



MID-YEAR PROJECT REPORT [1st and 2nd Quarter, 2007]

**United Nations Development Programme
Afghanistan
Accountability and Transparency (ACT) Project
01-01-2007 – 30-06-2007**

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

UPDATED PROJECT RISKS AND ACTIONS

Political will

While the Government of Afghanistan has on numerous occasions expressed its commitment to the fight against corruption, concrete actions to date remain limited. Of particular concern in this regard are management issues within the General Independent Administration Against Corruption (GIAAC), which pose an obstacle to the ability of the project to collaborate with this institution which should play a critical role in the fight against corruption. GIAAC is mandated by the government to be the focal point for all anticorruption activities in Afghanistan and the project will need to develop a strong relationship with its management, if it continues to remain in this role.

In relation to project activities, a concern is whether analytical work carried out and recommendations made will receive the necessary acceptance and buy-in from government counterparts in order to achieve the desired project outputs. The question here is whether there is sufficient political will in the government to implement the activities of the project.

In order to mitigate these risks the project team with support of the country office focal points will need to establish close links with 'champions' within the government, as well as further build on the network established amongst the donor community to advocate for concrete actions to be taken by the Government of Afghanistan and lead agencies in this area, such as the Ministry of Finance and the Ministry of Justice. It will also require that all activities are closely consulted with and have the explicit endorsement of relevant government institutions. At certain points the support of UNDP and UNAMA senior management may also be required to facilitate dialogue at the highest political level.

Lack of institutional clarity/Coordination within government

There is currently a lack of clarity in terms of the institutional arrangements in place within the government for fighting corruption. This lack of clarity presents the project with difficulties in terms of identifying and building long-term sustainable relationships with government counterparts. This will also affect the opportunities to identify 'champions' within the government, essential to mitigating the above-mentioned risk.

The project has conducted 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 the institutional arrangement can be improved/clarified. In order to ensure that these recommendations are taken into consideration the project team with the support of the country office will need to enter into a dialogue with government counterparts as well as seek the support of the international community for advocating for changes/improvements. This process would be facilitated by high-level support from UNDP/UNAMA senior management.

The lack of institutional clarity also manifests itself in the efforts of the government to develop a national anti-corruption strategy. There is no clarity on which institution is to take the lead or which institution(s) will be tasked with overseeing the implementation of the strategy. The project is collaborating with other concerned donors to support the government in developing a national anti-corruption strategy – a key output of the ACT project for which it is essential that the project team with the support of country office focal points remains engaged in the dialogue with government counterparts as well as the international community.

UPDATED PROJECT ISSUES AND ACTIONS

Human resources

The main issue/challenge facing the ACT project was lack of human resources leading to a delay in the implementation of project activities. This was a result of a lack of satisfactory candidates for national as well as international positions within the project. Only after the fourth advertisement for the position of project manager was a suitable candidate identified and put in place to take up the position, six months after the project was launched. Similarly, the position of Deputy National Project Manager was advertised twice and the position could only be filled five months after the commencement of the project. With the project management team now in place it is expected that the rate of implementation as well as delivery rate will be accelerated. A suitable candidate for the position of National Project Officer remains to be identified and recruitment is underway, but at this stage in the project it is not expected that this will have any significant impact on the future implementation.

In the absence of a project team, the country office focal points have taken measures to establish project premises and lay the foundation for implementation of project activities – including the recruitment of a consultant to support the development of project activities – in order to ensure a rapid start up when the full project team is on board.

As a result of the delays in implementation resulting from the lack of human resources a six-month no-cost extension is recommended in order for the project to achieve the expected outputs.

Operational issues

The project faced challenges in identifying office space for project staff. Due to delays in recruitment of project staff the space initially identified for the project within the Ministry of Finance was taken up by Ministry Staff. This caused delays in terms of setting up the project office. Following extensive discussions with the Ministry of Finance a suitable space for the ACT project was identified and the necessary renovations have been completed.

Increased focus on the sub-national level

It has been considered that the project extend its activities also to the sub-national level. Donor counterparts have also expressed a direct 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 circumstances not present at the central level. The project is exploring the possibility of collaborating with the UNDP Afghanistan Sub-National Governance Programme in this regard.

