

**QUARTERLY PROJECT REPORT [FIRST QUARTER, 2009]**

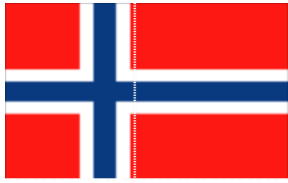
**United Nations Development Programme  
Afghanistan  
[Accountability and Transparency (ACT) Project]  
[01-01-2009 – 31-03-2009]**



Funded through UNDP ACT Grants Facility, IACD is working with communities to monitor education services in Pul-e-Alam District, Logar Province

**Project ID:** 00053687  
**Duration:** 18 Months + Nine Months Extension  
**Strategic Plan Component:** Democratic Governance  
**Total Budget:** USD 2,395,593  
**Unfunded:** USD 75,083  
**Implementing Partner:** Ministry of Finance (MOF) and High Office of Oversight

## ACT DONORS



**Norway**



**Italy**



**United Kingdom**



**UNDP**

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## I. Implementation progress

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

The project continued to provide support to the establishment and capacity development of the High Office of Oversight (HOO). Responding to the request of the HOO to provide support to the further development of the administrative functions of the newly established office the project has recruited an Administration and Finance Expert and an IT Expert. A Human Resource Expert is also being recruited for the HOO.

The project has continued to provide support to the senior management of the HOO through the consultant recruited providing support to the establishment of the new office. The consultant has played an active role in coordinating support from the international community to the HOO, the launch of the asset registration mechanism and efforts to raise awareness of the role and mandate of the HOO amongst the public and within the government and donor community.

The project supported the Government of Indonesia in providing a Senior Expert to provide guidance to the HOO in the technical areas of its mandate. Amongst other things the Senior Expert provided support to the development of the HOO strategic plan, preparing a brief on the Inter-institutional Committee on Anti-corruption report (also known as Azimi report) and the development of a technical note on the Asset Registration Mechanism, as required under the ARTF.

The project has also supported the HOO with developing physical infrastructure, including the procurement of critical communications and office equipment. The process of upgrading the security of the HOO premises and the construction of additional office space has also been initiated.

The critical support and policy advice provided to HOO by the project has directly contributed to raising the profile of the newly established office, including through the launch of the Asset Registration Mechanisms with the President and the Minister of Interior publicly declaring their assets.

### Output 1.3: National Integrity System Monitoring - Indicators developed and base-line study conducted to allow monitoring of progress of transparency and accountability in core governance areas

Discussions are on-going between the project and UNODC on the practical implementation of the plan agreed in Q4, 2008 for the joint development of a comprehensive corruption monitoring system and establishment of a survey unit in the HOO. The planned anti-corruption survey has therefore been put on hold pending the finalization of the agreement between the project and UNODC. This output will be considerably expanded through the substantive revision of the ACT project.

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

The project has been providing regular support to the Government of Afghanistan to participate in the meetings of the ADB-OECD Asia Pacific Anti-corruption Initiative and other relevant events. During this quarter however no relevant event took place. The project will continue and expand its support in this regard to ensure that relevant government officials are exposed to international experiences and lessons learned.

Under this output the HOO was provided with technical support through the South-South cooperation initiative with the Government of Indonesia providing a Senior Expert on anti-corruption.

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

It was initially planned that the project would carry out a Vulnerability to Corruption Assessment (VCA) in one pilot ministry in order to develop anti-corruption action plans based on a systematic understanding of vulnerable areas and corruption opportunities. In view of the on-going project revision this activity was however put on hold pending finalization of agreements with the government institutions set to become partners to the ACT project, including the Control and Audit Office (CAO), Ministry of Education (MOE) and Ministry of Interior (MOI), on the activities to be undertaken by the project.

The establishment of the Integrity Promotion Office (IPO) in the Ministry of Finance (MOF) has been postponed pending the finalization of the project revision. As part of the revised project the project will support the establishment of IPOs/promotion of ethics and professional standards in the CAO, MOE, MOF and MOI.

