



**Islamic Republic of Afghanistan  
United Nations Development Programme**

**Ministry of Finance (MOF)**

**Accountability & Transparency Project (ACT)  
Jan. 2007 – June. 2008 (18 Months)**

**Project ID: 000 53 687  
Proposal ID: 000 45 444**

**Executive Summary**

Corruption, both petty and grand, constitutes a serious problem in Afghanistan. In fact, corruption is looming like the sword of Damocles over the current efforts to rebuild the country and create a legitimate, peaceful and pluralistic state.

While a number of key institutions have been established, their outreach is limited, their relationship with the citizenry is underdeveloped, the capacities of their staff are weak and the legal instruments at their disposal are insufficient. In addition, most efforts to bring corrupt practices to the daylight face the lethargy or unwillingness to act by a weak judiciary and a cautious political establishment.

A comprehensive strategy to tackle corruption at all levels of government and society is still absent in Afghanistan. But, the "Afghanistan Compact" makes reference to the urgent need for "measurable improvements in fighting corruption" and promoting transparency and accountability, in particular in the public administration, financial management, the justice sector, and the flow of aid money. Also, the i-ANDS contains a cross-cutting chapter on corruption which lays the first foundation for an anti-corruption strategy. The momentum resulting from these developments now needs to be turned into concrete action in the support of which the current project has been designed.

Hence the main objective of the Accountability and Transparency (ACT) project is:

***"to support the government of Afghanistan, in view of achieving the Compact Benchmarks and developing a broader anti-corruption strategy within the ANDS, in preparing the groundwork for strategic anti-corruption policies and programmes by testing pilots in key public institutions, providing an integrity monitoring system including the necessary diagnostics and surveys, and by raising awareness and educating the public at large, as well as the civil service. The gradual development of a culture of no-tolerance for corruption in the public and private sector is a key element of this approach."***

The main components of the ACT project are:

- Component I: Improved institutional, legal and policy environment to support the implementation of anti-corruption policies and programs.
- Component II: Enhanced integrity and accountability in pilot ministries and aid management.
- Component III: Increased awareness and understanding of corruption in Afghanistan

The ACT project will be housed in the Ministry of Finance (MOF), the overall strategic directions will be given by a National Anti-Corruption Project Executive Group (including MOF, MOJ, OAA, GIAAC, IARCSC, ANDS as well as ADB, WB, AREU, EC, DFID, UNODC among others), and particular support will be provided to the Compact Monitoring System and development of an anti-corruption strategy as part of the full-fledged ANDS.

Given that today corruption is considered to be one of the main risk factors to negatively affect and possibly even revert the efforts to establish a sound institutional basis and good governance in Afghanistan, the ACT project, by laying the basis for systematically addressing the phenomenon of corruption, is expected to make an important contribution to achieve UNDP's Country Programme Outcome II to "strengthen the democratic state and government institutions at national and sub-national levels to govern and ensure quality public services".

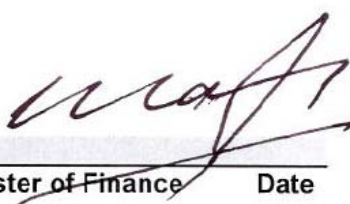
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<b>UNDAF Area of Co-operation and Outcome</b>	<p><i>Area A:</i> Governance, Rule of Law and Human Rights</p> <p><i>Outcome 2:</i> "by 2008, an effective, more accountable and more representative public administration is established at the national &amp; sub-national levels, with improved delivery of services in an equitable, efficient and effective manner."</p> <p><i>Outcome5:</i> "by 2008, Government is enabled to comply with its obligations agreed to under international conventions and to ratify other non-ratified conventions"</p>
<b>UNDAF Indicator(s)</b>	<p>2.7 Decreased perceptions of bribe taking and corruption in the civil service, and national anti-corruption policy developed in consultation with civil society</p> <p>5.3 International standards used as benchmark for policy and legislation</p> <p>5.5 Government provided with all necessary information and advice for decision making on international conventions</p>
<b>Expected CP Outcome(s)</b>	<p><i>Goal 2:</i> Fostering democratic governance</p> <p><i>Outcome 11:</i> The democratic state and government institutions strengthened at all levels to govern and ensure the delivery of quality public services including security with special attention to marginalized groups.</p>
<b>Service Line</b>	<p>Service line 2.7: Public administration reform and anti-corruption</p>
<b>Expected CPAP Output(s):</b>	<p><i>Output 2:</i> Public sector capacity strengthened through the development of civil service at the central and sub-national levels, the establishment of accountability mechanisms and the enhancement of information management for better service delivery.</p>
<b>Expected CPAP Output(s) Indicators:</b>	<p><i>Indicator 2.6:</i> Percentage of public institutions that have introduced accountability mechanisms/strategies</p> <p><i>Indicator 2.7:</i> A broad-based national anti-corruption strategy has been developed and implementation is monitored.</p>
<b>Implementing Entity:</b>	<p>Ministry of Finance</p>
<b>Others partners</b>	<p>GIAAC, Ministry of Justice, ANDS, civil society organisations</p>

Programme Period	January 2006 – June 2008
Programme Component	Democratic Governance
Project Title	Accountability and Transparency (ACT)
Project ID	
Project Duration	18 Months
Management Arrangement	Direct Implementation

<b>Total Budget</b>	<b>2,379,722 USD</b>
<b>Allocated resources:</b>	<b>550,000 USD</b>
• Government	USD
• Regular - UNDP Core	550,000 USD
• Other:	USD
○	USD
○	USD
○	USD
In kind contributions	USD
Unfunded budget	1,829,722 USD

Agreed by:

  
 \_\_\_\_\_  
 H.E. Mr. Wahidullah Shahrani, Deputy Minister of Finance      Date

Agreed by:

  
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 Mrs. Anita Nirody, UNDP Country Director

07/01/07  
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 Date

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## LIST OF ACRONYMS

ACA	Anti-Corruption Agency
ACD	Assistant Country Director
ACT	Accountability and Transparency (Anti-Corruption)
ADB	Asian Development Bank
AIHRC	Afghan Independent Human Rights Commission
ANDS	Afghan National Development Strategy
ASGP	Afghan Sub-national Governance Programme
CAO	Control and Audit Office
CCTG	Cross-cutting Thematic Group
CIDA	Canadian International Development Agency
CG	Consultative Group
CISEP	Civil Society Empowerment Programme
CO	Country Office
CONTACT	Country Assessment in Accountability and Transparency
CSO	Civil Society Organization
DANIDA	Danish International Development Agency
DFID	Department of Foreign Investment and Development
EU	European Union
GDP	Gross Domestic Product
GIAAC	General and Independent Administration of Anti-Corruption
GTZ	German Technical Cooperation Agency
I-ANDS	Interim Afghan National Development Strategy
IARCSC	Independent Administrative Reform and Civil Service Commission
JCMB	Joint Coordination and Monitoring Board
MOF	Ministry of Finance
MOJ	Ministry of Justice
MPs	Members of Parliament
MRRD	Ministry of Rural Rehabilitation and Development
NGO	Non Governmental Organization
NACS	National Anti-Corruption Strategy for Afghanistan
OAA	Office of Administrative Affairs
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
PAR	Public Administration Reform
PM	Programme Manager
SEAL	Support to the Establishment of the Afghan Legislature
SWG	Sub Working Group
TA	Technical Assistance
TI	Transparency International
TIRI	Transparency and Integrity Research Institute
TOR	Terms of Reference
UNAMA	United Nations Assistance Mission to Afghanistan
UNCAC	United Nations Convention Against Corruption
UNDP	United Nations Development Programme
UNODC	United Nations Office on Drugs and Crime
UNV	United Nations Volunteer
USAID	United States Agency for International Development
WG	Working Group

## **Part I. Situation Analysis**

### **1.1. Introduction**

Corruption, both petty and grand, constitutes a serious problem in Afghanistan. According to a survey conducted by Transparency International (TI) in 2004<sup>1</sup> it even outranks the security problem in terms of the biggest challenges for the government to tackle in the near future. There are many reasons for this. In an environment where accessing justice has been illusory for decades and where corruption is the norm for survival, voluntary compliance with the law is virtually non-existent. Decades of war and repression, weak state authority, the omnipresent threat of violence, the high discretionary powers of public officials, low civil service salaries and the weakness of the judiciary and legal enforcement system has led to a culture of corruption and impunity, and there is little concern for transparency and accountability in the use of public resources.

In such a context of virtually non-existent accountability and transparency, citizens and investors are faced with a high degree of unpredictability when accessing state services. This corruption-prone environment has been further weakened by the massive influx of donor funds which have come to amplify the opportunities for grand corruption and misappropriation of public resources. The existence of criminal gangs involved in the illegal production and trafficking of drugs, and their assumed direct connections to high ranking state officials, increases the challenges and risks of tackling corruption in Afghanistan.

There is thus no doubt that corruption is looming like the sword of Damocles over the current efforts to rebuild the country and create a legitimate, peaceful and pluralistic state. In light of this and in conformity with the Constitution<sup>2</sup>, President Karzai has stated in no uncertain terms his commitment to fight and eradicate corruption in all its forms at a growing number of important occasions<sup>3</sup>. The overall government commitment to fight corruption has also been reflected in the main national policy frameworks that are in the interim Afghan National Development Strategy (I-ANDS) and the Afghanistan Compact.

### **1.2. Overview of main challenges**

Corruption in Afghanistan has deep-rooted causes. Many appearances of petty corruption (e.g. the giving and taking of Baksheesh) are considered quite normal in the local culture. But the fact that corruption is now happening on a much larger scale, and is increasingly connected to both illegal criminal activities and laudable development initiatives generates a climate of public frustration that undermines the trust in state institutions, fuels social conflict, and provides a fertile ground for the recruitment of terrorist and anti-government groups. Specific attention thus needs to be paid to understanding the underlying motivations, dynamics and perceptions of corruption in Afghanistan.

