



Quarterly Project Report [1st Quarter, 2008]

United Nations Development Programme Afghanistan

Accountability and Transparency (ACT) Project

01-01-2008 – 31-03-2008

<p>Project ID: 00053687 Duration: 27 Months (January 2007 – March 2009) Component (MYFF): Democratic Governance Total Budget: USD 2,395,593 Unfunded: USD 75,083</p>

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I. Implementation progress

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

The final draft report of the gap analysis of national legislation in view of UNCAC ratification has been submitted to the project by the consultant. The draft has been shared with UNODC Afghanistan and the UNODC UNCAC Secretariat in Vienna for further comments.

Following inclusion of comments received from UNODC the Gap Analysis will be translated and distributed widely for comments from all relevant national and international stakeholders. A stakeholder consultation will be organized in Q2 in collaboration with UNODC.

And agreement has been reached with UNODC that when UNDP has completed the Gap Analysis, UNODC will support the Ministry of Justice (MOJ) in implementation of the recommendations made in the report and during the stakeholder consultation.

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

Due to the departure of the Project Manager the planned workshop to discuss the findings of the study on institutional arrangements to combat corruption has been delayed. It is also considered by the project that additional efforts will be required to further disseminate the findings of the study prior to organizing the workshop.

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

TOR have been developed for the activity and potential consultants have been identified with the recruitment underway. The JCMB, being responsible for developing indicators for the Afghanistan Compact Benchmarks, is being consulted to ensure that activities under the ACT project are in line with those of the government. The activity will be initiated in Q2 and will be carried out in two phases. In the first phase the methodology for the indicators will be further developed in consultation with relevant stakeholders and in the second phase the indicators will be tested and capacity development activities undertaken.

Output 1.4: Strategic regional and international partnerships developed

The project is facilitating the entry of Afghanistan into ADB/OECD Anti-corruption Initiative which currently consists of 28 countries in the Asia-Pacific region. The Secretariat of ADB/OECD Anti-Corruption Initiative for Asia-Pacific is in contact with the Ministry of Foreign Affairs of Afghanistan through ACT Project regarding procedures for becoming a member of the ADB/OECD Anti-Corruption Initiative for Asia-Pacific.

In view of this the Government of Afghanistan has received an invitation to take part in the 11th Steering Group meeting of the ADB/OECD Anti-Corruption Initiative as observer. The ACT project will provide support to the Government of Afghanistan to send a delegation to the meeting which will be held in the ADB headquarters in Manila on 27-28 May.

Output 2.1: Ethics and integrity initiatives in two pilot ministries

The support to the establishment of Fraud Investigation Unit in the Internal Audit Department of Ministry of Finance (MOF) which was initiated in Q4 2007 was completed. The activity was completed on time and within budget. The consultant delivered all the envisaged outputs which included the development of an Organizational Structure, Fraud Investigation Module, a Fraud Risk Assessment, and a Legislative Analysis. Under this activity a strong emphasis was placed on capacity development with 7 training sessions delivered to a total of 13 staff of the Internal Audit Department. As a result of the activity the Fraud Investigation Unit has been established. However,

the capacity of the Fraud Investigation Unit remains limited and the ACT project will work with the Internal Audit Department to identify additional capacity development support.

The perceptions survey which is being carried out in collaboration with UNODC in the justice sector is underway and on target. It is expected to be finalized in Q2 2008.

The initial draft of the justice sector Vulnerability to Corruption Assessment (VCA) has been submitted by the consultant to the project. Progress on this activity is slightly behind schedule resulting from the need of the consultant to conduct additional research. The project team is in the process of reviewing the draft. It is expected that the consultant will conduct some additional research on the ground and the VCA will be completed in Q2 2008.

The ACT project has initiated discussion for the establishment of an Ethics Unit in MOF. An initial concept note has been developed as well as the TOR for the international advisor that will be recruited to support the establishment and capacity development of the Ethics Unit. A similar Ethics Unit is also envisaged in the MOJ.

