



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



A workshop was organized on 'Operationalizing the Role of Civil Society in the Fight Against Corruption in Afghanistan' to introduce the idea of CSOs networks working closely with the government institutions and the MEC held in the Ministry of Finance on 29 September 2010

**Project ID:** 00053687  
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**ANDS Component:** Cross-cutting Issues – Anti-Corruption  
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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
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

In the third quarter of 2010, the project, building on the achievements from the previous quarters of the year, continued to contribute to strengthening government institutions to build capacity in prevention and detection of fraud and corruption.

ACT assisted HOO in preparations for Kabul Conference under the Governance Cluster and its anti-corruption working group, most notably in devising the Transparency and Accountability Programme, and will continue its support throughout the Kabul process which follows the conference. After a preliminary assessment conducted together with HOO staff, a strategic framework was proposed by ACT to HOO. A new component focusing on providing support to MEC technical secretariat is envisaged in the proposed ACT Project Documents. The organogram of MEC technical secretariat and terms of reference of staff of the secretariat were drafted by the project. A Communication Strategy was drafted by ACT for the HOO to engage the civil society in the anti-corruption campaign. The working system of the Complaints and Information Gathering Directorate of HOO was reviewed and recommendations were made to improve the system. ACT presented a module on strategy and planning during a 3-day workshop attended by around 50 staff of HOO. 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 third 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 more flexibility to hire human resources directly and strengthen its recruitment and staff management capacity. A research partner, Eureka Research/Evaluation has been selected to conduct survey as per the LOA entered into by UNODC with UNDP in March 2010.

A vacancy announcement for a consultant to carry out the VCA has been made to support the Ministry of Education (MOE) for review of procedures and processes in the ministry. A joint assessment of the training needs of the Fraud Investigation Unit of the DG IA has been conducted and areas where the training was needed have been identified. To respond to the urgent training needs of the investigators at MoF, services of a technical expert seconded by the Danish embassy were allocated to the training needs of MOF, MOE, and MOI. A new internal policy for handling the complaints within the MoF has been developed which has been shared with the prosecutors and the DG/IA for comments. A new complaints handling mechanism was drafted based on the concept note for the re-launch of the IPO in the MoF, MOI and MOE and initially agreed upon by the MoF to involve a network of the civil society actors to serve as a secondary channel for receiving and forwarding complaints, following up on those complaints, and assessing complaints resolutions. A Letter of Agreement was signed for supporting the MOE in their complaints and investigation mechanism. ACT conducted two workshops for relevant MOE departments to build the capacity of staff and train the head of departments in order to delineate a revamped complaints procedure. As a result, the complaints handling procedure has been delineated by the MOE hand in hand with ACT and later presented by MOE officials at a second workshop.

The Control and Audit Office (CAO) was supported by ACT throughout the Kabul Conference process in order to technically assist CAO Afghan officials in fostering CAO's institutional independence and strengthening. As a result of these efforts, a much more relevant and explicit role for CAO was endorsed in the Kabul Conference Communiqué. Training on Fraud and Corruption Detection was conducted for 24 officials of CAO and Internal Audit departments in 6 ministries. A workshop on fraud and corruption detection was also conducted in the CAO to develop a strategy for fraud and corruption detection for the CAO with all Directors and the Deputy Auditor General present. A draft strategy on Fraud and Corruption Detection for CAO has been prepared as a result and is to be finalized in the coming quarter through discussions and ownership of the CAO. A concept note on an Audit Coordination Committee along with draft

Terms of Reference (TOR) to facilitate coordination among institutions involved in anti corruption as well as audited entities on conduct and follow up on audit observations was submitted to the CAO.

An advocacy and communication strategy, including an awareness raising campaign for the general public, has been developed by the ACT project. In preparation for a workshop for CSOs and the public representatives in Kabul and Herat, training material has been prepared on social audit and social budget audit by engaging the CSOs and linking them to the provincial council of Herat. Training material for a preliminary workshop for the Civil Society Board of the Monitoring and Evaluation Committee (MEC) has also been prepared. The work on establishing civil society networks for the MEC, MOE, and MOF is underway. As a result, HE the Minister of Education, Mr. Wardak, has endorsed the installation of complaints offices linked to civil society networks in Herat, Jalalabad, Kabul, and Mazar. A workshop was organized on 'Operationalizing the Role of Civil Society in the Fight against Corruption in Afghanistan' to introduce the idea of CSOs networks working and closely monitoring government institutions and a forthcoming MEC. Operational framework and TOR for the MEC's Technical Secretariat and civil society board have been developed and was shared with the CSOs. Finally, the grants to be allocated to civil society within the ACT project will incorporate the criteria of requiring CSOs to engage within a network in monitoring Afghan State institutions within ACT.