Increasing concern emerges among different players regarding the effectiveness of international aid moneys, including allegations of theft, fraud and corruption in contracting and procurement as well as a lack of transparency in both the planning and management of international donor moneys. Not all development partners and aid agencies seem to have in place effective mechanisms to deal in a systematic way with allegations of corruption (internal complaints mechanisms, internal ombudspersons, etc.) and preventive systems could also be strengthened (shared blacklists of contractors, internal codes of conduct, etc.). On the government side, the recent plea by President Karzai at the London Conference to channel more donor funds directly through the government has enhanced the importance and urgency of strengthening accountability mechanisms at both central and local levels.

Narcotics-related corruption is increasingly being acknowledged as a major threat to the stability and development of Afghanistan. The Afghanistan Compact commits to enforce a zero-tolerance policy against narcotics-related official corruption. But the links between corruption and the narcotics trade are complex. The proceeds from the illicit trade in narcotics (estimated to amount to the equivalent of some US\$ 2.5 billion or approximately 40-60 percent of the countries licit GDP)

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<sup>1</sup> Corruption barometer, Published by Transparency International on the basis of a survey sample of 2153 people ([www.transparency.org](http://www.transparency.org))

<sup>2</sup> Article 75, section 3 of the Constitution mandates the government to maintain law and order and eliminate all types of administrative corruption.

<sup>3</sup> The recent cabinet meeting in which the President instructed the Ministries to look into administrative corruption was one of these occasions, and the inauguration of the Parliament in mid-December was another, to name but a few.

provide enormous financial resources with which to corrupt and corruption allows drug organizations to act freely and with impunity. Given low public salaries, customs officials, police officers, civil servants, prosecutors, judges, etc. are vulnerable to the temptation of the comparatively large rewards that can be reaped through turning a blind eye to, abetting or actively taking part in the drug-trade.

The judiciary, at all levels, is perceived to be the most dysfunctional and corrupt institution in Afghanistan<sup>4</sup>. A strategy to combat corruption in Afghanistan thus needs to pay particular attention to this sector (both formal and informal) since the current impunity at all levels (in particular at the higher levels of state authority) and the general disrespect for the basic principles of the rule of law are putting at risk the whole anti-corruption strategy<sup>5</sup>. The greatest need in building a formal system of justice is in improving the quality and integrity of judicial personnel, in particular those appointed to the Supreme Court, which has a bearing on the decisions of the courts and the appointment and transfer of judges throughout the judiciary. Further, tackling the reportedly rampant corruption in the police is a condition sine qua non for successful sector reform. In addition, many laws and policies related to criminal and corrupt acts do not exist and/or need to be reformed, clarified, passed and implemented, in light of the UN Convention Against Corruption (UNCAC) and other international treaties to which Afghanistan is/intends to become a party. An assessment of the current legal environment is thus required.

Because of low public service salaries<sup>6</sup>, lack of clear procedures, high levels of discretion and general lack of public ethics, petty corruption has become rampant in all government services. The Afghan tradition of kinships, whereby all those in privileged positions (from senior officials to lower-level civil servants in the districts) are pressured to support their kin (family or ethnic group) adds to the problem<sup>7</sup>. Much emphasis thus needs to be given to the strengthening of accountability and transparency in the public administration. The benchmarks defined in the Afghanistan Compact (e.g. a clear and transparent appointment mechanism established within 6 months and fully implemented within 24 months for all senior level positions) are crucial but very ambitious. Also crucial are the introduction of incentive and sanction systems, as well as establishing the legal and procedural frameworks to implement corruption prevention measures, such as conflict of interest rules and regulations, a code of conduct for public officials, the declaration of assets of specific civil servants among others. Some of these instruments, which constitute a subset of norms of the UNCAC as well, are currently being developed by the Independent Administrative Reform and Civil Service Commission (IARCSC) but technical support needs to be increased for their meaningful implementation.

Civil society organizations are starting to become active in the anti-corruption arena, and advocacy groups are being formed to pressure for reforms and getting involved in the monitoring of government policies and international commitments like the Afghanistan Compact. But while civil society organizations can play an important role in bringing corruption problems into the public debate, some NGOs have been accused of 'profit-seeking' behaviour by government and this has affected their standing within Afghan society. The recent *Law on Non-Governmental Organizations*<sup>8</sup> (2005) and the *Code of Conduct for NGOs engaged in Humanitarian Action, Reconstruction and Development in Afghanistan* (2005) are seen as important measures in providing a transparent regulatory framework for the sector<sup>9</sup>.

Lack of information sharing within government and between government and the external stakeholders adds to the problems. Public institutions are not required to issue any information, and are not accustomed to do so. Despite the new media law, the media as an institution is still weak and given the dangerous environment, there appears to be reasonable degree of caution

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<sup>4</sup> See Omnibus Survey 2005 from Charney Research.

<sup>5</sup> Many judges appointed in the post-Taliban period, including some on the Supreme Court, do not have a proper or adequate legal education (secular or Shari' a). Having little or no access to legal texts, many judges do not know what law to apply, and make decisions without reference to any law. Corruption in the judiciary and among prosecutors is reportedly rampant. It is also reported that judges assigned to the provinces are able to perform their duties only if they are personally in favour with the local power-holder".

<sup>6</sup> Pay increases alone will not be sufficient. As long as opportunities for corrupt behaviour remain, and corruption remains a low-risk undertaking, petty and grand corrupt will continue to flourish.

<sup>7</sup> In a culture of kinship, patrons exert considerable social and political control on formal power structures, using their influence on public decision-making and services in order to reinforce their power base or to extract profits. Benefits derived from these relationships range from gaining access to preferential services, forgery of legal papers, nepotism in obtaining employment or securing business contracts. Kinships thus reinforce the notion that personal loyalties are more important than the rule of law.

<sup>8</sup> The NGO Law clearly defines and regulates the activities of both international and national NGOs.

<sup>9</sup> The fact that the law precludes profit-making organizations from registering as NGOs has resulted in a dramatic reduction in the number of registered NGOs (from more than 2300 to just over 450 –including 165 international organizations).

when it comes to explore the potential of improving capacities for investigative journalism in Afghanistan. As a result, citizens and organisations have difficulties accessing relevant government and donor information and have few means of influencing decision-making processes, allocations of public expenditure, or demanding accountability for such expenditure.

In summary, while a number of key institutions have been established, their outreach is limited, their relationship with the citizenry is underdeveloped, the capacities of their staff are weak and the legal instruments at their disposal are insufficient. In addition, most efforts to bring corrupt practices to the daylight face the lethargy or unwillingness to act by a weak judiciary and a cautious political establishment that seems to have difficulties translating political commitments to tackle corruption into visible action.

For any anti-corruption initiative in Afghanistan to have the chance of success, sustained political will at the highest levels of government and other state institutions will be indispensable. Clear signals of non-tolerating corruption, including the removal from office of corrupt officials, have to be sent if the public anti-corruption initiative is to gain credibility, legitimacy and support.

### **1.3. Current institutional environment**

The Government signed the **UNCAC** on 20 February 2004. The convention provides for a holistic set of mandatory and optional legal requirements which can be very useful for the development of a national anti-corruption strategy. Hence, both the I-ANDS and the Afghanistan COMPACT now refer to the UNCAC as the general framework within which a national anti-corruption strategy shall be developed and monitored. The process of ratifying the UNCAC has already been initiated.

The UNCAC contains measures to prevent, control, investigate and sanction corruption. In accordance with the UNCAC, each state party shall ensure the existence of a body or bodies that prevent corruption, as well as a body or bodies or persons specialized in combating corruption through law enforcement. Each state party also needs to have in place a system of accounting and auditing standards and related oversight. The UNCAC thus requires the establishment of such institutions, unless they already exist in some form. But according to the proceedings of the preparatory meetings, state parties may establish or use the same body to meet the requirements of both provisions. State Parties to the Convention thus will need to decide whether to establish new entities or to reform/improve existing ones, whether to grant responsibilities to a single organization or to divide responsibilities between various prevention and law enforcement institutions.

An important preventive role is played by the Control & Audit Office (CAO), a central agency that reports directly to the President. The **CAO** is receiving substantive support from the World Bank, through technical assistance from a private sector auditing firm. It lacks; however, capacity and independence. Operating from Kabul, it is unable to cover some of the less secure areas of the country (South-East and South). Proposals are currently being developed to create regional offices and to have the CAO report directly to the Parliament.

In addition to the CAO, the government also established the General and Independent Administration of Anti-Corruption (Presidential Decree No. 93 dated 24/09/1382). The **GIAAC** which is also attached to the President was given the mandate to engage in awareness raising activities, to promote preventive policies and to investigate specific cases. But the GIAAC so far has mainly focused on the investigation of cases, not making use of its broader mandate. In addition, the selection of the cases it chose to investigate suggests a degree of politisation which has negatively affected its credibility. Some question its attachment to the President; others have expressed serious doubts as to the appropriateness and timeliness of creating such an institution in the Afghan context. In fact, successes with such agencies have been sparse and the few who have a positive track record enjoyed significant political and budgetary support and were able to operate within an effective integrity framework, whereby their actions were complemented by strong performance in other key agencies (public sector reform, the judiciary, the audit agency, the prosecutor's office, the Ombudsman and the Human Rights Commission, to name but a few). Such a solid integrity infrastructure is not yet present in Afghanistan, thus raising serious doubts as to the potential efficiency of the GIAAC, as a stand-alone anti-corruption body. However, the example of other countries like Lithuania where the ACA reports to both the President and the National

Assembly or Indonesia where five Commissioners are selected by Parliament for a fix-term office could provide inputs for a useful solution in Afghanistan.

