechanism. During this period, the internal processes of the complaints mechanism were greatly improved in order to ensure better communication and coordination between the Fraud Investigation Unit (FIU) and the Complaints office that has ensured evident compliance and action by the FIU. The number of complaints processed has increased by more than 50 percent and initial discussions have been undertaken with the MOF to expand the complaints mechanism to five provinces. In accordance to the Note of Understanding (NOU) signed with the MOI and key international partners, anti-corruption efforts in the Ministry of Interior, under the technical lead of EUPOL, were enhanced through the installation of 6 mobile anti corruption teams and the Project Office was made operational in order to provide support.

Also on Component 2, the project will sign a Letter of Agreement (LOA) with the MOE on 6 July 2010 with a provision to ensure sustainable support of a complaint mechanism linked to the technical assistance of three integrity promotion officers (ensuring the revamping of procedures to ensure investigations and resolutions of complaints) and a monitoring mechanism lead by civil society network of associations (these mechanisms linking ministry domain, integrity promotion, and civil society will be implemented within the three ministerial levels at MOE, MOF, and MOI). Additionally, the recruitment of an international advisor (Complaints Handling and Fraud Investigation) is underway for supporting the MoE, MoI and MoF in strengthening internal integrity mechanisms.

The Complaints office continues to support the Ministry of Finance (MOF) in resolving the complaints received from the general public and to identify the causes of the complaints. The

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<sup>1</sup> Investigation should be understood as referring to investigations of administrative cases. It is recognized that all criminal cases are to be referred to the AGO.

MOF's complaints office established good coordination with the Fraud investigation unit (FIU), by formalizing and standardizing the system of forwarding all complaints to them through a designated format and by receiving responses similarly. The complaints office also established a database that enables analytical review of the nature of complaints and serves as a decision support mechanism for the management of the MOF to resolve the underlying causes of complaints. 63 cases of complaints were received during the 2nd quarter of 2010, which were all forwarded to the FIU. The FIU has also responded with the action taken or commitment to take action on all the cases forwarded to them. This represents more than 50 percent increase in the flows of complaints received. The challenge now faced by ACT/MOF is to enhance the resolution of complaints, thus ensuring accountability of the Government officials before the citizen. Efforts are under way to re-launch the awareness-raising sessions to all the MoF staff, following an awareness-raising workshop to be held soon. Necessary materials were developed for this purpose.

Lack of representation of the Complaints Office at a sub-national level also results into a deficient coordination of anti-corruption activities at a provincial level. Accordingly, efforts have been made to extend the complaints mechanism to five provinces, namely Kunduz, Mazar-e-Sharif, Kandahar, Jalalabad and Herat. The project is in the process of finalizing the LOA with the MOF pending the establishment of the IPO which will be staffed very soon.

A letter of agreement (LOA) will be signed with MOE on 6 July 2010 providing long term and sustainable technical and infrastructure support to MOE aimed at fighting corruption.

In the MOI, EUPOL has taken the lead role in supporting the technical inputs for the anti corruption efforts, as per the Note of Understanding (NOU) through establishment of the Mobile anti corruption teams (6) and the setting up and operational installation of the Project Office. The project has been supported with communications and specialised IT equipments to establish the anti corruption teams and office; the support to MOI will continue during the second half of 2010 with the proposal by ACT of training support and staff to the procurement and finance office of the MOI.

Finally, the recruitment of technical specialist (complaints handling and fraud investigation) is also underway which is expected to be hired very soon who will support the MOE, MOF, and MOI in strengthening internal integrity mechanisms.

### Output 2.3: Integrity Promotion Offices (IPO) established in four government institutions

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 specialist. Additionally each IPO will be staffed with a number of national staff.

The LOA with MOE will provide support to MOE in establishing Complaints Mechanism System and Integrity Promotion Office (IPO), both linked to a civil society network working within the above parameters. The IPO will have an oversight role alongside the Civil Society Organizations in receiving complaints, processing complaints, monitoring the investigative stage, and assessing the resolution of those complaints while proposing improvements to the entire complaints' process.