## Context

The Accountability and Transparency (ACT) project has been designed to support the Government of Afghanistan and Afghan civil society networks in developing the necessary capacities to fight and prevent corruption. The revised ACT project, signed by the Government of Afghanistan and UNDP in April 2009, is supporting 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 main framework, 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 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.

The London Conference in January 2010 outlined focussed activities for the anti corruption efforts in Afghanistan, especially through the High Office of Oversight. The conference was followed up with a Presidential Farman (decree) that outlined specific powers and activities for the HOO. The Kabul Conference in July 2010 further strengthened the commitment of the Government of Afghanistan towards anti corruption and addressed the “how to” aspects of implementing specific anticorruption measures. Specific time bound activities were proposed on a six month, twelve-month and one to three year time frames. In this light, the project document needs to be updated and the project has initiated the process of project update.

## Implementation Progress

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

Under the guidance of the chief adviser and project manager, the senior advisor to HOO's management and the technical specialist on strategy and planning continued to support the HOO during the third quarter

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

ACT team contributed to preparation for Kabul Conference which was held on 20 July 2010, built on previous international conferences (including in Paris and London) where Government and international commitments and programmes for Afghanistan were laid out. Kabul Conference, however, was an important step towards full Afghan leadership and responsibility and the Government presented several Afghan-led plans for improving development, governance and security. ACT assisted HOO in preparations for Kabul Conference under the Governance Cluster and its anti-corruption working group, most notably in devising the Transparency and Accountability Programme, and will continue its support throughout the Kabul process which follows the conference.

In order to fulfill its mandate in the most effective and efficient fashion and to perform its role under the Kabul process, HOO has embarked on drafting its strategic plan with the assistance of ACT. After a preliminary assessment conducted together with HOO staff, a strategic framework was proposed to HOO which is under consideration by HOO's leadership. Once the framework is agreed upon and approved, ACT will support HOO in turning the framework into a strategic plan and operationalizing it. It needs to be anticipated that a joint UNDP-HOO working technical group will discuss the framework to reach an agreement on HOO's strategy and specific steps ahead and ensure that an agreed upon "HOO-owned" framework can be implemented.

Furthermore, as part of the Government's commitments in London and Kabul Conferences, a Joint Monitoring and Evaluation Committee (MEC) is to be established to provide policy advice and monitor and evaluate Government's progress against anti-corruption benchmarks. MEC is to be set up with a permanent secretariat, to be fully operational within three months after Kabul Conference. ACT was requested to assist in setting up the technical secretariat, and the proposed ACT Project Documents envisages a new component focusing on providing support to MEC technical secretariat. The organogram of MEC technical secretariat and terms of reference of staff of the secretariat were drafted by the project.

ACT Project also provided support to specific departments/areas of HOO's work: In this context, the project assisted the HOO in the formulation of a communication strategy. It was recommended to implement the Strategy in phases keeping in view the constraints of security and paucity of resources. The working system of the Complaints and Information Gathering Directorate of HOO was reviewed and recommendations made to improve the system. Furthermore, ACT Project presented a module on strategy and planning during a 3-day workshop attended by around 50 staff of HOO.

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 third quarter of this year 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.

During the third quarter, the project assisted with the extension of lease agreements for HOO office premises and finalized another lease agreement for office space for HOO along with installation of internet facilities. The HOO website contract was also extended ensuring that the internet presence of the HOO is maintained. Delivery of certain IT equipments including printers, copiers, desktop and laptop computers etc. purchased in the second quarter was made during third quarter.

Measures conducted at HOO, mainly by UNDP and UNODC were showing great speed of implementation when addressing procurement that may be needed for future anticorruption investigations and/or prevention strategies. Yet, more substantive actions seem to be challenged (e.g. HOO's ability to produce concrete evidentiary material to be channeled to the Attorney General or to the Judicial branch for much needed motivation on specific convictions).