The launch of a public information campaign to ensure the provision of exact, timely, transparent and accessible information on fees and procedures for obtaining services provided by the MOF was also postponed pending the finalization for the revised project. The revised project will support the establishment of an Advocacy Unit in the HOO through which these activities will be supported.

The capacity development support for the MOF Fraud Investigation Unit (FIU) which was initiated in Q4, 2008 was completed as scheduled. As a result of this support the FIU has the capacity to increasingly fulfil its mandate. In line with recommendations made by the Fraud Investigation Consultant the project has also procured critical investigation equipment for the FIU.

The project continued to support the MOF Complaints Office. As a result of the support provided the Complaints Office is fully operational and has to date received over 40 complaints, the majority of which have been resolved. Together the FIU the Complaints Office has contributed to the dismissal of corrupt MOF staff. To further increase the effectiveness of the Complaints Office the project has procured necessary equipment and is renovating the Complaints Office premises to increase accessibility to the public. The project is also in the process of recruiting a long-term National Complaints Manager for the MOF. The Complaints Office has also delivered ethics and corruption awareness raising trainings for MOF staff. The project has been advising the Minister of Finance on how to further strengthen the Complaints Office and the overall ministerial anti-corruption framework, including the establishment of Complaints Sub-Offices, a review of the reporting lines of the relevant units and departments within the MOF as well as on how to increase awareness on the Complaints Office and MOF efforts to fight corruption.

### Output 2.3: UNDP internal "Integrity Initiatives"

The development of an internal UNDP anti-corruption awareness raising course was postponed pending an agreement with the UNDP Country Office on how to progress on this activity. Once an agreement has been reached with the CO, the activity would become part of the revised project document.

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

The three grants recipients under the first phase of the Accountability and Transparency Grants Facility (ACT-GF) are continuing to implement the agreed upon projects in the area of accountability and transparency. The project is implementing a comprehensive monitoring and evaluation plan to ensure the quality and timeliness of project delivery under the ACT-GF. Overall the implementation of activities is proceeding according to the agreed schedule. There have however been some delays as a result of unforeseeable events such as deteriorating security situation and departure of staff from the projects. Remedial action has been taken to ensure that this does not impact negatively on the completion of project activities.

### Output 3.3: Training modules and anti-corruption guides developed and initial training launched

The development of training modules and anti-corruption guides has been postponed pending the completion of the revision of the project. This activity will be carried out in close collaboration with the HOO. As the Capacity Development and Training Department in the HOO is still to be established the development of training modules will form part of the support that the project will be providing to the HOO.

Project reformulation and extension

The project team, together with the Country Office, is in the process of reformulating and revising the project. A revised project document has been prepared and consulted with government and donor counterparts. Consultations have been held at technical and ministerial levels with government counterparts and agreements have been reached with the HOO, CAO, MOE, MOF, and MOI to move forward with the expanded ACT project. A Local Project Appraisal Committee (LPAC) meeting will be held on Tuesday, April 7 to formally approve the revised project. The signature of the revised project by the HOO and UNDP will take place shortly thereafter.

As part of the process of revising the project significant efforts have also been made in the area of resource mobilization. As a result a cost-sharing agreement has been signed with DFID and discussions are on-going with other donors on deepening the partnership in the area of anti-corruption.

## II. Project implementation challenges

### *Updated project risks and actions*

#### Political will

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

**Action taken:** The project team has been working closely with the HOO to provide it with the necessary support to establish an office and support is on-going to develop the capacity of its staff. The project continues to be involved in the informal anti-corruption network established within the donor community, in order to be in a position to advocate for concrete actions to be taken by the Government of Afghanistan and to coordinate the projects support to HOO with other actors. The project is revising the project document in order to provide extensive support to HOO.

#### Upcoming Elections

The fight against corruption requires a long term commitment both from the Government of Afghanistan and the international community. There is a risk that the political will and momentum generated to fight corruption might be affected in the run-up to the elections. There is therefore a risk that the project may not be able to implement its activities in accordance with the planned timelines. It is also acknowledged that priorities may shift in the post-election environment rendering planned project activities obsolete.