A framework-compatible agreement has been reached with the senior management of the MOF to involve a network of the civil society actors to serve as a secondary and tertiary channel of receiving and forwarding complaints to the MoF Complaints Office. The civil society network will be making recommendations on how the authorities should process and improve the handling of complaints. The IPO will have oversight role in the handling and processing of complaints while monitoring the investigative and complaint resolution stages. The two will have an ideal linkage with the HOO.

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

With the arrival of the Project Manager, the ACT Technical Specialist started his activities with the CAO beginning in early June, ensuring after a short period of time that a sequence of training programs and a capacity development framework have all already been developed hand in hand with CAO high level authorities. The Technical specialist started his capacity building activities in CAO, with the first training scheduled for late July and early August. Study of the cases forwarded to the AGO has also been started which will be utilised in the case studies during the training as well as to suggest improvements in the approach to dealing with the cases of fraud and corruption. With the technical specialist in place, the COA is capacitated to develop capacity building plans.

CAO's participation in the Governance Cluster for the preparation for Kabul Conference, to be held on 20 July, was facilitated by the project. CAO was supported in its participation in the Governance cluster (GC) meetings and matrix. Through the participation in the GC meetings, as well as the meetings of the international community, a consensus on the role and status of the CAO being the Supreme Audit Institution for Afghanistan was arrived at and an emphasis on the passage of the Audit Law ensuring independence and the reporting line to the Parliament and President, was secured with a timeline of 6 months in the draft Governance Cluster paper to be presented in Kabul Conference. CAO, for the first time, participated in the preparations for a conference on support to Afghanistan through the facilitation of the project. CAO has proposed further legal and institutional development activities, like adoption of international auditing standards, regional expansion in one to three year time frame which will also be supported by the project.

### **Component 3: Enhanced capacity of civil society and media to effectively contribute to the fight against corruption**

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

As part of the project revision it is proposed that component 4 be merged into component 3, as reflected in this output. It is proposed that the new output be: Awareness-raising campaign material for the general public developed and distributed to raise understanding of general public about corruption and their role in the fight against corruption.

The UNDP Country Office finalized and adapted guidelines for provision of grants to four networks of civil society and media organizations that will be receiving technical assistance from ACT in order to operationally mobilize and interact with the state within the complaint mechanism/investigative domains of MOE, MOI, and MOF in order to handle and classify complaints, monitor the investigative effectiveness of the state, evaluate the resolution of complaints and propose institutional improvements in the handling of complaints. Additionally, this network of civil associations will be receiving technical assistance from UNDP in order to report to the (MEC). This will set the basis for the provision of grants to CSOs through the Accountability and Transparency Grants Facility (ACT-GF).

In addition to provision of grants, the project has prepared a detailed plan for capacity building of the CSOs. For this purpose, the project will develop manuals on various topics of anti-corruption and trainings will be delivered to CSOs. It is intended that the project will support the establishment of networks once the project has built the capacity of the CSOs receiving trainings in specific areas. A detailed work plan is being prepared for this purpose and activities will start in the third quarter.

Furthermore, working on the public awareness, the project has produced a booklet on the project to generate awareness on the anti-corruption work being performed by UNDP in Afghanistan. The booklet will be distributed among civil society and donors to provide information that would facilitate better cooperation and coordination between the project and various other actors. Similar publications will be produced by the project in the future to create awareness on anti-

corruption efforts and the role of civil society and the general public in the fight against corruption.

#### **Component 4: Increased awareness and understanding amongst civil servants and the public in Afghanistan of their role in the fight against corruption**

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

and

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

In the proposed realigned project document, the majority of the component four of the project has been merged into component three. In addition, the public awareness segment of the component four has been added to all components. Under the component three of the realigned project document, the project will develop a training manual for public representatives on their role in the fight against corruption and trainings will be delivered to the members of parliament and provincial councils through existing training programmes.