To support the introduction of merit-based recruitment and appointment systems, an Independent Appointments Board and Independent Appeals Board have been established within the IARCSC. The latter has major responsibilities regarding the implementation of the Public Administration Reform Strategy (2006-2009). An important part of that strategy will involve the establishment of new procedures and mechanisms to promote high ethical standards of behaviour on the part of civil servants and establish procedures for disciplining civil servants involved in corrupt and ethical practices<sup>10</sup>. To monitor progress a new Cabinet Sub-committee on Public Administration Reform has been established.

The recently elected 351 members of the National Assembly (December 2005) could play an important exemplary role in strengthening the accountability of the state institutions. The Parliament has a "Budget and Finance Commission" (the equivalent to the Public Accounts Committees in other parliaments) as well as a "Parliamentary Commission of Judicial Affairs, Administrative Reform and Fight Against Corruption". But given the inexperience of the MPs - around a third of them are also illiterate - the understanding of the underlying concepts and the practical functioning of a modern democracy and the capacities required to perform the different parliamentary functions are relatively weak. The institution itself needs to develop rules and regulations to ensure its own transparency, accountability and integrity. There are also no independent oversight bodies reporting directly to the Legislature. Both the CAO and the GIAAC report to the President

The development and implementation of any solid policy to combat corruption is also severely hampered by the lack of coordination, the lack of research and information sharing. The absence of qualified personnel with substantive anti-corruption experience and a holistic vision on how to address the phenomenon is also a major obstacle.

For the development of the Afghan National Development Strategy (ANDS), the government has created a temporary support structure, called the ANDS Secretariat. An Inter-ministerial Oversight Committee (OSC) consisting of key ministries is responsible for the approval of the drafts of the ANDS before these are presented to Cabinet for their final approval. The Chairman of the ANDS has been given recently the additional responsibility to chair the Joint Monitoring Body for the Afghanistan Compact. It is in this context, that the ANDS secretariat has facilitated the revival of a structure of Consultative Groups (CG) and Cross-Cutting Thematic Groups (CCTG) which will be responsible to coordinate the monitoring of progress towards achievement of the Compact Benchmarks. An important challenge of this structure will lie in meaningful participation of the CCTGs (relevant public entities and donor community) in sector CGs and associated Working Groups (WG) in order to mainstream the cross cutting issues into different sector policies and programmes.

Institutional uncertainty and the lack of clear decisions on roles and responsibilities have been seen as one of the main obstacles to developing and implementing effective anti-corruption policies. But roles and reporting lines will need to be clarified soonest, including other public entities with responsibilities in anti-corruption work<sup>11</sup>.

In fact, in the absence of a public agency willing, able or with the mandate to coordinate initiatives related to the preparation of a broad based anti-corruption agenda, the ANDS so far has been an important entry point for the development of a National Anti-Corruption Strategy (NACS). But the revived CG and CCTG approach provides for an excellent opportunity to help create and support a government driven process to develop an anti-corruption strategy which will be intimately tied to the development of the overall national master plan.

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<sup>10</sup> A code of conduct for civil servants is being developed including rules on conflict of interest as well as mandatory declaration of assets for certain public officials.

<sup>11</sup> Concrete support to and capacity building of a central anti-corruption body in Afghanistan will be closely coordinated with UNODC which has developed a project in support of the GIAAC.

## **Part II. Strategy**

### **2.1. Links to the Afghan National Development Strategy and the Afghanistan Compact**

At the London meeting (January 2006), Afghanistan received promises of new development support in the amount of roughly US\$ 10 billion from 60 nations. The "Afghanistan Compact" makes reference to the urgent need for "measurable improvements in fighting corruption" and promoting transparency and accountability, in particular in the public administration, financial management, the justice sector, and the flow of aid money. In view of achieving the high level benchmarks anchored in the Afghanistan Compact and as part of the process of finalizing the ANDS, the government will need to steer the formulation of a national anti-corruption strategy. The momentum resulting from these developments now needs to be turned into concrete action, in particular by testing concrete integrity initiatives in different institutions, by creating a critical mass of supporters for reform and by providing crucial inputs for holistic strategic anti-corruption policies and programmes, in the support of which the current project has been designed.

According to the I-ANDS, the government wants to pay attention to four interrelated and mutually-reinforcing components: (1) strengthen public sector management; (2) strengthen public accountability systems; (3) strengthen the legal framework and judicial system; and (4) control corruption within counter-narcotics institutions. While these are essential elements of an integrity strategy, international experience shows that the control of corruption can only be achieved through a coherent and holistic approach, combining awareness raising and prevention with investigation and prosecution.

The recently renewed CG and CCTG structure provides for an opportunity to both 1) develop a National Anti-Corruption Strategy for Afghanistan (NACS) based on wide participation of public institutions as well as broad consultations with society at large and 2) mainstream an anti-corruption dimension into sector CGs. Both objectives are obviously closely interlinked.

While the ANDS secretariat is the main facilitator of the CG and CCTG structure, it is the GIAAC that was assigned the responsibility to take the lead in the anti-corruption CCTG and Sub Working Group (SWG) on behalf of the GoA. For the international community, UNDP was asked to serve as focal point and as such UNDP will support, assist and capacity build the GIAAC in performing this function effectively. The technical assistance on anti-corruption currently developed by ADB will complement this approach by providing technical and methodological support to the development of a NACS.

Thus, the international community is responding to an explicit request from the GoA to ensure that donor interventions to support the anti-corruption strategy are coordinated, harmonized and, ideally, implemented through joint programming and joint projects. UNDP has been committed to help foster such coordination by convening a donor harmonization group on anti-corruption and by accepting to serve, as mentioned above, as donor focal point for the CCTG on anti-corruption.

Once a national anti-corruption strategy is in place, it is expected that it will become the basis for the government's umbrella programme for combating corruption for which further long-term support will need to be secured from the international donor community, which would encompass also Phase II of this "kick off and testing" project.

Given that today corruption is considered to be one of the main risk factors to negatively affect and possibly even revert the efforts to establish a sound institutional basis and good governance in Afghanistan, the ACT project, by laying the basis for systematically addressing the phenomenon of corruption, is expected to make an important contribution to achieve UNDP's Country Programme outcome II to "strengthen the democratic state and government institutions at national and sub-national levels to govern and ensure quality public services" as well as UNDAF Outcome II under Area A of Cooperation "By 2008, an effective and more accountable and more representative public administration is established at the national and sub-national levels, with improved delivery of services in an equitable, efficient an effective manner".

### **2.2. A phased approach: preparing the ground, pilot testing and awareness raising**

In an environment almost virgin in terms of a systematic understanding and tackling of corruption in Afghanistan; in an institutional context that is characterized by a lack of clarity of mandates and political / budgetary support; and considering the absence of a prioritized government anti-

corruption policy or strategy, this project has been designed as part of a phased and well-sequenced approach.

While, this Phase I of the ACT project (18 months) aims to assist governing institutions in Afghanistan in preparing the groundwork for a comprehensive and long-term strategic anti-corruption program to be successful (including the testing of pilots; the production of diagnostics, indicators, surveys and policy options; and awareness raising / education to create a critical mass for change), Phase II of this project will kick in to support the implementation of broad based and multi-donor funded anti-corruption policies and programmes that are developed during this first phase in close collaboration with ADB, WB and others.

The task is complex so it will be essential to secure the involvement of many government agencies, donors and civil society organizations. At the core of this approach is the insight that an accountability system works as an integrated system, and not as a collection of individual institutions.

The project will put special emphasis on the generation of a more profound understanding of corruption in Afghanistan and the development of a monitoring framework to assess progress in the fight against corruption (including the analysis of the legal framework in view of UNCAC and the monitoring of its gradual implementation; the creation of indicators, a baseline study and perception survey; as well as specific technical support to the CG and CCTG structure). The results of this work will be incorporated into the Afghanistan Compact Monitoring system and the NACS. In this context, the project will provide specialised expertise and capacity building to the GIAAC, the CCTG and ANDS on how to mainstream the corruption dimension into key areas of Afghanistan's governance system through the CG process in particular<sup>12</sup>. The project will also assist with the testing of pilot integrity initiatives with key ministries and the donor community. And finally, it will raise awareness and educate civil society and civil servants on how to combat corruption in order to create a critical mass for gradual change.

The overall objective of this approach is to build both a conducive policy environment and demand for change, from within the central public institutions which, together with the strengthening of civil society, media, and other oversight bodies (including the public accounts commission of Parliament), is expected to create an increasingly strong momentum for reforms.

It is expected that a NACS, within the framework of the ANDS, will be developed in the course of 2007. This strategy will lay the basis for the development of a broad-based multiple-year and multiple-donor programme. As said above, considering the uncertainties in terms of the future focus of the national anti-corruption strategy and the required institutional arrangements, this project takes a phased approach, with Phase I covering a period of 18 months, leaving an extra 6 months after completion of the NACS to ensure that there will be a smooth transition from the phase to the above mentioned Phase II of a longer-term and multi-donor programme (see Exit Strategy).

The project will be anchored in the Ministry of Finance which has the political leverage to provide access to high level national authorities and a keen interest to promote national anti corruption policies. At the same time, the ACT project will collaborate closely with key integrity institutions, the CCTG, the SWG, as well as the Joint Coordination and Monitoring Board (JCMB). Particular emphasis will be paid to closely coordinate with the ongoing multi-donor project (implemented by UNDP/UNAMA) to provide overall support, both to the ANDS and line ministries, for the monitoring of the Compact, the development of a full-fledged ANDS and capacity building of ministries in planning, monitoring and budgeting<sup>13</sup>.

Given the relatively short time-frame and the fact that a set of key outputs will need to be produced in the first half of the project period, the project will need to make use of sufficient resources, to be able to deliver in a timely and effective manner, while still taking full consideration of the social, legal and cultural environment in which the project will operate.

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<sup>12</sup>This component of the project will be closely coordinated with the overall ANDS support programme implemented by UNDP/UNAMA under ANDS leadership.

<sup>13</sup> The Project "Developing the Afghanistan National Development Strategy and Monitoring the Implementation of the ANDS and the Afghanistan Compact" was presented in an LPAC on 3 July 2006.