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

During the 1st quarter of 2010 the ACT Project signed a Letter of Agreement (LOA) with UNODC to jointly support the strengthening of research capacity within the HOO. This activity has been on-going during the second and third quarter, and will continue until the first quarter of 2011. Under the Letter of Agreement (LOA), a quantitative research expert responsible for capacity building will be based in the HOO, supported with training and substantive supervision from UNODC's research division. The HOO, with support from the research expert, will work with UNDP and UNODC in the implementation of five research activities. These activities are: 1) detailed corruption-focused sector surveys in the following sectors: police, justice, education, and local government, for the purpose of providing more detailed analysis of where corruption occurs within these sectors than has been provided by previous research, as well as practical recommendations on how these government bodies can reduce corruption; and 2) a general population survey on experiences of corruption that will permit the HOO for the first time to track trends. These research activities along with the strengthened capacity of the HOO in the area of research will form the basis for the establishment of a corruption monitoring system.

A suitable implementing partner that will carry out the data collection was identified through a transparent bidding process conducted by UNODC and paperwork was submitted to UNDP for further processing in the second quarter. The release of the first tranche of the funds was finalized by UNDP in the third quarter. The selected research partner, Eureka Research/Evaluation, has during the third quarter signed the contract, developed a research concept and begun the process of developing specialized data collection tools. The national research officer who will be based at the HOO is expected to start work in October, as is a second national research officer who will be based at UNODC and be responsible for monitoring the activities of the contractor. A mission by a senior UNODC research expert based in UNODC HQ is planned for October.

#### 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

Vacancy announcement for a consultant to carry out the VCA has been finalized in order to support the Ministry of Education (MOE) for review of procedures and processes in the ministry. The interview is scheduled during the month of October. Two VCA's will be conducted at MOE. The first one aimed at the initial stages of complaints procedural reforms and civil society network participation in these reforms and the second one in 2012 to assess the impacts of reforms

## Output 2.2: Enhanced Accountability, Transparency and Integrity in key Government institutions

### Ministry of Finance

To provide capacity development support and on-the-job mentoring to the staff of the complaints and investigation mechanisms in the ministries / offices at the central and sub-national level, and as requested by the DG Internal Audit (IA) at MoF, a joint assessment of the training needs of the Fraud Investigation Unit (FIU) of the DG IA was conducted. Based on the assessment of the FIU training needs a report outlining the main capacity building needs was prepared. Immediate actions were taken to render the requested technical assistance by drafting ToR of the services required.

In order to further strengthen the FIU, a suggestion was made by the Chief Adviser for a closer collaboration of the FIU with the MoI anti-corruption mobile team in order to avoid any legal gaps into making future arrests by the FIU.

In the meantime, in order to respond to the urgent training needs of the investigators at MoF, based on the thematic training program (founded on official request ACT received in September 2010) the services of the technical expert seconded by Danish embassy were allocated to the provision training needs at the FIU and Complaints Office.

To train the civil society network and IPOs on handling of the complaints, the Complaints Office staff was engaged in re-developing complaints procedures considering the new concerns recently raised by the prosecutors in the MoF.

New internal policy for handling the complaints in the MoF has been developed. The policy was shared with the prosecutors and the DG IA to for comments.

As part of the above activities the ACT Complaints Office in the MoF initiated the development of a training manual for complaints handling and fraud analysis.

### Ministry of Education

Under this output the ACT project is providing both technical and infrastructure support to tackle corruption at the respective Ministry of Education. For that purpose, a Letter of Agreement was signed for supporting the MOE in their complaints and investigation mechanism. Subsequently, the complaints handling procedure has been developed that has been presented to about forty staff from internal inspection directorate, complaints office, and safety and security directorate including the chief of staff, and head of the mentioned departments.

ACT conducted two workshops for relevant MOE departments to build the capacity of staff and train the head of departments to explain the complaints procedure to their subordinates. As a result, the capacity development support will be effective in the fight against corruption.

To provide the human resources capacity and to establish the regional offices, the project coordinator is identified and the recruitment of other staff is underway. Also, to provide infrastructure support the ACT project prepared list of procurement that is advertised.