As a result of these proposed changes, component three of the project will be renamed to "Component 3: Increased Awareness and Understanding amongst the Public and Enhanced Capacity of Civil Society and Media to Effectively Contribute to the Fight against Corruption" and will include the following outputs:

- Output 3.1: Awareness-raising campaign material for the general public developed and distributed to raise understanding of general public about corruption and their role in the fight against corruption;
- Output 3.2: Training module on the role of public representatives in the fight against corruption developed and capacity building trainings delivered to members of parliament and provincial councils;
- Output 3.3: Training modules on the operational role of civil society in public complaints processing, monitoring public service delivery, research and advocacy, and access to information developed and trainings delivered (linked to Output 2.2)
- Output 3.4: Civil society and media networks established, guidelines for complaints processing by CSOs developed, and training manual on technical assessment of government institutions developed.

Based on the proposal outputs 4.1 and 4.2 will be replaced by new outputs focusing on a new monitoring and evaluation mechanism (MEC), which will support the government's holistic anti-corruption strategy (see "Future Plans" below).

## **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 and the recent approval of investigative and prosecution powers to 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. Revision of the anti-corruption law is one of the most critical areas that the HOO will need to focus on after the presidential decree approving more powers to HOO.

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 to allocate 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 fight corruption.

Action taken: The ACT project continues to work closely with the HOO to provide the necessary support for developing the capacity of itself and its staff. The project supported the HOO through two international experts to review its strategy in light of the London Conference and the Presidential Decree following the conference and assist in their implementation. A very important new institution that can potentially address the risks related to political will to fight corruption is MEC, which will be supported by ACT Project as proposed below (see Future Plans).

### Security

The recurrent security incidents in Afghanistan and especially in Kabul pose a restriction on the expansion prospects of the project activities to the sub national levels, in the provinces. These also pose a challenge in bringing in adequate international expertise to the ground to support and guide the activities of the project as well as that of the key government agencies engaged in anti-corruption. The situation did not appear to have improved during the second quarter.

Action taken: The ACT project continues to be alive to the constraints put in by the security incidents and strives to foster the manpower and abilities available to extend the activities in prioritized areas. As such support to the HOO, the CAO, the MOE and MOF are prioritized with the existing staff of the project. Recruitment of additional staff is underway to carry on all activities of the project smoothly.

## Issues

### 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. As the project may extend its activities in light of Presidential decree, this will remain a critical challenge.

Actions taken: The project has signed a Letter of Agreement (LOA) with the HOO in the first quarter of 2010 which continued to the second quarter of 2010. During the third quarter of 2010, the project will also sign another LOA with MOE providing similar support to furthering the activities under the project. The project is also working on revising the project human resource plan enabling the project to recruit additional national and international staff for the project. The project is further working 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.

### Project Realignment

The London conference, followed by the Presidential decree and the impending Kabul Conference have necessitated the project to revise and realign its activities with the new realities and requirements.

Action taken: The project engaged with all stakeholders, including the donors and the international community in identifying the new roles and activities it may have to carry out in addition to the existing ones and a revised project document is presented to the project board.

### Support to CAO

The support to CAO is being provided through the World Bank apart from the UNDP. The World Bank has been providing the support in capacity building and conduct of specific audits through advisors and an audit firm. There have been indications of unwillingness on part of the World Bank to continue this support. The USAID is in the process of preparing a capacity support plan for the CAO. The two events, if not coordinated, have the potential of leaving a vacuum in CAO with heightened expectations from the UNDP, even though its presence in CAO is highly focused and limited.

Action Taken: Efforts will be undertaken to coordinate with the World Bank and the USAID to ensure the continuity of support to the CAO and streamlining the activities among the supporting agencies.

## Lessons Learned

A period of delays in bringing a number of international staff on board, in great part due to the security situation in Kabul, had resulted in delays in delivery of certain outputs and problems in related to certain components (in particular for activities related to the MoE). During the same period a number of development, the London Conference and the following Presidential decree, posed a challenge to re-orient the priorities and activities of the project. Temporary reallocation of human resources within the project to focus on the MoE, and arrival of the Project Manager, have assisted the project in addressing urgent needs related to the above-mentioned developments, and within a short period of time plan on realigning its work with new realities on the ground.