Hence the main objective of the current phase of the ACT project is:

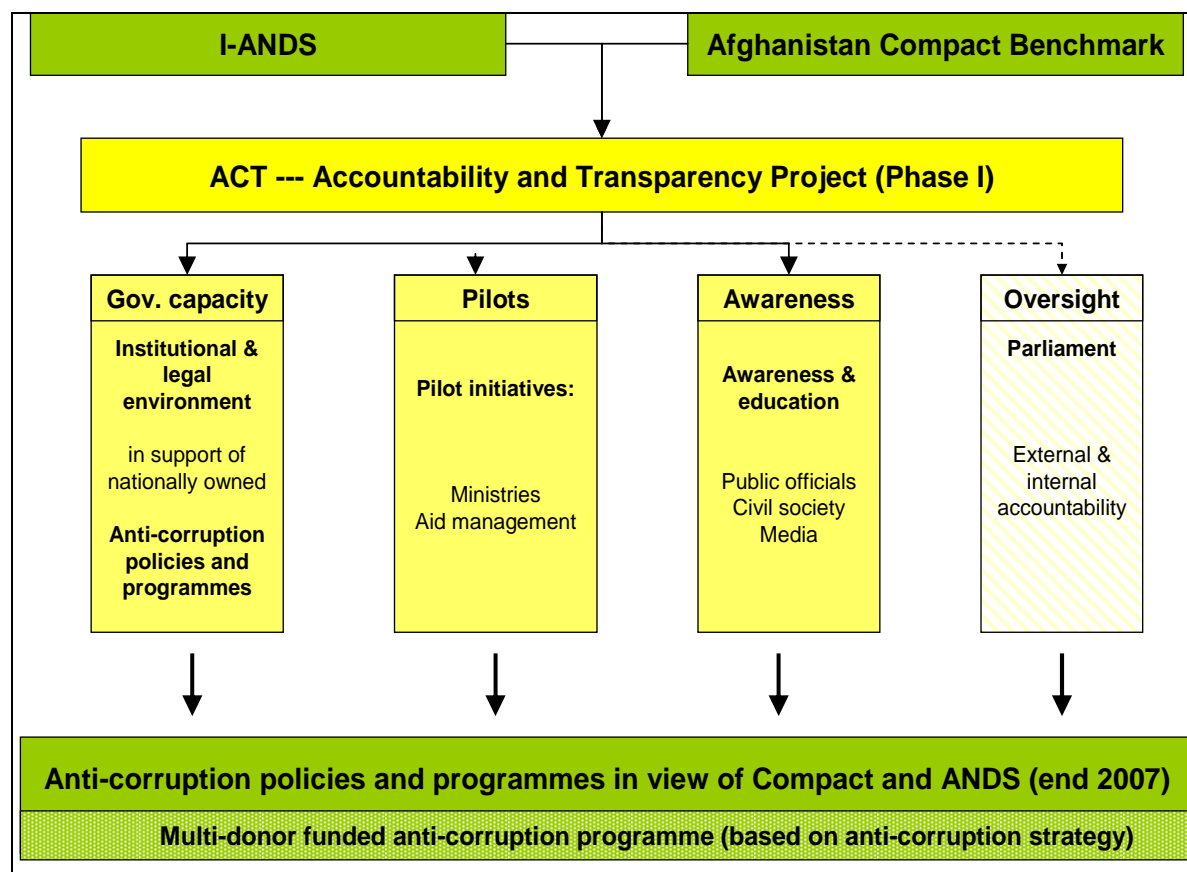
***“to support the government of Afghanistan, in view of achieving the Compact Benchmarks and developing a broader anti-corruption strategy within the ANDS, in preparing the groundwork for strategic anti-corruption policies and programmes by testing pilots in key public institutions, providing an integrity monitoring system including the necessary diagnostics and surveys, and by raising awareness and educating the public at large, as well as the civil service.”***

The gradual development of a culture of no-tolerance for corruption in the public and private sector will result in enhanced effectiveness, transparency and accountability of governing institutions and a more conducive environment for private sector investment.

To achieve that goal the project will achieve the following main outcomes:



Figure 1. ACT Project Scheme 2007 – 2008



### Part III. Results Framework<sup>14</sup>

#### **Component 1: Improved institutional, legal and policy environment created to support the implementation of anti-corruption policies and programmes**

To achieve this outcome whose main objective is to assist the government in achieving the high-level benchmark on anti-corruption, the project will produce the following outputs:

- 1.1. National legislation revised in view of UNCAC and priority legal reforms identified**
- 1.2. Options for institutional arrangements to steer and coordinate a national anti-corruption strategy submitted to public debate**
- 1.3. National Integrity System Monitoring developed (indicators, baseline study, surveys, support to CCTG/SWG)**
- 1.4. Strategic regional and international partnerships developed**

#### **Output 1.1. National legislation revised in view of UNCAC and priority legal reforms identified**

The high-level anti-corruption benchmark of the Afghanistan Compact explicitly refers to the government's commitment to review and adjust its legal environment to the provisions of the UNCAC as to create a conducive environment in support of the implementation of anti-corruption policies and programs. Guided by the UNCAC, the government and parliament will need to pass laws and regulations that will create the legal and normative basis for ethical behaviour (preventive measures) and that enable law enforcement officials to prosecute and sanction criminal corrupt behaviours (punitive measures), including to confiscate the assets of corrupt officials or private individuals through the enforcement of fair and effective laws and policies relating to income and asset disclosure, unjust enrichment, money laundering and organized crime. In close collaboration with UNODC this ACT project will assist the government with a complete review of the existing national legislation and regulations in comparison with the UNCAC provisions in order to identify gaps and potential incompatibilities and to prioritize mandatory and optional new or revised legislation. Once the study is finalized and in line with the Anti-Corruption Compact Benchmark, the project in close cooperation with the Law Reform Working Group will support a national exercise to agree upon the prioritization of legal adjustments and developments to be undertaken by the Afghan government and parliament.

This project element will also be closely coordinated with UNDP's SEAL project (Support to the Establishment of the Afghan Legislature) in order to raise the awareness of the Parliamentarians on the importance to act upon the priority law reforms. Further, given the long-standing collaboration between UNDP and the American Bar Association, the project will explore the possibility of collaborating with the latter on this initiative<sup>15</sup>.

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

The current institutional anti-corruption environment in Afghanistan is characterized by a lack of clear political support, leadership, capability and/or clarity of functions in any of the existent public institutions with certain roles and responsibilities in combating corruption. One of the priority measures required under the UNCAC, however, is the identification of a or several body(ies) responsible for the coordination and monitoring of anti-corruption policies and strategies. Important questions regarding institutional linkages, reporting lines, responsibilities in the field of corruption prevention, investigation, prosecution, education and coordination will need to be addressed. Current gaps or weaknesses will need to be identified and solutions proposed, functions clarified and reporting lines and interactions with other governing institutions defined. Given the current institutional uncertainty and its impact on government ownership over the development of the NACS, the achievement of this output is a priority. In case the UNODC project, that aims to

<sup>14</sup> See Annex I for Results Framework Matrix.

<sup>15</sup> Wherever possible, the project will promote the twinning of international advisors with national advisors from local institutions, such as the Kabul University, civil society organizations or research institutes, thus pursuing the building of local capacity based on an initial knowledge transfer and quality control from the outside.

develop the capacity of the national anti-corruption body, would kick off simultaneously, the ACT project would collaborate closely with the UNODC in this area. Other institutional options cannot be excluded at this stage<sup>16</sup>.

### **1.3. National integrity system monitoring approach developed and implemented**

#### ***Indicators, base-line study, perception survey, support to CCTG/SWG and seminars***

According to the I-ANDS the "Government's long-term aim is to eliminate corruption in the public and private sector in order to improve the effectiveness, transparency, and accountability of government, and to create an environment conducive to investment." Working gradually towards this objective requires the understanding of current areas vulnerable to corruption, policies and mechanisms to overcome the problems and a monitoring system that allows to measure progress and identify needs for corrective actions.

In addition, the current efforts to set up an effective monitoring system for the Afghanistan Compact Benchmark include the design of indicators that will reflect performance on the high-level benchmarks at an aggregate level, as well as operational indicators on more specific sector performance. Mainstreaming the anti-corruption dimension into a series of key CGs and WGs, ensure coherence and consistency with the NACS to be developed with the support of the ADB and monitor progress is a formidable challenge. Nevertheless it is also a unique chance to design a mechanism that will provide systematic and reliable information on progress, deadlocks or even regress.

The achievement of both the Compact Benchmarks and the i-ANDS objectives requires the availability of monitoring tools such as specific anti-corruption benchmarks for key areas in Afghanistan's integrity system, high and operational level indicators, base-line studies, surveys and self assessment tools. The project will assist the relevant Compact and ANDS bodies, in particular the GIAAC, the anti-corruption CCTG/SWG and the ANDS secretariat, with the development of an initial set of both general and satellite (specific to Afghanistan) anti-corruption indicators<sup>17</sup>. This work will be closely coordinated with the World Bank and other international agencies to make maximum use of already existing information (e.g. Public Finances for Development of the Bank, possible CONTACT self-assessment financed by UNDP) or data/information currently levied (e.g. focus group project on local perception and understanding of corruption sponsored by UNDP).

While the indicators can be refined over time, the initial set of indicators will guide the production of a baseline study and general people's perception survey on accountability and transparency in Afghanistan, against which progress and change can be measured. The development of indicators and the conduct of the independent baseline study and independent perception survey will be commissioned to local research institutions, with methodological support provided by an external anti-corruption advisor. When conducting the base-line study and survey, the project will build on the results of the currently planned Vulnerability to Corruption Assessments to be carried out by ADB, World Bank and UNDP in different key ministries (e.g. Finance, Public Works, Energy, Justice). Also existing models, such as UNDP's CONTACT model (Country Assessment in Accountability and Transparency<sup>18</sup>) and TI's national integrity system methodology will be used as reference.