In consonance with seeking synergies among UNDP projects (ASGP), and at H.E. Minister Wardak's request, ACT has delineated an expansion of the newly designed complaints procedural framework and civil society network approach and will start work at the provincial level. Specifically, ACT and MOE agreed to start developing pilot bases in Herat, Mazar, Jalalabad, and

Kabul. This expansion was endorsed by Minister Wardak and activities of ACT within the provincial domains will start during the fourth quarter

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

A new complaints handling mechanism was drafted based on the concept note for the re-launch of the IPO in the MoF, MOI and MOE and initially agreed upon by the MoF to involve a network of the civil society actors to serve as a secondary channel for receiving and forwarding the complaints. In addition they will play an oversight role over the process of complaints handling.

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

Towards achieving institutional independence of CAO and thus its capacity to ensure financial accountability in government institutions, CAO was supported by ACT in its participation in the Governance cluster, formed by the Government to manage Afghanistan National development Strategy (ANDS) Goals related to Governance. Under the Transparency and Accountability program of the Governance cluster, specific priorities were outlined for the cluster, including enactment of an Audit Law ensuring independence of CAO as the Supreme Audit Institution of the country. Detailed activities with timeline on achievement of the priorities set out were also decided upon. The Government of Afghanistan committed to submit an Audit Law within six months meeting international standards, for internal and external audits and to ensure the strengthening and independence of the Control and Audit Office (CAO) through the Communiqué for Kabul Conference. ACT supported the CAO in achieving this goal. Post Kabul Conference ACT has supported CAO in preparing detailed action plan for achievement of first six month goals set out in the Communiqué.

In line with the commitment in the Kabul Conference towards strengthening the capacity of Control and Audit Office as well as the ACT project document, a training program on fraud and corruption detection was conducted by UNDP during July 2010. The training program was attended by 24 participants including 10 from internal Audit departments of various ministries (MoD, Mol, MRRD, Ministry of Transport, Knowledge Academy, Ministry of Public Services), one Deputy Auditor General of CAO, one Director from CAO and 12 Auditors of CAO. The topics covered in the training included fraud and corruption detection process, fraud and corruption risk assessment, identifying red flags, identifying high risk areas and reporting of the audit results.

A workshop on fraud and corruption detection was conducted in the CAO to develop a strategy for fraud and corruption detection for the CAO. All Directors and the Deputy Auditor General of CAO participated in the workshop. A draft strategy on Fraud and Corruption Detection for CAO has been prepared as a result and is to be finalised in the coming quarter through discussions and participation of the CAO. The draft strategy focuses on institutional, organisational and staff level interventions. A Capacity development plan based on the strategy will also be developed in the coming quarter.

To support initiatives and to facilitate coordination among institutions involved in anti corruption as well as that with the audited ministries/organisations to improve follow up on the audit findings that are indicative of possibilities of fraud and corruption, a concept note on an Audit Coordination Committee to be set up between the CAO and ministries and organisations under audit or relevant for the audit process (especially fraud and corruption) has been submitted to the CAO. The proposed mechanism will be an operative mechanism that is to be steered by the senior management of the ministries and the CAO. The concept note and the draft Terms of Reference (TOR) for the Audit Coordination Committee outline the mandate, nature and responsibilities for the committee. The Advisor to the Auditor General and Director (Planning) have agreed to the

concept however it is yet to be discussed by the Senior Management in CAO and a response from them is expected.

To assist the CAO to further develop their partnership and establish coordination with relevant actors to increase transparency and accessibility of audit reports and the effective presentation of audit findings, development of an information campaign to raise awareness and understanding within the GIRoA and of civil society, media and role of the public, mandate and function of the CAO, an Audit Outreach Consultant has to be recruited. A TOR for the consultant has been developed and the recruitment is expected in the next quarter, subject to the enactment of Audit Law.

It has also been proposed to consider support to the creation of the Public Accounts Committee<sup>1</sup> (PAC) in the National Assembly and its secretariat and subsequent capacity building of the members of National Assembly/ PAC and the secretariat through a distinct component in the upcoming project of UNDP on support to National Assembly. ACT will ensure synergies with the upcoming project w.r.t this proposed component.