## Future Plans

The London conference has been followed up with a Presidential Decree giving powers to the HOO in engaging in investigation and prosecution. To ensure progress towards the achievement of project outputs and to ensure the enhancement of transparency and accountability, a number of key activities have however been prioritized which include continued technical and administrative support to the HOO while building operational links between complaint mechanisms within three ministries, integrity promotion officers, and the formation of civil society networks in charge of receiving complaints to be channeled to the ministries, classifying those complaints, monitoring the investigative stage, and proposing measures to the state in order to enhance the resolution of their complaints. This social mobilization framework will be applied to the expansion of the complaints office to the provinces in the Ministry of Finance, to the conducting VCAs in the MOE, MOI, and CAO. The project will further work towards linking the prevention of public sector corruption, private sector corruption and organized crime in Afghanistan.

The project also plans to computerize the complaints handling system to make it more intelligent and a responsive tool towards improvement of the Government systems. Through the Grants facility the material and experiences of the engagements will be made widely available by employing all means of dissemination possible. A network of the media organizations will be created to facilitate the coordination and interaction of the civil society with the state.

As indicated earlier it is also proposed that the project document be realigned and component four be merged with the first three components (mostly with component three). But most notably it is proposed that the project revamp its component four, and support the new independent monitoring and evaluation body which will be set up by the GoIRA, through outputs which are presented below.

By way of background, global experience shows that every UN member state and societies that have experienced and benefitted from improvements in the prevention and combat of public and private sector corruption, have established an independent framework to monitor and evaluate the executive branch's efforts to combat and prevent corruption. In all UN member states that enjoy from high levels of public sector governance this takes the form of parliamentary or national assembly (legislative) committees mandated with the task to monitor the executive branches' agencies in charge of law enforcement and crime prevention. In other UN member states with lower levels of institutional development, "blue ribbon" commissions are sometimes established, all composed of highly prestigious national and international members with the mandate to technically evaluate the nature, effectiveness, and impact of preventive and punitive policies against public and private sector corruption. In addition, within this type of institutional environments, these committees are mandated to foster an institutional environment within which prosecutors and police can possess the technical feasibility (without undue political interference) to judicially process high-level corruption (criminal) charges brought against well-positioned high-level political actors at the national, provincial, and local domains.

In this context, the Government of Afghanistan invited the international community to form an International Monitoring and Evaluation Committee (MEC) to offer it policy advice and monitor and evaluate progress against specific benchmarks. The invitation from the Government of Afghanistan was welcomed by the international community gathered at the London Conference. In this context, six members of the Committee (three Afghans and three international) are to be selected by a nominating body to be assembled by the GoIRA.

International experience demonstrates that, for these ad-hoc committees to achieve their intended objectives, nominees require to be highly recognized and independent national and international personalities that have previously occupied high-level positions in governments, international bodies, and civil society organizations with the capacity and willingness to interact on an equal basis with representatives of the highest levels of the Afghan Government (i.e. with the President, with Parliament members, and with cabinet ministers). The MEC members will also act in their capacity as experts on the ways and means to tackle corruption and the MEC would be entirely independent. The Committee will determine its own operating procedures. The MEC will have the sole authority to determine the content of its reports, which must be published every six months, within one month of completion of every second visit. Publication means that all such reports will be available to the President, to the Parliament, and to the people of Afghanistan through the media. They will also be made available to the international community. Reports will provide an assessment against agreed benchmarks but may also choose to examine specific themes or sectors. The technical drafting of these monitoring and evaluation reports will require technical assistance. In this context, UNDP has been requested that such assistance be channeled through the ACT project in order to constitute a technical secretariat for the MEC while establishing independent channels for MEC to gather information from Afghan civil society, the private sector, media, and HOO. The second main revision to the ACT project is now aimed at developing technical capacities within the HOO, a civil society network, a private sector network and a media network of organizations in order for these networks to produce the relevant and required technical information necessary for MEC's assessment of the anticorruption efforts undertaken by the GoIRA. In this context, a component to the ACT project has been added.