The project will provide guidance and specific technical assistance to the CG and CCTG process on the development of such indicators for the different sectors through the following two-pronged approach<sup>19</sup>: 1) technical support/advice to specific CGs and SWGs on how to monitor the corruption phenomenon in particular sectors and which indicators to use<sup>20</sup> (e.g. justice, finance, police, public administration reform), and 2) provide continuous support to the anti-corruption SWG as well as to

<sup>16</sup> The limited amount of funds assigned to this output is in the assumption that UNODC will start its project operations in support of the Anti-corruption body as soon as possible. In case the startup-up of that project would be delayed then UNDP could respond rapidly to the government's request to provide technical assistance for clarifying the mandates of the different integrity institutions.

<sup>17</sup> The program will work in close collaboration with the proposed UNDP "governance indicators project".

<sup>18</sup> CONTACT was developed by UNDP with the main objective being to assist governments in conducting a self-assessment of their financial management and anticorruption systems.

<sup>19</sup> UNDP has been requested to serve as donor focal point for the anti-corruption Sub-Working Group. UNDP has further played a leading role in supporting the ANDS anti-corruption chapter, establishing the Benchmark indicators and in creating the CCTGs.

<sup>20</sup> Based on the spirit of donor harmonization, this work will be closely coordinated with other initiatives that are currently designed, e.g. by the ADB, in order to support the development of a national anti-corruption strategy.

the CCTG on how to monitor corruption as cross-cutting issue and strengthen the GIAAC's capacities to take a lead in this endeavour.

As part of the CCTG and CG support, a series of workshops will be organized (first by the international advisor on indicators then by the project team under the leadership of the Project Manager) with the different key actors of the CGs, Sub-Working Groups and anti corruption CCTG. These workshops can focus on building capacity of the GIAAC as lead agency in the Sub-Working Group and the CCTG, on raising awareness about the complexities of a national integrity system, how to combat corruption and how to monitor progress. This work should be coordinated with the different ministerial Technical Assistance Teams (TAT) and a space of continuous dialogue with the sector Coordinating Teams (CT), among others, should be created. Close coordination with the UNDP/UNAMA project in support of the ANDS & Compact will be ensured.

In order to ensure high-level political support, the project would organize an intensive seminar for political authorities to introduce the concepts and principles of a national integrity system and brainstorm on the key areas of the governance system whose anti-corruption performance needs to be monitored and how this can be achieved in the Afghan context (this seminar could be organized together with ADB and focus on both the NACS and the integrity system monitoring). Examples from international experience will be provided.

#### **Output 1.4. Strategic regional and international partnerships developed**

Many countries in the region and elsewhere in the world have already accumulated an abundant amount of experience and lessons learned in the fields of countering corruption and promoting transparency and accountability. Although each country situation is unique in terms of its political, economic, social and historic background, access to comparative international experience is of utmost importance in order not to reinvent the wheel as well as not to commit avoidable mistakes. Afghanistan can learn a lot from the anti-corruption experiences from other countries in the region and beyond. Therefore, the ACT project will support the Afghan integrity institutions in joining various regional and global forums and networks to facilitate the exchange of experiences<sup>21</sup>. Particular emphasis will be given to foster regional exchange of experience and cooperation with neighbouring countries, such as Tajikistan and Kazakhstan among others<sup>22</sup>.

South-south cooperation will be privileged, specifically with those countries that share certain institutional elements, have lived through similar circumstances, or have other aspects in common with Afghanistan.

### ***Component 2: Enhanced integrity and accountability in pilot ministries and aid management***

To avoid cynicism among the public, the government and donors alike, a series of initiatives need to be initiated to enhance transparency and accountability in various sectors. The project will therefore undertake some initiatives that will have a genuine impact on accountability and transparency and be visible to the public. These initiatives that will break the cycle of studies and reports will target selected entities in the public sector at central level (pilot ministries) and aid management. Pilots at sub-national level will be developed as part of ACT Phase II.

These initiatives, that hopefully can demonstrate publicly that small but important progress can be made, will complement ongoing efforts – largely supported by the World Bank, EU, ADB, DFID, DANIDA and others – to strengthen the public financial management, auditing and procurement systems.

<sup>21</sup> The ADB-OECD Anti-Corruption Initiative for Asia-Pacific is one such venue and network that will help Afghanistan to gradually approach its compliance with the UNCAC.

<sup>22</sup> Synergies with civil society and local governance initiatives in these countries will be fostered through an envisioned partnership with the Eurasia Foundation, UNDP country offices and others.

To achieve this outcome, the project will produce the following outputs:

- 2.1. Ethics and integrity initiatives implemented in two pilot ministries**
- 2.2. Survey on transparency and accountability in aid management carried out**
- 2.3. UNDP's integrity initiative started**

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

In addition to strengthening the checks and balances on political power (Parliamentary SEAL project) and judicial reforms (Strengthening the Justice Sector and Access to Justice projects) this component of the program will address the need for integrity and transparency in action within the public administration. The project will assist selected ministries in launching an integrity strengthening campaign as the prime responsibility for corruption prevention lies with the respective ministerial departments. The main purpose for having these pilot initiatives during this initial phase in a limited number of ministries is to ensure (1) that the anti-corruption initiative is not seen as being limited to some surveys and legal assessments and the development of a strategy and (2) that the experiences gained from these sector pilots feed into the process of refining the development of the NACS.

The pilot ministries will be selected in coordination with ongoing PAR initiatives undertaken by the IARCSC with support from the World Bank, the ADB and the EU. The Ministry of Finance has approached UNDP for support of its internal anti-corruption initiative and the Ministry of Justice has welcomed UNDP's suggestion to be the second pilot given the synergies that can be created with the UNDP justice project and the lessons learned that could be transferred to the other permanent justice institutions in the second phase of the project. Both ministries play a core role in addressing corruption systemically.

ADB, WB and UNDP have agreed in September 2006 to work closely together, both in providing technical assistance to key integrity institutions and to promote policy dialogue in the country (see Annex III). In the former comparative advantages of each institution will be used in order to create synergies and make maximum use of links with existing TAs. The idea is for these pilot ministries to develop and implement their internal initiatives including but not limited to the following (indicative) activities:

- Institutional Vulnerability to Corruption Assessments (VCA) --- the methodology of the VCA will be shared among ADB, WB and UNDP to be applied in key ministries. UNDP will support the conduct of the VCAs in particular in the MoJ, and possibly in revenue and internal administration in the MOF (see Annex III for division of labour).
- Development of internal audit manual for MOF upon request of Internal Audit Department.
- Support to a communications strategy of the pilot ministries focussed on transparency, accountability and anti-corruption issues, both in terms of procedures and the managerial responsibilities.
- Perception survey within the sector covered by the ministry on integrity deficiencies (and participatory discussions to identify the issues of most concern to the staff and the public and the means to address them)
- A public information campaign implemented to ensure the provision of exact, timely, transparent and accessible information on fees and procedures for obtaining services provided by the ministry.
- Policies in place to enhance ethical conduct in ministerial operation (including implementation of the code of ethics and conflict of interest policies in the sector context, and with broad participation and buy-in from the staff)
- Training manuals on ethics and anti-corruption prepared and training delivered to civil servants in the selected ministries
- An effective complaints system in place within the ministry with due respect of confidentiality and protection of whistle-blowers.
- A mechanism in place to provide counselling services for public officials who are faced with questions on ethics and conflict of interest cases and who need advice from a trusted source (this mechanism could be established in the IARCSC for the whole of the civil service).

The project would support these activities through coaching and technical advisory services. In order to build ministerial capacity, the project will fund two focal point professionals in each Ministry and the ministerial technical advisor will capacity build and coach them to make the internal integrity initiatives sustainable. A Memorandum of Understanding shall be reached with each pilot ministry in which the ministry will need to commit to further employment of the professionals at the end of the project. Each pilot ministry will define the reporting lines including a channel for direct communication and reporting with the respective Minister in order to ensure highest-level commitment and buy-in. The small integrity teams with the support of the technical advisor will be responsible for ensuring that adequate measures are taken to enhance integrity measures in a sector context, and that process should include collaboration and dialogue with civil society and private sector actors and democratic institutions at national and local levels (parliament and local councils). While anti-corruption is a complex and difficult issue, there are things that can be done within the ministries and that would result in an increase in accountability and transparency in government interfacing. The activities will be closely linked to ongoing PAR and PRR initiatives, and closely coordinated with the IARCSC.

### **Output 2.2. Survey on transparency and accountability in aid management carried out**

The donor community is committed to fight corruption in Afghanistan, and a critical mass of development partners is willing to set the example by ensuring transparency and accountability in aid management. In this regard, UNDP has been requested by several donors to lead a coalition of interested donors to carry out a Transparency and Accountability Survey on Official Development Assistance (ODA). The purpose of this survey would be to collate donors' concerns regarding corrupt practices in aid management, conduct an inventory of formal mechanisms to ensure accountability and transparency and seek to identify best practices in areas such as procurement, study tours, audit of projects and recruitment of project and program staff (amongst others). The survey would also look into the existence of internal mechanisms on how to deal with concrete corruption cases or allegations of such, the assumption being that many development partners lack clear systems and procedures to deal with specific cases. The survey report "Transparency and Accountability in Foreign Aid in Afghanistan" would be transmitted to the Government, facilitating an entry point for further discussions on how to harmonize and improve aid management procedures (possibly within the CCTG) and establish ethical guidelines that would guide aid effectiveness in Afghanistan. The outcome of these discussions would also feed into the NACS.

### **Output 2.3. UNDP's Integrity Initiative started<sup>23</sup>**

As the agency that is taking the lead in coordinating the support to the development and implementation of the government's "National Integrity Strategy" UNDP needs to lead as an example. For this reason, UNDP is launching an initiative directed to assess and review its own way of operating, in particular in terms of transparency, accountability and integrity mechanisms. This will include a review of its project/programme profiling as well as its business operations with the ultimate goal to increase program impact, to streamline its administration and to maximize efficiency, accountability and transparency.