II. IMPLEMENTATION PROGRESS

Output 1.1: National Legislation revised in view of UNCAC (United Nations Convention Against Corruption) and priority legal reforms identified

The activity will be carried out in collaboration with UNODC, given the role of UNODC as the custodian of the UNCAC. An agreement has been reached with UNODC that a UNDP will conduct the analytical work in the first phase of this activity, with UNODC building upon this analytical work to support the Government of Afghanistan to revise legislation and to draft new legislation as required.

The TOR for the activity have been finalized in consultation with UNODC and the process of contracting an identified international consultant has been initiated. The activity will commence in Q3 and is expected to be finalized in Q4.

The delay in implementation has in part resulted from uncertainties as to when and whether the UNCAC will be ratified by the National Assembly but the decision was taken to move ahead with the activity in order to support the Government of Afghanistan in meeting the short-term benchmarks of the Afghanistan Compact.

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

The mission to conduct the institutional arrangements study took place in Q2. Due to time constraints in the mission some additional follow-up meetings were required and have been completed. The findings of the mission will be shared with relevant government and international partners in the beginning of Q3 and following consultations with the Government of Afghanistan efforts to advocate for the recommended changes will commence.

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 commenced. The development of monitoring mechanisms for the national integrity will be dependent on the ratification of the UNCAC, development of a national anti-corruption strategy and clarification on the part of the government on the institutional arrangements for combating corruption.

Output 1.4: Strategic regional and international partnerships developed

Three key events have been identified in Q3-4 for which the project will support the participation of Afghan participants. These are the Extractive Industries Transparency Initiative (EITA) *Regional Seminar on Corruption in Natural Resource Extraction* in August, the ADB-OECD *Anti-Corruption Initiative Regional Seminar on Conflict of Interest* in August, and the Annual Meeting of the ADB-OECD Anti-Corruption Initiative. Participants have been identified for the two first seminars and dialogue is underway with the Government of Afghanistan to identify participants for the annual meeting of the ADB-OECD initiative. The ultimate aim is to advocate for Afghan participation in both of the above mentioned initiatives.

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

The TOR for the *Vulnerability to Corruption Assessment (VCA)* in the Budget Department of the Ministry of Finance (MOF) has been finalized and agreement reached with the MOF on conducting the VCA. Discussions are also ongoing with DFID on collaboration on this activity. The process of identifying consultants has been initiated. It is expected that the activity will be finalized in Q3.

The TOR for the preparatory assessment for the justice sector VCA have been completed and consultations with government counterparts have been initiated. It is expected that the activity will commence in Q3 and should be completed by end of Q3/early Q4. A potential candidate has been identified.

Jointly 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 Q3 with UNODC as the implementing partner.

The main cause of the delays under this output is a lack of human resources required to implement the activities.

Output 2.3: UNDP internal "integrity initiative"

Activities under this output have not commenced due to the necessity of country office focal points to focus on the start-up and overall implementation of the project. With project staff onboard it is expected that these activities will commence in Q3.

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 have been completed and the project plans to conduct training workshops with civil society partners in Q3 in preparation for the launch of the grants facility.

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 as well as avoided potential overlap in the implementation of activities. These efforts will continue throughout the duration of the project and will be integral to the overall success of the project.

Outside of direct project implementation, policy support to the government has been part of efforts under the project. This has included support to the Government of Afghanistan to develop a Roadmap on Anti-Corruption which will feed into the anti-corruption strategy development process.

III. FINANCIAL STATUS AND UTILISATION

FINANCIAL STATUS

Table 1: Contribution Overview [Jan 2007- June 2008]¹

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
TOTAL	2,147,671	1,509,101	611,570

FINANCIAL UTILIZATION.

Table 2: Quarterly Expenditure [1 Jan – 30 June]- Two quarters

DONORS	ACTIVITY (as per approved budget)	2007 Budget	Q1-2 EXPENDITURES 01/01/06 - 31/03/06	BALANCE as of 30/06/07	DELIVERY RATE %
UNDP CORE	Activity 1: Legal & Policy Framework	95,130	1,395	93,735	7%
	Activity 2: Pilot Projects	206,370	-	206,370	
	Activity 3: Awareness & Education	-	-	0	
	Activity 4: Project Team Support	193,500	39,797	153,703	
	Contingency	55,000		55,000	
Subtotal UNDP CORE		550,000	41,192	508,808	
Total		550,000	41,192	508,808	7%

ANNEXES

- (1) **Annual Work Plan (or RRF) - External**

CONTACT

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