Output 4.1: An executive secretariat of the Monitoring and Evaluation Committee (MEC) established with institutional channels developed to link with independent technical sources of information from HOO, civil society and private sector networks

A small number of executive staff supporting the Monitoring and Evaluation Committee (MEC) will establish an institutional presence in Afghanistan. The executive coordinator of the Monitoring

and Evaluation Committee (MEC) will establish permanent channels to obtain and assess technical anti-corruption benchmark-related reports from the HOO's Corruption Monitoring System (linked to Output 1.2), a civil society board and a private sector board (to be trained by UNDP and linked to Outputs 3.1 and 3.2). Other channels of institutional communication may be developed outside of the ACT project's domain.

Output 4.2: The capacity development of a civil society and media boards achieved

An operational network of civil associations will be formed as part of the ACT project with the technical capacity to independently provide technical assessments at the local, provincial, and central government levels through technical reports to the Monitoring and Evaluation Committee (MEC) addressing the state of the anti-corruption efforts to be undertaken by the Afghan Government (linking to Outputs 2.2. and 3.4). This civil society operational network will be technically trained and assisted by UNDP.

Output 4.3: The formation, capacity development, and training of an operational private sector business board

International experience shows that the private sector can also provide the basis for a culture of corruption that later negatively impacts on the levels of investments undertaken by the national and foreign private sectors operating in Afghanistan. In this context, the private sector is normally part of a frequently held operational interaction with government agencies (MOFs, central banks, etc). In this framework, an operational network of Afghan private sector firms will be formed to independently provide assessments to the Monitoring and Evaluation Committee (MEC) while addressing the state of the anticorruption efforts to be undertaken by the Afghan Government and by the private sector of Afghanistan within its own domain. The private sector network will receive UNDP's technical facilitation.

Output 4.4: stakeholders group established

To provide strategic support for information gathering and feedback, the HOO, in consultation with the international community, will establish a stakeholders group composed of one representative from each of the following areas: executive branch, legislative branch, judicial branch, the private sector, media, civil society, and the donor community to serve as additional information sources and sounding board for the Committee. This Stakeholders Group will be technically assisted by UNDP in its deliberations and technical assessments.

**Financial Section:**
**Table 1. Total Income and Expenditure**

Donor	INCOME			Expenditure			BALANCE	Remarks
	Total Commitment (approx US\$)	Total Received (approx US\$)	Total Receivable (approx US\$)	Total Cumulative Expenditures as of Dec 2009	Current Year 2010 (Cumulative) as of the current Quarter	Total Expenditure	Total Received minus Total Expenditure	
UNDP Core	980,696	980,696	-	980,696	-	980,696	-	
Denmark	1,012,138	1,012,138	-	-	115,856	115,856	896,282	
Italy	374,532	374,532	-	371,881	-	371,881	2,651	
Norway	1,324,480	1,324,480	-	1,278,196	-	1,278,196	46,284	
DFID	7,528,090	4,310,345	3,217,745	1,123,643	2,136,805	3,260,448	1,049,897	
CIDA	1,378,676	472,144	906,532	-	-	-	472,144	
<b>Total</b>	<b>12,598,613</b>	<b>8,474,335</b>	<b>4,124,278</b>	<b>3,754,416</b>	<b>2,252,661</b>	<b>6,007,077</b>	<b>2,467,258</b>	

**Table 2. Expenditure by Major Outputs (2010)**

Project Output	Budget	2010 Cumulative Expenditure as of the Current Quarter	Delivery Rate
<b>Output 1:</b> High Office of Oversight enabled to fulfill its mandate.	1,501,400	920,717	61%