**Action taken:** To mitigate this risk, the revised project is designed in way so as to respond to changing political needs. The performance of the project and political environment will be evaluated towards the end of the year, early next year, to ensure that the project is responsive to the post-election environment.

#### Security concerns

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

**Actions taken:** The project is making an effort to mitigate this risk by having detailed discussions with potential consultants regarding the work and social environment in Afghanistan, and explaining thoroughly about security measures taken by the UN. The project will make full use of available networks to source potential candidates for the project. Furthermore the project remains committed to ensuring flexibility in the implementation of activities, and with the support of the UNDP Country Office will continuously monitor the potential impact that the security situation may have on the project.

## *Updated project issues and actions*

### Project revision/expansion

Following the finalization of the project revision, the project will expand considerably in terms of staffing as well as annual delivery rate. The expansion phase is likely to put a considerable strain on existing resources within the project, and may prove to be a bottle-neck to rapid expansion.

**Actions taken:** The project team is developing a comprehensive recruitment strategy with key positions that will facilitate project expansion having been identified. These positions will be prioritized for recruitment in order to develop key operational and managerial capacity within the project.

### Human resources

Lack of adequate human resources remains a challenge to the project as the project has faced difficulties in identifying qualified and suitable candidates. As the project is going to go through a significant expansion, this will remain a critical challenge.

**Actions taken:** The project is working to provide a favourable working environment including learning opportunities to its staff to attract and retain qualified staff. A long-term approach has been taken to build the project team with junior national staff whose capacities can be developed over time. These staff will then be able to fill senior level positions in the future.

### III. Financial status and utilization

#### Financial status

Table 1: Contribution overview [01-January 2009 – 31 March 2009]

DONOR NAME	CONTRIBUTIONS		CONTRIBUTION BALANCE
	Committed	Received	
UNDP	616,500	616,500	-
Italy	374,531	374,531	-
Norway	1,324,480	1,324,480	-
<b>TOTAL</b>	<b>2,315,511</b>	<b>2,315,511</b>	<b>-</b>

Note: DFID recently committed to a contribution of GBP 6,300,000 for ACT project.

#### Financial utilization

Table 2: Quarterly expenditure by activity [1 January 2009 – 31 March 2009]

Activity	BUDGET [2009]	QUARTERLY EXPENDITURE	BALANCE	DELIVERY (%)
ACTIVITY01: Legal and Policy Framework	124,600	160,601.73	-36,001.73	128%
ACTIVITY02: Pilot Project	284,720	20,218	264,501	7%
ACTIVITY03: Awareness and Education	43,500	6,130.81	37,369.19	14%
ACTIVITY04: Project Team Support	133,600	70,293.8	63,306.2	52%
GMS 7%	40,564	19,290	21,274	47%
<b>Total</b>	<b>626,984</b>	<b>276,534.34</b>	<b>350,449</b>	<b>45%</b>

Table 3: Quarterly expenditure by donor [01-Jan-2009 – 31-March 2009]

DONORS	ACTIVITY	2006 Budget	1 EXPENDITURE	BALANCE	DELIVERY RATE
UNDP	Activity 1: Legal and Policy Frame Work	12,500	-	12,500	2%
	Activity 2: Pilot Projects	35,000	963	34,036	
	Activity 1: Project Management				
<b>Subtotal UNDP</b>		<b>47,500</b>	<b>963</b>	<b>46,536</b>	
Norway	Activity 1: legal and policy Frame Work	124,600	160,602	-36,002	48%
	Activity 2: Pilot Projects	272,220	23,263	252,001	
	Activity 3: Awareness and Education	8,500	5,168	3,332	
	Activity3: Project team Support	133,600	70,294	63,306	
GMS (7%)		40,564	19,290	21,274	
<b>Subtotal Norway</b>		<b>579,484</b>	<b>278,616</b>	<b>303,912</b>	
<b>Total</b>		<b>626,984</b>	<b>279,579</b>	<b>350,448</b>	<b>45%</b>

## Annexes

### Annual Work Plan