To further create awareness in the wide spectrum of auditors of CAO as well as all stakeholders, an article on Fraud and Corruption Detection by Supreme Audit Institutions was submitted to be included in the Audit magazine to be published by the CAO.

#### Output 3.1: Civil society actors and media undertaking anti-corruption activities supported by the Accountability and Transparency Grants Facility

Work is underway on revising a concept note that will set the next steps to be taken to provide support to the CSOs participating in the MEC, MOE, and MOF networks. With the establishment of the Grants Committee at the UNDP CO, the project is now in a position to provide grants to the CSOs.

#### Output 3.2: Capacity of civil society actors and media to engage in the fight against corruption developed

Training material for a preliminary workshop for the Civil Society Board of the Monitoring and Evaluation Committee (MEC) has been prepared. The workshop has been held in September. Work is underway on preparing training material for the MOE and MOF Civil Society Networks. Recruitment of an international consultant is underway to develop two comprehensive training manuals for the MEC and the MOE/MOF Networks.

#### Sub-Output 3.3: Civil society and media networks established at national and sub-national level

The work on establishing civil society networks for the MEC, MOE, and MOF is underway. A workshop was organized on 'Operationalizing the Role of Civil Society in the Fight against Corruption in Afghanistan' to introduce the approach of CSOs networks monitoring service delivery of government and the MEC. Operational framework and TOR for the MEC civil society board has been developed and will be shared with the CSOs. The TOR has been discussed with individual CSOs who have been asked to introduce their focal points for the MEC civil society board. Similar TORs for the MOE and MOF civil society networks are being prepared. The MEC, the Civil Society Board of the MEC, and the Civil Society Networks at ministerial level were presented to a number of CSOs including the Inter-agency Network for Education in Emergencies.

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<sup>1</sup> Creation of Public Accounts Committee is a commitment by the Government of Afghanistan in the Kabul Conference held on 20 July 2010. The Public Accounts Committee, once formed, should act as the main committee of the National Assembly ensuring parliamentary oversight over the Executive, duly supported by the reports of the Auditor General.

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

In preparation for a workshop for CSOs and the public representatives in Herat, training material has been prepared on social audit and social budget audit involving engagement of the CSOs and linking them to the provincial council. TOR has been developed for an international consultant to be recruited in order to develop on the work already done and to prepare a comprehensive training manual for the public representatives.

Training materials were developed for six workshops (two at CAO, two at MOE, and two within the civil society domain). The material will be available within a newly installed ACT intranet website.

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

The project has prepared an advocacy and communication strategy including awareness raising campaign for the general public. The process of recruiting an international consultant is underway to further develop the strategy. A number of steps have been taken to raise the profile of the project including wide dissemination of the booklet to national and international partners. Work is underway on the first issues of the ACT Against Corruption Newsletter – a monthly publication by the ACT project.

An ACT internet site has been opened by the operations team within ACT. In this context, materials will be disseminated worldwide by allowing partner institutions and donor governments to contribute material to ACT's newsletter.

In addition, radio and TV material are being addressed and developed within ACT in order to engage anticorruption best practices (on the preventive domain) through a wide range media.

## Challenges

### Risks

#### Political will

Challenges remain regarding the political will needed to implement real anticorruption measures in Afghanistan. UNDP proposed strategy framework document presented to the HOO in July introduced an assessment of HOO's current institutional gaps and needs in order to motivate the discussion of a strategic framework, also proposed within the same document. This UNDP document is aimed at starting a technical dialogue towards assisting HOO towards a well-defined role in (i) coordinating anticorruption policies across the Afghan State with the Ministry of Justice, President's Office, and Legislative domains; (ii) coordination of law enforcement efforts with the Attorney General's Office the Ministry of Interior, and Intelligence agencies (financial intelligence included); (iii) policy review of anticorruption proposals; (iv) public advocacy; and (v) prevention. In this regard, a much more fluent communication effort should be made to address all dimensions of political decision making within the Afghan Government.

#### Security

The security situation continues to decelerate the pace of progress. The lack of a minimum security framework the constant news of kidnappings and assassinations of foreign workers (compounded by the lack a proper Kabul-based health-provider to attend cases of serious injury or

illness) has reduced the quality and scope of the pool needed to ensure high-quality human resources recruited by UNDP.