As part of UNDP's change management process, the Country Office will launch a series of initiatives aiming at increasing integrity, transparency and accountability in its own development projects and programs. The start will be made with training of staff on the UN Code of Conduct and awareness raising. Initiatives would include the strengthening of project audits through external auditing firms, the establishment of an internal complaints mechanism, conducting training workshops for project staff and national counterparts on UNDP's accountability measures and procedures, improved work practices and results-based management. Tight monitoring and proactive management will enable the office to gain a better understanding of the relative state of each project, thereby allowing it to take a series of management actions to address potential problems which could not be resolved by training or administrative support. Initiatives that involve the scrutiny of projects and programmes will be undertaken with the full agreement and cooperation of the Afghan government, before any remedial actions can be undertaken. As is the case for the national anti-corruption agencies, possible malpractices that would be detected need to be dealt

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<sup>23</sup> UNDP's integrity initiative will be financed with UNDP core funds.

with, possibly by terminating contracts or projects, to ensure that UNDP enhances its credibility as an anti-corruption champion. By putting itself “on the block”, conducting a critical analysis of its own work, the UNDP office in Kabul will demonstrate its commitment to good governance, and prove that strong political will and appropriate management tools are effective in minimizing corruption.

### **Outcome 3: Increased awareness raising and understanding of corruption in Afghanistan**

The project will undertake a series of initiatives to facilitate public awareness and education initiatives by and for all stakeholders (public servants, members of parliament, NGO’s private sector, civil society and the media). The purpose of these initiatives is to improve the general understanding of the nature of corruption and its negative consequences in Afghanistan. The aim is also to help strengthening voice and public participation in mechanisms and processes to hold the government (and donor community) accountable for their activities. To achieve this outcome, the project will produce the following outputs:

- 3.1. A “Grants Facility” in support of activities initiated by civil society, youth and media**
- 3.2. Inventory and design of public complaints mechanism**
- 3.3 Training modules and anti-corruption guides developed and initial training launched for targeted audiences**

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

The active engagement of civil society groups in civic education activities for the elections has highlighted the role that these organizations are able to play in Afghanistan. In the run-up to and during the recent London Conference on Afghanistan civil society organizations became more outspoken and forceful to advocate and re-emphasize the urgent need to address the growing scourge of corruption. Several CSOs/NGOs are launching anti-corruption initiatives and the development of a national anti-corruption strategy provides additional opportunities to build on these initiatives and carry them further to the sub-national level. An important aspect of the project will be to facilitate broad public awareness and education initiatives on the complex issues of corruption and to engage more civil society actors and local think tanks in this process. Given the lack of local capacity in this area, the project will promote, where possible, twinning arrangements with credible international NGO’s. To achieve this, the project will establish a grants mechanism in support of initiatives to raise awareness, study sectors prone to corruption, and propose remedies to prevent corruption. Through the proposed grants mechanism, the project will provide small and medium-sized grants to support model anti-corruption initiatives and activities undertaken by CSOs/NGOs, the media, local governments and private sector organizations through a specific open and competitive tender process. Twinning arrangements with international NGO’s that have experience in the area of ethics and integrity promotion will be encouraged. The grants mechanism will enable rapid mobilization of donor resources to meet urgent work requirements. The project will ensure a fair and equitable selection process to ensure transparent identification and selection of projects or initiatives that would be entitled to grants.

A training and experience exchange seminar for CSOs and media organizations will be organized to facilitate cross-fertilization, help create and strengthen a national network of anti-corruption CSOs (including youth organizations) and to provide basic training and information on the role of civil society in creating an ethical and accountable environment in Afghanistan. This seminar will be organized by a local CSO with participation of credible international NGOs, active in the field of anti-corruption.

The project will work in close collaboration with the ASGP and the Joint National Youth Programme. School and university campaigns could be organized, including painting competitions, role and theatre plays, writing competitions etc. Special emphasis will be given to activities for the international anti-corruption day on 9<sup>th</sup> December.

### **3.2. Inventory and design of public complaints mechanism**

As people will become more aware and educated on the anti-corruption policies and plans of the government, an increase in public reporting on corruption and bribery may be expected. But there is currently limited public awareness of how corruption complaints may be reported and clear procedures / systems are rare if at all existent. There are the official government channels (CAO and GIAAC and possibly others) as well as independent agencies such as the offices of the Human Rights Commission. It is also not very clear what is actually happening to such complaints and who is mandated to follow-up, and under what conditions/regulations. The project will therefore support an inventory of existing complaints mechanisms, analyze their effectiveness, make proposals for improvement and promote public awareness of these complaints mechanisms. For such complaints mechanisms to be effective there is also a need to look at whistle-blower protection, both within and outside of the public service. As a result of the study, the project will assist in the development of procedures for transfer of corruption complaints to the relevant authorities, and to make sure that opportunities for following-up on the complaints are provided.

An increasing number of complaints are being channelled through the AIHRC and its local branches. Pending the results of the study on available complaints mechanisms and their pros and cons, the project could collaborate in Phase II further with DANIDA (that is supporting the AIHRC) on the kind of support that is needed to strengthen this role of the local branches of the AIHRC.

#### ***The potential role of the AIHRC as a watchdog for the judiciary***

The Compact and ANDS puts a lot of emphasis on oversight mechanisms for the justice sector. It is well-known that lawyers and judges, generally prefer self-regulation, voluntary codes of conduct, and integrity standards, and generally resist external oversight. However, despite traditions of judicial independence, in the conditions that currently obtain in Afghanistan, an oversight mechanism for the justice sector cannot be self-regulatory, and ought to involve other branches of government and civil society. As judicial corruption entails the violation of human rights, the human rights protecting role of the AIHRC provides the basis for its involvement in the national oversight mechanism envisaged in the ANDS. An important role in this regard could therefore be played by the Afghan Independent Human Rights Commission (AIHRC). It would be important to reserve resources to enable the AIHRC, as part of its human rights protection role, to collect and document complaints of people about instances of graft, malpractice and misconduct on the part of the judiciary.

### **3.3. Training modules and anti-corruption guides developed and initial training launched**

There is currently little to no information on the forms, types, and locations of corruption which constitutes not only a serious obstacle to the design of adequate policies but also hinders the development of action-oriented awareness raising campaigns in order to create a critical mass of concerned citizens that will demand for change. Taking into consideration that there is little awareness – both at the political executive levels as well as among civil servants and members of parliament – about the specifics of corruption in Afghanistan and the need for a holistic approach to tackle corruption, seminars, brainstorming sessions and other awareness raising activities for targeted audiences will be organized to create a “critical mass” of anti-corruption supporters. Building on existing materials, textbooks, guides and manuals available<sup>24</sup>, one of the outputs to be produced in the first phase of the ACT project will be a “Guide to Corruption Prevention”, adapted to the Afghan context and culture. Specific training modules will also be developed on ethics standards and conflicts of interest for civil servants (see also output 2.1). These guides and modules would be included in the training programs for public servants in the central ministries.

Once training has been provided on these topics it will also be important to provide counselling services for public officials who are faced with questions or dilemmas on ethics and conflict of interest cases and who need to be able to talk these over with a trusted official on whose advice they can rely safely. The pilots in the ministries will explore these possibilities further, in close collaboration with the IARCSC.

<sup>24</sup> There are training manuals, toolkits and sourcebooks that have been developed by UNODC, TI, UNDP, OECD, USAID, the World Bank and others. The idea is to make use of and adapt these existing materials to the local context.

Training and awareness-raising among parliamentarians will be conducted with the support of the SEAL programme.

## **Part IV: Management arrangements**

### **4.1. Project coordination**

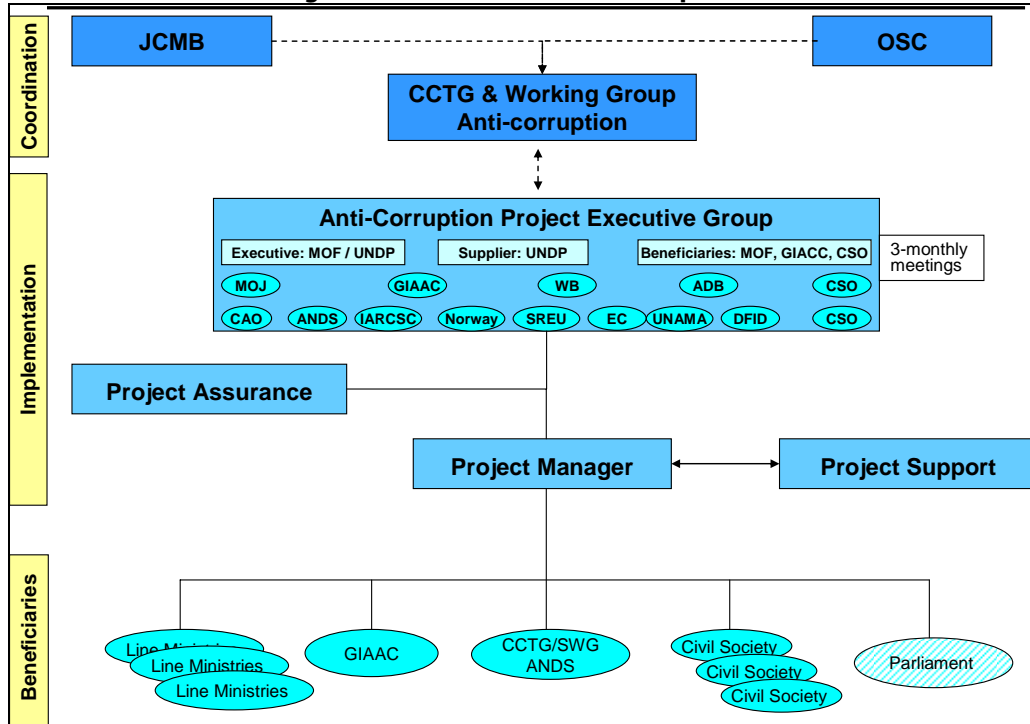
As in many other post-conflict countries, tackling corruption in Afghanistan is a politically highly sensitive issue and careful analysis to identify entry points for anti-corruption projects is needed. As indicated in the situation analysis, the current institutional environment for combating corruption in Afghanistan is characterized by uncertainty and a seeming weakness in translating the political commitments into tangible action and concrete decisions. In the absence of clearly identified roles and responsibilities for the prevention, investigation and awareness raising on corruption, the project design takes into account the existing institutional framework, including the key ministries, the Afghan Compact monitoring system, the GIAAC and temporary structures established to finalize and monitor the ANDS. The project deliberately avoids attachment with only one institution. Taking into consideration that the ACT project addresses a cross-cutting dimension of the ANDS, management arrangements of the project need to include working relationships with several stakeholder institutions, while remaining pragmatic and flexible to adapt to imminent changes in the institutional environment.