Support will also be provided to the recently established Complaints Unit in the MOF. This support will be provided in close collaboration with the MOF's Anti-Corruption Programme (ACP) which has been responsible for establishing the Complaints Unit. TOR for an assessment of the Complaints Unit were developed in close consultation with the MOF and recruitment of a short-term consultant is underway. The assessment will pay particular attention to strengthening the internal complaint mechanism of the Complaints Unit. The assessment, when completed, will serve as the basis of future support to the Complaints Unit.

The ACT project initiated discussions with UNDP's Civil Service Leadership Development (CSLD) project in order to integrate ethics and anti-corruption training in the leadership training being provided to high-level Afghan civil servants.

Output 2.2: Survey on transparency and accountability in aid management

TOR for the survey on transparency and integrity in aid agencies were developed in close consultation with the bilateral and multilateral development partners. In preparation for the survey individual meetings were conducted with donor agencies to secure their participation in the study with 6 agencies agreeing to take part in the study (CIDA, DFID, the Netherlands, Norway, UNDP, and the World Bank). The recruitment of consultant has been finalized and a study methodology has been developed by the consultant in collaboration with the participating donor agencies and the ACT project.

The survey will be completed in Q2 2008 and is intended to stimulate further discussions amongst donors on strengthening internal transparency and integrity as well as feed into UNDP's Internal Integrity Initiative.

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

The concept note and methodology for the Accountability and Transparency Grants Facility (ACT-GF) have been finalized. The call for proposals has been disseminated widely in Dari, Pashtu and English with the deadline for proposals set for April 10. In order to ensure that a sufficient number of proposals are received a training workshop was organized during which Afghan Civil Society Organizations (CSOs) were informed about the ACT-GF as well as on the process for submitting proposals. The workshop was held on March 6 with some 30 CSOs participating.

II. Project implementation challenges

Updated project risks and actions

Political will

Despite numerous public statements from government officials that the fight against corruption is one of the top priorities of the country, few concrete actions to fight against corruption have been taken to date. A positive development was the launch of the report by the Inter-Institutional Commission on Corruption. However, little is still known about the content of the report and a concrete plan will need to be developed for implementation of the recommendations made in the report.

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

Action taken: In order to mitigate these risks, the project team is making an effort to work more closely with anti-corruption 'champions' within the government. The project is also building on the informal anti-corruption network established within the donor community, in order to be in a position to advocate for concrete actions to be taken by the Government of Afghanistan. Jointly with UNODC UNDP is working towards formalizing these informal networks in order to make the dialogue on anti-corruption more regularized. The project will also call on UNDP and UNAMA senior management in the future if necessary to facilitate dialogue and concrete actions at the highest political level.

Lack of institutional clarity

There is currently a lack of clarity in terms of the institutional arrangements in place in the government for fighting corruption. The role and continued existence of the General Independent Administration Against Corruption (GIAAC) is unclear following recent votes taken by the National Assembly. The Inter-Institutional Commission on Corruption in its report calls for the establishment of a new anti-corruption institution to implement the recommendations which have been made by the Commission. This lack of clarity creates challenges for the project in terms of identifying and building long-term sustainable relationships with government counterparts. It also compromises the project's ability to identify 'champions' within the government, which is essential to mitigating the abovementioned risk.

Actions taken: The study on institutional arrangements for combating corruption in Afghanistan, prepared by the project, has provided the Government of Afghanistan with a set of recommendations on how these institutional arrangements can be improved and clarified. In order to ensure that these recommendations are taken into serious consideration, the project team, with the support of the country office, is entering into a dialogue with government counterparts as well as seeking support from the international community in advocating for adoption of the recommendations.

Security concerns

The security situation continues to pose a risk to project delivery with the project facing increasing difficulties in identifying and recruiting suitable consultants. Security is likely to remain a risk to implementation of project activities in the coming months. Due to delays caused by difficulties in identifying suitable candidates and consultants in some cases turning down assignments at the last minute due to security concerns, it will not be possible to complete all activities within the initially determined timeline.