<i>GMS</i>	113,009	69,301	
<b>Sub-total Output 1.</b>	<b>1,614,409</b>	<b>990,019</b>	61%
<b>Output 2:</b> 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	804,450	559,249	70%
<i>GMS</i>	60,550	42,094	
<b>Sub-total Output 2</b>	<b>865,000</b>	<b>601,343</b>	70%
<b>Output 3:</b> Civil society actors and media increasingly involved in the fight against corruption	358,000	1,921	1%
<i>GMS</i>	26,946	145	
<b>Sub-total Output 3</b>	<b>384,946</b>	<b>2,065</b>	1%
<b>Output 4:</b> Training materials and modules developed and integrated into on-going training initiatives	84,650	42,387	50%
<i>GMS</i>	6,372	3,190	
<b>Sub-total Output 4</b>	<b>91,022</b>	<b>45,577</b>	50%
<b>Output 5:</b> Project Team Support	618,400	570,701	92%
<i>GMS</i>	46,546	42,956	
<b>Sub-total Output 5</b>	<b>664,946</b>	<b>613,657</b>	92%
<b>Grand Total</b>	<b>3,620,323</b>	<b>2,252,662</b>	62%

**Table 3. Expenditure by Donors (2010)**

Donor	Project Output	Budget	2010 Cumulative Expenditure as of the Current Quarter	Delivery Rate
DFID	<b>Output 1:</b> High Office of Oversight enabled to fulfill its mandate.	1,242,600	812,971	65%
	<b>Output 2:</b> 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	639,450	559,249	87%
	<b>Output 3:</b> Civil society actors and media increasingly involved in the fight against corruption	358,000	1,920	1%
	<b>Output 4:</b> Training materials and modules developed and integrated into on-going training initiatives	84,650	42,388	50%
	<b>Output 5:</b> Project Team Support	596,400	570,701	96%
<i>GMS</i>		219,867	149,576	
<b>Sub-total DFID</b>		<b>3,140,967</b>	<b>2,136,805</b>	<b>68%</b>
Denmark	<b>Output 1:</b> High Office of Oversight enabled to fulfill its mandate.	258,800	107,746	42%

	<b>Output 2:</b> 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	165,000	-	-
	<b>Output 3:</b> Civil society actors and media increasingly involved in the fight against corruption	-	-	-
	<b>Output 4:</b> Training materials and modules developed and integrated into on-going training initiatives	-	-	-
	<b>Output 5:</b> Project Team Support	22,000	-	-
<i>GMS</i>		33,555	8,110	
<b>Sub-total Denmark</b>		<b>479,355</b>	<b>115,856</b>	<b>24%</b>
<b>Grand Total</b>		<b>3,620,323</b>	<b>2,252,661</b>	<b>62%</b>

## 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	Indicator 1: Number of ministries and government offices (e.g. Control and Audit Office, Attorney General's Office) that	Baseline 1 (2008): No ministries or government offices have to date developed anti-	2009 Annual Target/ Deliverables: Target 1: All ministries and government offices have anti-corruption action plans and are	A number of Ministries and other government institutions prepared and sent their plans for three

	<p>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>corruption action plans based in national anti-corruption strategy</p> <p>Baseline 2 (2008): 1 assessment / review ongoing</p>	<p>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>anti-corruption priorities. Business process simplification in two processes continued</p>
Output 1.2: Comprehensive corruption monitoring system established	<p>Indicator 3: Baseline on experiences and perceptions of corruption amongst the general population, civil servants and the business sector</p>	<p>Baseline 3 (2008): To date no comprehensive survey of corruption perceptions and experiences has been carried out</p>	<p>Target 3: comprehensive corruption monitoring system established by February 2012  Benchmark: 3 national surveys completed in 2009</p>	<p>Implementing partner for data collection identified by UNODC; finalized hiring process for researchers/surveyors based in UNODC and HOO started</p>
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	<p>Indicator 1: 1 Number of action plans developed, adopted and implemented based on VCAs conducted</p>	<p>Baseline 1 (2008): No action plans adopted</p>	<p>Target 1: 7 action plans developed, adopted and implemented by end of 2010  Benchmarks: 3 action plans developed, adopted and implemented in 2009</p>	<p>The TOR for VCA to be conducted in MOE is drafted and will be announced in the second week of July 2010.</p>
Output 2.2: Complaints and investigation	<p>Indicator 2: Percentage of complaints referred within</p>	<p>Baseline 2 (2009): No baseline data available –</p>	<p>Target 2: 80 percent of all cases referred investigated and</p>	<p>Letter of Agreement (LOA)</p>