#### Any other

Pernicious incentives may affect the capacity of Afghan civil servants to serve with effectiveness if different tiers of LoA-based compensation and salary scales are perceived to lack merit in their delineation. In this context, a gradual convergence towards a uniform salary scale based on merit and supported by the IACSC needs to be promoted.

## **Issues**

### Project Revision

Project Revision is under way in order to incorporate a fourth component addressing the formation and technical training of the Technical Secretariat of MEC. TORs for each proposed member have been developed and once the 6 member MEC is formed, recruitments of technical staff and civil society board trainings will start

## **Lessons Learned**

Coordination with the CAO and obtaining support from the CAO senior management has led to development of ideas and frameworks that will be effective in fraud and corruption detection. As a result, a strategy framework has been developed with UNDP-ACT technical assistance all hand in hand with CAO through complete Afghan institutional ownership. The same can be said of MOE's efforts to delineate its own public complaints procedure with UNDP-ACT's technical facilitation. After two workshops with top management and line directors, MOE has accepted a new complaints approach linking civil society networks, UNDP-procured integrity officers, and the MOE complaints office all three working together towards the prevention of corruption. MOF is starting to apply the same approach with ample support from Afghan stakeholders. In addition, public advocacy and civil society inputs have been proposed/ instilled within all other components of the ACT Project, thus addressing not only the technical/policy coherence and consistency of anticorruption policies, but also the social legitimacy requirement.

## **Future Plans**

Output 1: Under component one, it is anticipated that a working technical committee on strategy will be established at HOO. Furthermore, in coordination with UNODC work on functional protocols between HOO and other entities will begin. ACT will further assist HOO on follow up on three anti-corruption priorities.

Output 2.1: The international consultant will be recruited to conduct VCA at Ministry of Education.

Output 2.2: The complaints handling procedure and an operational training manual will be developed for effective running complaints office at Ministry of Education.

At MOF existing complaints and investigation procedures at the sub-national level will be reviewed in order to see how the procedures can be extended. The complaints handling and fraud analysis manual will be finalised in the month of October. At MOI discussions with relevant departments will be undertaken in order to establish complaints and fraud investigation

mechanisms. Staff for the IPO has been shortlisted and it is expected that the IPO will be operational by the 4th quarter.

Workshops on how the fraud investigation unit can undertake proactive fraud investigations based on risk assessments will be undertaken.

Two manuals, for the complaints handling procedures and a short "How to" notes will be developed which will serve as a quick reference to the Fraud Investigators who currently face problem while referring to the FI manual that is lengthy and expanded over 100 pages. Training material on how to use these manuals will also be developed.

The training material on Fraud and Ethics will be improved. The Complaints Office along with the Integrity Promotion Office (IPO) will be conducting awareness raising campaign to the civil servants of the MoF and will be extended later to other target ministries as well.

Output 2.4: The Strategy for Fraud and Corruption Detection will be finalised and a capacity development plan will be developed based on the strategy. CAO will be supported to build up mechanisms to deal with cases of fraud and corruption effectively. CAO will be supported to increase transparency and accessibility of its reports, effective presentation of audit findings and development of an information campaign through a consultant on Audit Outreach who will be recruited, subject to enactment of Audit Law. Enquiries on establishing regional cooperation through training exchanges will be made from some Supreme Audit Institutions. Two officials of CAO are to be sponsored for a training program on Risk Based Audit Planning in Singapore in November.

Output 3: Civil society networks for the MEC, MOE, and MOF will be established. The project will provide support to the CSOs engaged in the operational work of networks within ACT aimed at monitoring service delivery at MOE, MOF, MEC, and MOI. With the establishment of the Grants Committee at the UNDP CO, the project is now in a position to provide grants to the CSOs. An international consultant will be recruited to develop two comprehensive training manuals for the MEC and the MOE/MOF Networks.

Output 4: Training material generated by the project will be made available within a newly installed ACT intranet website. An international consultant will be recruited to further develop the strategy. First issue of the 'ACT against Corruption' newsletter – a monthly publication by the ACT project, will be published.