During this initial phase, and until there is more clarity on the institutional arrangements, there is a need, however, to house the project to a government entity that has the political leverage and commitment to move the anti-corruption agenda forward. The project will therefore be anchored in the Ministry of Finance. To ensure joint ownership of project activities by the other core integrity institutions, an Anti-Corruption Project Executive Group composed of the currently existing core agencies (MOF, MOJ, OAA, GIAAC, CAO, IARCSC, as well as ADB, WB, AREU, DFID, EC, among others) will be established under the chairmanship of the Ministry of Finance. This Executive Group will ideally coincide with the members of the anti-corruption CCTG and the anti-corruption SWG established for the monitoring of the Compact and further development of the i-ANDS. The Project Executive Group will meet every three months and/or as required for important changes or reorientation of the project. The Executive Group contains three roles: an Executive (MOF and UNDP) to co-chair the group, a Senior Supplier (UNDP) to provide guidance regarding the technical feasibility of the project, and three Senior Beneficiaries (MOF, GIAAC, CSO representative) to ensure the realization of project benefits from the perspective of project beneficiaries.

Given the multi-stakeholder character of the ACT project Phase I, strong operational links will be maintained with the main implementing partners, such as the two key ministries, the CCTG and SWG on anti-corruption, the GIAAC, the ANDS secretariat and civil society organisations. In order to ensure appropriate coordination of the main implementing partners, a Project Coordination Team will be established consisting of the Project Manager, the Focal Points of MOF, ANDS, GIAAC and the UNDP Programme Officer. This team will meet once a month for regular updates.

Considering the (still) uncertain institutional environment, the project will take a pragmatic and flexible approach, working with a variety of institutions, while being on stand by to work more closely with either of them as soon as the mandates and responsibilities of the different integrity institutions have been clarified (see output 1.2.).

**Figure 2 ACT coordination and implementation**



**4.2. Execution modality**

The project will be implemented under Direct Implementation and mechanisms will be introduced to move the project forward through sub-contracting modalities with selected partners and consultants. Sub-contracting to NGO’s allows the use of external capacity into the implementation process. It is also an effective modality for small targeted initiatives and allows the project to gradually build up the capacity of national CSOs and international NGOs. Care will need to be given in the selection process to ensure that selected civil society organizations are perceived to be nonpartisan.

As said above, the host of the project will be the Internal Audit Department of the Ministry of Finance, while much of the operational activities will be done in close collaboration with the CG structure, the ANDS, the GIAAC, the pilot ministries, a coalition of key government agencies and civil society organizations. Once the institutional framework for the implementation of anti-corruption policies has been clarified the execution of the project could be vested in that designated agency, pending credible mandate and resources.

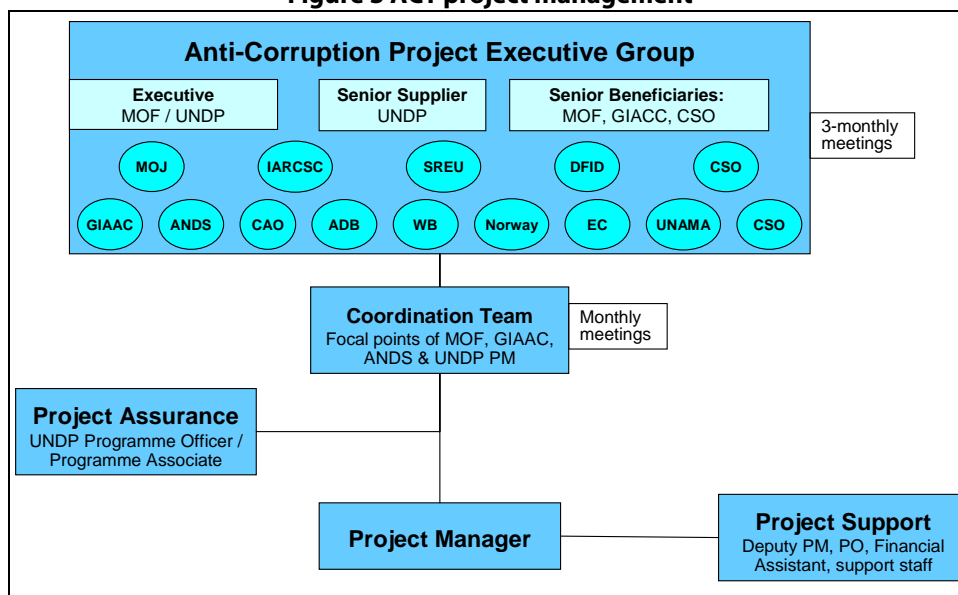
**4.3. Project implementation**

The project management team will be headed by a Project Manager (PM) who is a senior international anti-corruption, accountability and transparency specialist who will be responsible for providing overall technical direction and advisory services and for maintaining a steady and consistent pace of project implementation. The PM will have at the same time ultimate responsibility for the overall project management, although s/he will be supported in the day-to-day management and project implementation by a national deputy project manager. This deputy project manager (a public policy/governance specialist) will be capacity built in anti-corruption issues in the course of the project as to increase local expertise in this area and in view of the second phase of the ACT project. The PM will prepare an annual work plan and update them on a regular basis (three monthly) with inputs from the other resident advisors working on the project and submit them to the Project Executive Group for joint approval.

The role of Project Assurance will be carried out by the UNDP Programme Officer, assisted by a programme associate. Their responsibility is to do objective and independent oversight and monitoring in order to ensure project milestones are appropriately managed and completed. This day-to-day backstopping and monitoring of project implementation will be carried out under the supervision of the designated Assistant Country Director (ACD). The programme officer maintains a

continuous partnership with the project team and participates in all project reviews, work/budget planning meetings, monitoring visits and evaluations. On behalf of the UNDP/CO, s/he approves proposed TOR/specifications, quarterly work-plans/budgets as well as the proposed use of budget lines. In addition, s/he assists the project management team in linking up – through UNDP’s facilities at various levels - with knowledge networks on governance and programming matters and facilitates partnerships with other UNDP and donor programmes.

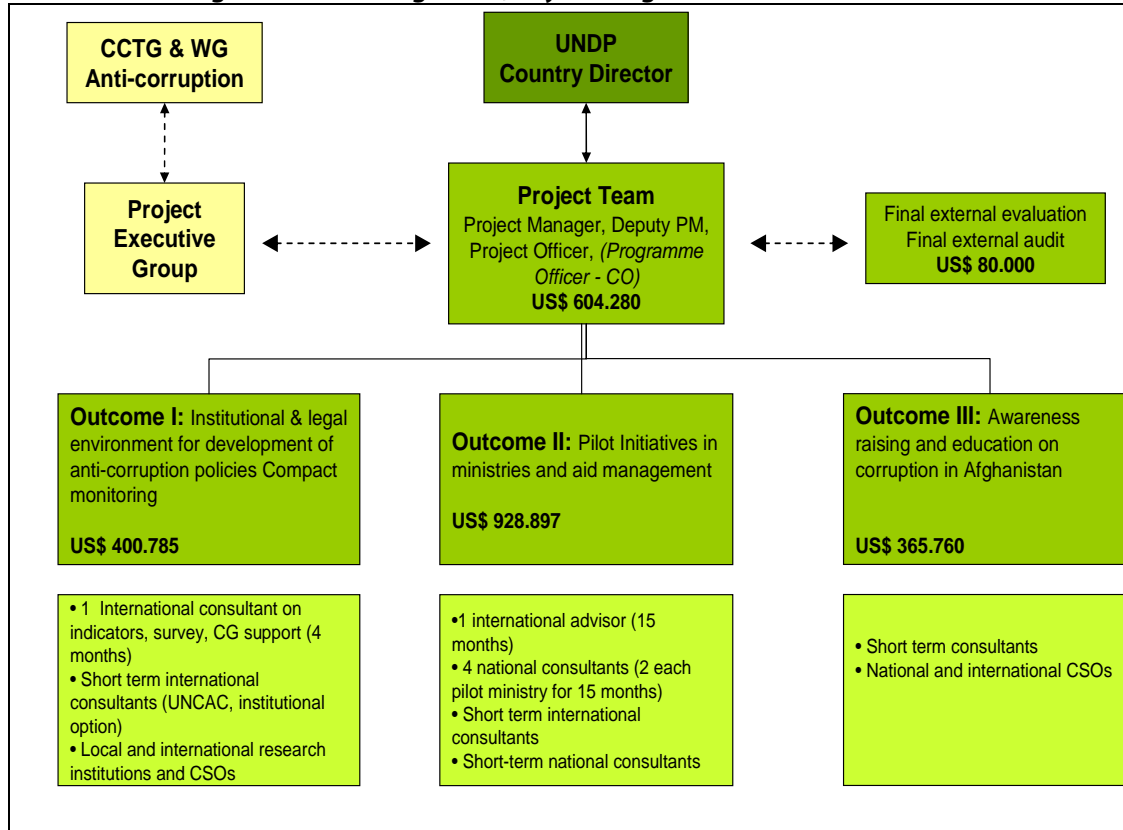
**Figure 3 ACT project management**



The Project Team will also be responsible for managing the grants mechanism, and to this end, will set up the necessary transparent arrangements for the selection and contracting of the grant recipients and related twinning arrangements between the national and international NGOs. The UNDP Country Office will assist with financial reporting and is entitled to make direct payments to contractors and suppliers. UNDP will ensure the procurement of goods and services, are in accordance with the UNDP financial and other regulations, rules and procedures. Further, particular emphasis will be given to strategic communications with the government, the donor community and media in order to keep the issue high on the agenda.