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

Updated project issues and actions

Human Resources

In January 2007 the post of Project Manager unexpectedly became vacant. The project has also not been able to fill the position of National Deputy Project Manager since it became vacant in November 2007. Despite advertising the position 2 times no suitable candidates could be identified. As a result the project is running with a limited number of staff which can potentially affect the project deliverables in the long term.

Action taken: In order to fill the position of Project Manager, the country office in consultation with the project, appointed the project focal point in the country office as Officer-in-Charge until a new Project Manager can be identified. To fill the gap for Deputy Project Manager, a Project Consultant has been identified and is being recruited. This is a temporary solution; in the long run, the project will seek to fill the position of Deputy Project Manager. In view of the lack of suitable candidates at the senior level it is also being considered to recruit additional national staff (project officer and project associate) at a more junior level. This will allow for developing their capacities to play a greater role within the project at a later stage.

Project Duration

As a result of the delays faced by the project in the start-up phase as well as resulting from the departure of the Project Manager in January 2007 the project will not be able to achieve its outputs within the initially envisaged timeframe. In particular the delays in implementation of the project have affected the planning for the development of Phase II of the ACT project.

Action taken: In order to compensate for the delays in project implementation the approval of a 9 month extension was made to and approved by the ACT Project Board in the Project Board that was held on 26 March. The project will hence continue until the end of March 2009. The extension will imply an increase of approximately USD 500,000 in order to cover the additional operational costs.

III. Financial status and utilization

Financial status

Table 1: Contribution overview [01-01-2007 – 31-03-2009]

DONOR NAME	CONTRIBUTIONS		CONTRIBUTION BALANCE
	Committed	Received	
UNDP	616,500	616,500	-
Italy	374,531	374,531	-
Norway	1,329,479	1,329,479	-
TOTAL	2,320,510	2,320,510	-

Financial utilization

Table 2: Quarterly expenditure by activity

Activity	Budget 2008	1st Quarter Exp.	Balance	Delivery
ACTIVITY01: Legal and Policy Framework	249,450	43,669	205,781	18%
ACTIVITY02: Pilot Project	173,450	-1,718	175,168	-1%
ACTIVITY03: Awareness and Education	146,500	9,923	136,577	7%
ACTIVITY04: Project Team Support	223,000	26,616	196,384	12%
GMS 7%	59,643	3,311	56,332	6%
Grand Total	852,043	81,801	770,242	10%

Table 3: Quarterly expenditure by donor [01-01-08 – 31-03-08]

Donor	Activity	Budget 2008	1st Quarter Exp.	Balance	Delivery
UNDP	ACTIVITY01: Legal and Policy Framework		43,046	-43,046	
	ACTIVITY02: Pilot Project		- 5,394	5,394	
	ACTIVITY03: Awareness and Education		- 3,155	3,155	
	ACTIVITY04: Project Team Support		-	-	
	GMS 0%				
UNDP Total			34,497	- 34,497	
Italy	ACTIVITY01: Legal and Policy Framework	126,000	-	126,000	0%
	ACTIVITY02: Pilot Project	45,200	3,676	41,524	8%
	ACTIVITY03: Awareness and Education	26,500	6,924	19,576	26%
	ACTIVITY04: Project Team Support	166,000	25,017	140,983	15%
	GMS 7%	27,375	2,681	24,694	
Italy Total		391,075	38,298	352,777	10%
Norway	ACTIVITY01: Legal and Policy Framework	123,450	623	122,827	1%
	ACTIVITY02: Pilot Project	128,250	-	128,250	0%
	ACTIVITY03: Awareness and Education	120,000	6,154	113,846	5%
	ACTIVITY04: Project Team Support	57,000	1,599	55,401	3%
	GMS 7%	32,268	630	31,637	
Norway Total		460,968	9,006	451,961	2%
Grand Total		852,043	81,801	770,242	10%

Annexes

Annual Workplan 2008