## 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\$)	Cumulative expenditure 2007-08	Total Cumulative Expenditures as of Dec 2009	Current Year 2010 (Cumulative) as of the current Quarter	Total Expenditures	Total Received minus Total Expenditures	
Denmark	1,012,138	1,012,138	-	-	-	210,428	210,428	801,710	
Italy	374,531	374,532	-	374,145	-2,264	-	371,881	2,651	
Norway	1,324,479	1,324,480	-	752,389	525,807	-	1,278,196	46,284	
DFID	8,663,793	4,310,345	4,353,448	-	1,123,643	2,690,821	3,814,464	495,881	
CIDA	1,450,677	472,143	978,534	-	-		0		
<b>Total</b>	<b>13,256,848</b>	<b>7,493,637</b>	<b>5,331,982</b>	<b>1,126,534</b>	<b>1,647,186</b>	<b>2,901,249</b>	<b>5,674,969</b>	<b>1,346,526</b>	

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

Project Output	Budget (AWP 2010)	Cumulative Expenditure as of the current Quarter	Delivery Rate*	Remarks
<b>Output 1:</b> High Office of Oversight enabled to fulfill its mandate.	1,501,400	1,183,477	79%	
<i>GMS</i>	113,009	89,079		
<b>Sub-total Output 1.</b>	<b>1,773,909</b>	<b>1,272,556</b>	79%	
<b>Output 2:</b> Enhanced accountability, transparency and integrity in key government institutions	804,450	705,086	88%	
<i>GMS</i>	60,550	53,071		
<b>Sub-total Output 2</b>	<b>865,000</b>	<b>758,157</b>	88%	
<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>2,066</b>	1%	
<b>Output 4:</b> Training materials and modules developed and integrated into on-going training initiatives	84,650	62,307	74%	
<i>GMS</i>	6,372	4,690		
<b>Sub-total Output 4</b>	<b>91,022</b>	<b>66,996</b>	74%	
<b>Output 5:</b> Project Team Support	618,400	745,371	121%	
<i>GMS</i>	46,546	56,103		
<b>Sub-total Output 5</b>	<b>664,946</b>	<b>801,475</b>	121%	
<b>Grand Total</b>	<b>3,620,323</b>	<b>2,901,249</b>	80%	

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

Donor	Project Output	Budget (AWP 2010)	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	992,199	80%
	<b>Output 2:</b> Enhanced accountability, transparency and integrity in key government institutions	639,450	700,986	110%
	<b>Output 3:</b> Civil society actors and media increasingly involved in the fight against corruption	358,000	1,921	1%
	<b>Output 5:</b> Project Team Support	596,400	745,051	125%
GMS		219,867	183,668	
<b>Grand Total</b>		<b>3,140,967</b>	<b>2,623,825</b>	<b>86%</b>
Norway	<b>Output 4:</b> Training materials and modules developed and integrated into on-going training initiatives	84,650	62,307	73%
GMS		6,371	4,690	
<b>Grand Total</b>		<b>91,021</b>	<b>66,996</b>	<b>73%</b>
Denmark	<b>Output 1:</b> High Office of Oversight enabled to fulfill its mandate.	258,800	191,278	74%
	<b>Output 2:</b> Enhanced accountability, transparency and integrity in key government institutions	165,000	4,100	-
	<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	320	-
GMS		33,555	14,729.96	
<b>Grand Total</b>		<b>479,355</b>	<b>210,428</b>	<b>44%</b>
<b>Total</b>		<b>3,620,322</b>	<b>2,901,249</b>	<b>80%</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	<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>	The project is working with the HOO to create a strategic plan which will operationalize oversight of ministries anti-corruption action plans and create a mechanism for business process simplification
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	LOA signed with UNODC. Five surveys are planned to be conducted. A corruption research organisation selected.
Output 2.1: Vulnerability to Corruption Assessments (VCA) completed and	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	The term of reference was developed to assess the business processes at Ministry of Education. Also, the