capacity established/ developed in Control and Audit Office, Ministry of Education, Ministry of Finance and Ministry of Interior	the ministry/office investigated and completed at year end	to be collected in 2009	completed by end of 2011 Benchmarks: Capacity development initiated in 2009	signed with MOE  Complaints Office established good coordination with the Fraud investigation unit (FIU) of the MOF  Complaints Office also established a database that enables analytical review of the nature of complaints
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	IPO is being established in MOE to support complaints mechanism  Agreement reached with the senior management of the MOF to involve a network of the civil society actors to serve as a secondary and tertiary channel of receiving and forwarding complaints to the MoF 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 supported the CAO in the preparations for the Kabul Conference and ensured the mention of passage of Audit Law with a time line of 6 months ensuring

				independence and reporting to Parliament in the draft paper for the Kabul Conference. He has also started the capacity building activities by securing a training slot in July and developing the training material during the period.
Output 3.1 : Civil society actors and media increasingly involved in the fight against corruption	Indicator 1: Number of CSOs, youth and media organizations selected for funding through ACT Grants Facility (ACT-GF)  Indicator 2: Number of CSOs and media organizations receiving funding through ACT-GF achieving targets as per grant agreement	Baseline 1 (2008): 3 CSOs/Media Organizations have received grants Baseline 2 (2008): All grants recipients on target – activities to be finalized in 2009	Target 1: 14 CSOs / Media Organizations received grants by end of 2011 Benchmarks: 3 CSOs/Media Organizations received grants in 2009  Target 2: 12 out of 14 CSOs/Media Organizations fully achieved targets by February 2012 Benchmarks: 4 CSOs/Media Organizations fully achieved targets in 2009	Adapted guidelines for provision grants to civil society organizations  prepared a detailed plan for capacity building of the CSOs  produced a booklet on the project to create awareness on the anti-corruption work being done by UNDP in Afghanistan
Output 4.1: Training materials and modules developed and integrated into on-going training initiatives	Indicator 1: Percentage of population aware of mechanisms available for reporting cases of corruption	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)	Target: 80 percent of general population survey respondents indicate that they are aware of the mechanism available by end of 2011 Benchmark: 30 percent of general population survey respondents indicate that they are aware of the mechanism available in 2009	
Output 4.2: Advocacy plan developed with	Indicator 1: Percentage of population aware of mechanisms	Baseline (2007): 18 percent of survey	Target: 80 percent of general population survey respondents	

materials disseminated nationwide through wide range of media	available for reporting cases of corruption	respondents would report anticorruption cases to previous anti-corruption agency, 15 percent would report corruption cases to the judiciary (Integrity Watch Afghanistan)	indicate that they are aware of the mechanism available by end of 2011 Benchmark: 30 percent of general population survey respondents indicate that they are aware of the mechanism available in 2009	
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**Annex II: 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	I		08 October 2009	Increasing
2	Security concerns	Q1 2009	Other (Security)	Project facing difficulties in identifying and recruiting suitable international staff P=4 I=5	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			13 October 2009	Increasing

					potential candidates for the project.			
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**Annex III: Issue Log<sup>2</sup>**

ISSUES LOG					Date: 01 July 2010	
Award ID: (00045444)			Project: Accountability and Transparency (ACT) Project			
ID	Type	Date Identified	Description	Status/Priority	Status Change Date	Author
1	Operational	February 2010	Project realignment: Realignment of activities may require an increase of activities of the project which will place a considerable workload on existing project staff potentially resulting in bottlenecks. This may delay the realignment of the project as well as implementation of planned project activities.	Increasing/High	N/A	
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	
3	Operational		Lack of capacity and understanding of corruption activities by CSOs was an issue faced by the project. It was noticed that many of the CSOs lack capacity of proposal writing reducing the number of quality proposals received by the project.	Decreasing/ High	N/A	

<sup>2</sup> Details on Issue log can be obtained from Issues log deliverable description.