



## QUARTERLY PROJECT REPORT [3<sup>rd</sup> Quarter, 2007]

**United Nations Development Programme  
Afghanistan  
Accountability and Transparency (ACT) Project  
01-07-2007 – 30-09-2007**

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<p><b>Project ID:</b> 00053687 <b>Duration:</b> 18 Months <b>Component (MYFF):</b> Democratic Governance <b>Total Budget:</b> USD 2,395,593 <b>Unfunded:</b> USD 247,922</p>
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## I. IMPLEMENTATION PROGRESS

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

The TORs for both an international and a national consultant were drafted and both consultants were selected. The activity was planned to start mid-October but the international consultant selected was concerned about the security situation in Afghanistan and requested to conduct all of the work from the United States. After consulting the senior management of UNDP and the Ministry of Justice, a decision was made to look for another consultant as the activity needs to be fully coordinated with Ministry of Justice and the consultant must be on the ground in order to secure full government ownership and support.

The abovementioned activity is a priority for the Government of Afghanistan after the Parliament ratified the UN Convention against Corruption on 15<sup>th</sup> August 2007. It is expected that the activity will commence in Q4.

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

The report on institutional arrangements was completed and sent to donors for their comments. At present, donor comments are being integrated into the report and the revised report will be shared with the Government in Q4. Upon receiving comments from the Government, a workshop will be organized to discuss proposed institutional arrangements in more detail.

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

Output 1.3 has not yet commenced. The development of monitoring mechanisms for the national integrity will be sequenced after the development of a national anti-corruption strategy and clarification by the government regarding what institutional arrangements it will use in combating corruption.

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

Three seminars took place in Q3. These were the Extractive Industries Transparency Initiative (EITA) Regional Seminar on corruption in natural resource extraction in August, ADB-OECD Anti-Corruption Initiative Regional Seminar on Conflict of Interest in August, and the Annual Meeting of the ADB-OECD Anti-Corruption Initiative with Mutual Legal Assistance seminar in September. The Deputy Minister of Justice and representatives of the Ministry of Finance and the Civil Service Commission took part in the abovementioned seminars. 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.

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

The consultant for the Vulnerability to Corruption Assessment (VCA) in the Budget Department of the Ministry of Finance has been selected, and the activity will start in mid-October. The DFID consultant will work together with UNDP consultant and the report will be a joint product.

The consultant for the Vulnerability to Corruption Assessment (VCA) in the Administration Department of the Ministry of Finance has been selected and the activity will start in November.

The TOR for preparatory assessment for the justice sector VCA have been completed and consultations with Ministry of Justice and Supreme Court are underway. It is expected that the activity will commence in Q4 and should be completed by the end of Q4. A potential candidate has been

identified.

The Audit Department in the Ministry of Finance has requested support in Forensic Audit/Fraud Investigation. Consultations are underway regarding developing the TOR and identifying a potential candidate for this work. The activity will start in Q4.

In collaboration with UNODC, the project has designed a questionnaire for conducting a perception survey within the justice sector. It is expected that the survey will commence in Q4 with UNODC as the implementing partner.

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

The TOR for the grants facility has been completed and the project plans to conduct training workshops with civil society partners in Q4 in preparation for the launch of the grants facility.

#### Output 3.2 Study on inventory of existing complaints mechanisms and proposals for improvement

The TOR has been prepared and identification of potential candidate is underway. The activity will start in Q4.

#### Coordination/Policy support to Government of Afghanistan

As part of ensuring the successful implementation of the ACT Project, the project staff, with the support of the country office focal points, have engaged in extensive dialogue with development partners involved in the fight against corruption. This has ensured close coordination between donors and beneficiaries, and has also helped to avoid potential overlap in activities. These efforts will continue throughout the duration of the project and will be integral to the overall success of the project and the overall effectiveness of international efforts to help the Afghan Government fight corruption.

Outside of direct project implementation, policy support to the Government has also been a key objective of the project. This has included support to the Government of Afghanistan to develop a Roadmap on Anti-Corruption which will serve as a foundation for the anti-corruption strategy development process. The project team and country office focal points have also provided input on the newly developed Anti-Corruption Strategy.

#### Visibility of the Project

On Wednesday, 26<sup>th</sup> September, the project organized an opening ceremony of the project office. The Minister of Finance, two Deputy Ministers of Finance, the Deputy Minister of Justice, and the UNDP Country Director attended the ceremony. This opening ceremony was broadcasted on national television and four private television stations and reported in the major newspapers. This event played an important role in helping the project strengthen its relationships with Ministry of Finance and Ministry of Justice officials and increase the awareness of these officials and the general public about the project’s activities.