<p>recommendations integrated in on-going technical assistance in Control and Audit Office, Ministry of Education, Ministry of Interior and a municipality</p>			<p>implemented in 2009</p>	<p>vacancy was re-advertised and the interview being held to hire a competitive candidate</p>
<p>Output 2.2: Complaints and investigation capacity established/ developed in Control and Audit Office, Ministry of Education, Ministry of Finance and Ministry of Interior</p>	<p>Indicator 2: Percentage of complaints referred within the ministry/office investigated and completed at year end</p>	<p>Baseline 2 (2009): No baseline data available – to be collected in 2009</p>	<p>Target 2: 80 percent of all cases referred investigated and completed by end of 2011                      Benchmarks: Capacity development initiated in 2009</p>	<p>The complaints handling procedure and a manual were prepared. Additionally, the workshop was conducted to increase the current capacity.</p> <p>The review of the fraud investigation mechanism at MOF identified constraints within the Fraud Investigation Unit both relating to MOF procedures and relating to capacity.</p> <p>The content of the Fraud investigation manual was reviewed.</p> <p>The case monitoring system at FIU was reviewed.</p> <p>A 'how to' note on fraud</p>

				risk assessment was drafted.
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 to be initiated in MOF after recruitment of expert.  Project staff were engaged in improving the training material on Fraud and Ethics.
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	The Project supported the CAO in its participation in the Governance Cluster for Kabul Conference.  A training program on Fraud and Corruption detection was conducted.  A workshop on finalising the strategy on Fraud and Corruption for CAO conducted.  A concept note and draft TOR on setting up of Audit Coordination Committee submitted to CAO.

				<p>TOR for an Audit Outreach Consultant developed.</p> <p>Proposed a distinct component for support of the proposed Public Accounts Committee in National Assembly and its secretariat and its members and staff in the upcoming project on support to the National Assembly.</p> <p>An article on Fraud and Corruption Detection by Supreme Audit Institutions written and submitted to be published by the CAO in their upcoming Audit magazine.</p>
<p>Output 3.1 : Civil society actors and media increasingly involved in the fight against corruption</p>	<p>Indicator 1: Number of CSOs, 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>Baseline 1 (2008): 3 CSOs/Media Organizations have received grants</p> <p>Baseline 2 (2008): All grants recipients on target – activities to be finalized in 2009</p>	<p>Target 1: 14 CSOs / Media 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>Potential members for the CSOs networks identified. A training workshop for CSOs was organized on the role of civil society in the fight against corruption</p> <p>Strategy being revised to provide support to the CSOs participating in the MEC, MOE, and MOF networks. With the</p>

				establishment of the Grants Committee at the UNDP CO, the project is now in a position to provide grants to the CSOs.
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	TOR for experts to develop training materials has been developed and the project is to identify experts to carry out the job. Initial training of CSOs and Provincial Council planned to be held in Herat in Q4.  Training materials were developed for six workshops (two at CAO, two at MOE, and two within the civil society domain).
Output 4.2: Advocacy plan developed with materials disseminated nationwide through wide range of media	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	Draft Advocacy and communication strategy prepared for the ACT project. Implementation of activities underway. Booklet produced for the project. A monthly newsletter being prepared to be issued regularly.  An ACT internet site has been opened by the

				operations team within ACT.
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**Annex III: Risk Log**

**RISK LOG**

<b>Project Title: Accountability and Transparency (ACT) Project (00053687)</b>	<b>Award ID: 00045444</b>	<b>Date: 01 April 2010</b>
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#	Description	Date Identified	Type	Impact & Probability	Countermeasures / Mngt response	Owner	Submitted, updated by	Last Update	Status
<b>1</b>	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	The project continues to coordinate efforts within the international community as it is imperative to manage risks by engaging at the political level in accordance to prior agreements reached with the GolRoA	I		08 October 2009	<b>Increasing</b>
<b>2</b>	Security concerns	Q1 2009	Other (Security)	Project facing difficulties in identifying and recruiting suitable international staff P=3 I=4	The project will make full use of available networks to source potential candidates for the project.			13 October 2009	<b>Increasing</b>

**Annex IV: Issue Log**

ISSUES LOG					Date: 01 April 2010	
Award ID: (00045444)			Project: Accountability and Transparency (ACT) Project			
ID	Type	Date Identified	Description	Status/Priority	Status Change Date	Author
1	Operational	June 2010	Project updation: Project updation will require recruitment of the Secretariat staff and corresponding training of CSOs to be undertaken.	Decreasing/High	N/A	
2	Operational	April 2009/ June 2010	Human resources: The project has been facing difficulties in identifying qualified and suitable candidates, national as well as international. Further, there is a cap on recruitment of international staff for the project which puts constraint on implementation of the project.	Increasing/High	N/A	