## II. PROJECT IMPLEMENTATION CHALLENGES

### UPDATED PROJECT RISKS AND ACTIONS

#### Political will

In spite of numerous public statements from government officials that the fight against corruption is one of the country's top priorities, few concrete actions to fight corruption have been taken by Government to date. The main focal point in the Government for anti-corruption activities, the General Independent Administration against Corruption (GIAAC), continues to represent an obstacle to wider project engagement due to its leadership issue.

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

**Actions taken:** In order to mitigate these risks, the project team, with support of the country office focal points, is making an effort to work more closely with anti-corruption 'champions' within the Government, as well as further build on the informal anti-corruption network established within the donor community, to be in a position to advocate for concrete actions to be taken by the Government of Afghanistan. The project also anticipates potentially calling upon 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/Coordination within government

There is a currently a lack of clarity in terms of the institutional arrangements in place within the government for fighting corruption. This lack of clarity creates challenges for the project in terms of identifying and building long-term sustainable relationships with government counterparts. This also compromises the project's ability to identify 'champions' within the government, which is essential to mitigating the above mention risk.

**Actions taken:** The project has completed a study of the institutional arrangements for combating corruption in Afghanistan and will provide the Government of Afghanistan with a set of recommendations for 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, will enter into a dialogue with government counterparts as well as seek the support of the international community in advocating for adoption of the recommendations. This process will be facilitated by high level support from UNDP and UNAMA senior management.

#### Security concerns/recruitment issues

Due to security concerns, the project is facing increasing difficulties in recruiting consultants. The project's experience has been that consultants are requesting premiums due to security issues or are insisting on doing the entire work from their home country, without having to come to Kabul. Because of these difficulties, the project faced a situation in which a recruitment process was completed, the offer was sent, and at the last minute the consultant refused to come to Kabul. As a consequence, a new selection process will have to be done, which will have an impact on the Annual Workplan.

**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 Kabul, and explaining thoroughly about security measures taken by UN. If the security situation in Afghanistan continues to deteriorate, support from UNDP senior management will be required in order to readjust some expectations regarding the timeline for implementation of project activities and delivery.

## UPDATED PROJECT ISSUES AND ACTIONS

### Revision of some project activities

In order to align the project activities with the evolving reality on the ground, there is an increased interest in supporting some institutions that were not covered under the current project document (i.e. the Attorney General's Office, and the Independent Administrative Reform and Civil Service Commission). The recommended institutional arrangements envisage support to Attorney General's Office and capacity building in terms of anti-corruption. Support to Civil Service Commission is essential in terms of integrating anti-corruption measures into wider public administration reform (i.e. ensuring that there are effective mechanisms to prevent and punish corruption in selection, promotion, and evaluation processes, etc).

**Actions taken:** The project will present to the next Project Board meeting in December its Annual Workplan for 2008, which will include support to abovementioned institutions. Before presenting new activities, the project will make sure engage and enlist the support of these institutions and coordinate with other projects in order to ensure that there is no overlap with other partners' activities.

Another pilot activity that could be supported is at sub-national level. Donor counterparts have expressed a strong interest in seeing the ACT project also implement activities at the local level. The rationale behind this is the expectation that piloting activities at the local level may provide opportunities to leverage favourable local circumstances not present at the central level. The project will further explore the possibility of collaborating with the UNDP Afghanistan Sub-National Governance Programme in piloting such an approach.

### III. FINANCIAL STATUS AND UTILISATION

#### FINANCIAL STATUS

Table 1: Contribution Overview [Jan 2007- June 2008]<sup>1</sup>

Financial Status of Accountability and Transparency[ACT]Projec [Atlas Code 00053687]  
As of 30 September 2007

#### Resources

DONOR NAME	CONTRIBUTIONS		CONTRIBUTION BALANCE
	Committed	Received	
UNDP	550,000	550,000	-
Italy	374,531	347,531	-
Norway	1,223,140	611,570	611,570
<b>TOTAL</b>	<b>2,147,671</b>	<b>1,509,101</b>	<b>611,570</b>

## FINANCIAL UTILIZATION

Table 2: Quarterly Expenditure by Donor [1 July – 30 September]

Donor	Activity	Budget for 2007	Q1& Q2 Exp.	Q3 Exp. 2007	Balance	Delivery rate
UNDP	ACTIVITY01	179,637.15	1,395.00	39,806.41	138,435.74	22.16%
	ACTIVITY02	229,066.85		-	229,066.85	0.00%
	ACTIVITY03	61,800.00		3,372.33	58,427.67	5.46%
	ACTIVITY04	95,996.00	39,797.00	194,213.46	(138,014.46)	202.31%
GMS 0%						
<b>Grand Total</b>		<b>566,500.00</b>	<b>41,192.00</b>	<b>237,392.20</b>	<b>287,915.80</b>	<b>41.91%</b>

## ANNEXES

- (1) **Annual Work Plan**
- (2) **Risk Log**