The project team (PM, Deputy PM and Project Support) will have the main responsibility for achieving the results expected from this project, and in particular to ensure that outputs are produced through process management and cost-effective use of funds. The project will make use of the various services provided by the Capacity Development Facility (supported by UNDP) for the recruitment of consultants, including international technical consultants, national experts, trainers and coaches. In this regard, the project will also make extensive use of sub-contracting modality to national and international CSOs and NGOs with credible reputation and experience.

**Figure 4 ACT management, key staffing & resource distribution**



Representatives of key stakeholders, involved in the implementation of project activities, either directly or through sub-contracting, may be invited to the meetings of the project team.

**4.4. Monitoring and evaluation**

Regular monitoring and evaluation of the project will allow to adjust the pace and design of the project to a rapidly changing institutional, political and economic environment. The Output Targets contained in the Results Framework will serve as reference for the project activities and provide guidance for the ongoing monitoring of success in achieving the agreed upon outputs and outcomes of the project. To this end, quarterly progress reports prepared by the PM will be submitted to the UNDP Country Office, the government counterpart, the other members of the Anti-corruption Project Executive Group, the CCTG and the GIAAC.

Internal monitoring of the project will be done by the project management team through the regular project management team meetings, minutes of which will be made available to UNDP and summaries to interested stakeholders. The general oversight and monitoring of the project will be the responsibility of the UNDP program officer, under the supervision of the designated ACD (see. 4.3.).

A final external evaluation of the project will be carried out 3 months prior to the end of the first phase of the ACT project. The purpose of the final evaluation will be to document the project’s approach, achievements and failures and to record lessons learned that will be useful for future project design of Phase II and for the sharing of experiences within the UNDP Democratic Governance Practice.

In accordance with UNDP corporate regulations, an audit of the project will be conducted at the end of the first phase, to ensure that UNDP resources are being managed, in accordance with the financial regulations, rules and practices and procedures, the project document and project work plans.

#### **4.5. Exit strategy**

As indicated above, the current ACT project constitutes Phase I of a longer-term commitment of UNDP to support anti-corruption policies and programmes in Afghanistan. Considering the complexities and challenges in addressing corruption in this country it becomes clear that any effort to try to address this widespread phenomenon cannot only aim at quick fixes (although some quick wins are important) but will require long-term support from a variety of international organizations. It is against this context that the before mentioned NACS will provide the reference framework for the development of a long-term multi-donor funded anti-corruption umbrella programme, of which UNDP will be part.

During Phase I of the ACT project, an important part of the expected outputs aims at building capacities in national institutions to fight against corruption. Thus, the pilot initiatives in the ministries will produce lessons learned and best practice to be transferred to other key institutions in Phase II. The technical assistance to the anti-corruption CCTG, SWG and the GIAAC will build the capacity in these forums to coordinate and build consensus among a multiplicity of stakeholders involved in driving an integrity agenda forward. Further, the technical and financial support to civil society organisations will help to strengthen their capacity to engage in anti-corruption activities. Last but not least, the capacity building of civil servants as well as civil society will contribute to the creation of a critical mass that demands for change and pushes for reforms, including the allocation of adequate resources to these endeavours.

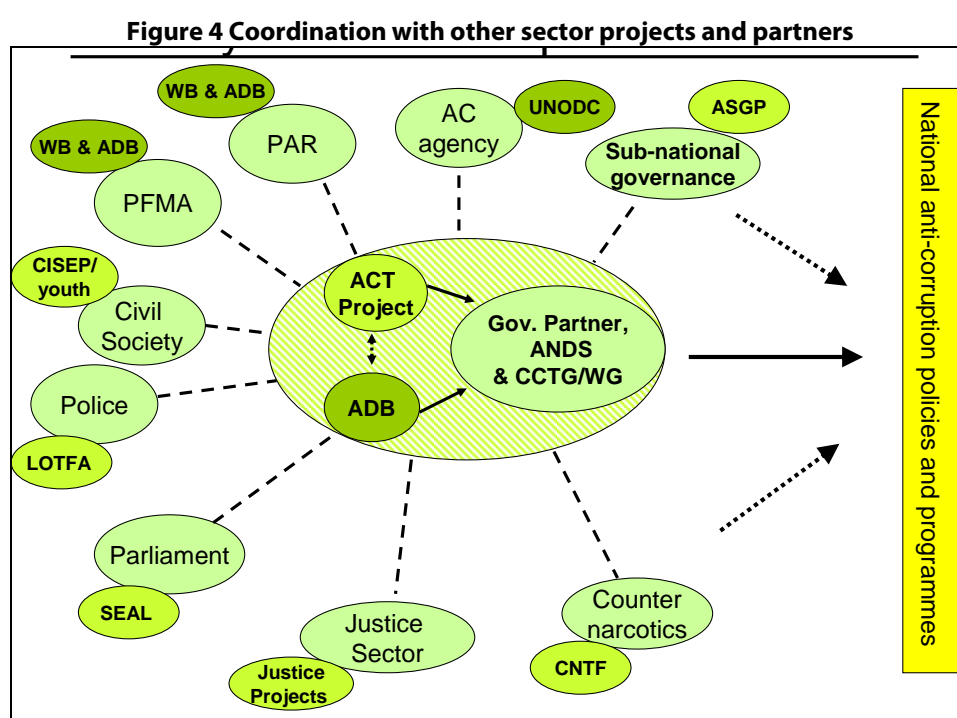
Also, it is expected that clear roles and responsibilities in the fight against corruption will be assigned to one or several specialised anti-corruption entities (see output 1.2. and NACS) during Phase I of the project. Once these institutional arrangements are clear and enjoy the political backing of the government, the second Phase of this project will concentrate on specific capacity building activities geared at the concrete needs of such institution(s). In this context, special emphasis will be put on strengthening and/or creating the necessary capacities for a future national implementation of Phase II.

Thus, Phase I of UNDP's ACT project will feed important contributions into the development of the NACS which is expected in the course of 2007. During the last 6 months of this project an evaluation of will be conducted the findings and recommendations of which will feed into the development of Phase II to ensure a smooth transition from one Phase to the next.

## Part V: Linkages and partnerships

Anti-corruption has been defined as one of the cross-cutting issues of the ANDS. Developments in this area, as well as pilot initiatives therefore need to be closely coordinated with a wide range of government agencies, the international community, civil society organizations active in the field and private sector entities. The government has made an explicit request to ensure that donor interventions to support the anti-corruption strategy are coordinated, harmonized and, ideally, implemented through joint programming and joint projects.

The project will therefore complement the reform processes undertaken in other governance programs and projects, and other donor initiatives. This project is concerned with the purpose of combating corruption, not simply as an end in itself, but rather as part of the larger struggle against official abuse, malfeasance, and misappropriation in all its forms. This means that a considerable part of the project will consist in advocating for the introduction of transparency and accountability initiatives in existing projects.



The main coordination mechanism between the GoA and the international community is the Anti-Corruption CCTG where UNDP assumed together with UNODC the role of international focal point. Further support will be provided to the CCTG as to turn it into the coordination and policy dialogue platform of the country on the issue of corruption.

Consultations during the design stage of the project have shown that there is a lot of interest and support to this project from the donor community. International development partners such as the ADB, CIDA, DANIDA, DFID, the EU, GTZ, the Italian Cooperation, the Norwegian Embassy, the Spanish Embassy, UNAMA, UNODC, World Bank, the Eurasia Foundation and others have taken a positive approach towards the project.

UNDP already has four main partnerships in support of anti-corruption activities. *First*, the Asian Development Bank has agreed to join forces with UNDP in support of accountability and transparency initiatives that would lead to the development of the NACS<sup>25</sup>. Both UNDP and ADB have strongly supported the development of the anti-corruption chapter of the I-ANDS. The current

<sup>25</sup> ADB and UNDP developed in June 2005 a joint concept note laying out the framework for one of the first comprehensive projects in Afghanistan whose specific aim is focused on the promotion of transparency and accountability in Afghanistan. Late 2005, both ADB and UNDP have strongly supported the development of the anti-corruption chapter of the interim Afghan National Development Strategy (i-ANDS).

program design builds further on these initiatives and it is expected that ADB's current programming will align ADB's work to UNDP's and the government's initiatives in this area. The ADB is also involved in improving the country's financial management framework, through its Fiscal Management Public Administration Reform Program (FMPARP) which will look more particularly at participatory budgeting, budget formulation and execution and promoting merit based appointments throughout the civil service<sup>26</sup>.

*Second*, in a series of consultations with the World Bank two main areas for synergies have been identified. On the one hand, the present ACT project will work closely with the World Bank when it comes to the integrity initiatives in two pilot ministries as to complement the World Bank's approach on restructuring the ministries and its administrative procedures with a specific ethics and integrity component (see output 2.1.). On the other hand, the Bank and UNDP will coordinate closely on analytical work and in particular on experience and evidence based perception surveys as to complement each others efforts in this area.

In September, ADB, WB and UNDP have entered a more formal agreement to coordinate closely and work together to provide technical assistance to the GoA (first joint activities will be Vulnerability to Corruption Assessments in key ministries) and to facilitate and foster policy dialogue, both between the donor community and the GoA.

*Third*, the UNDP program also takes into consideration and complements the activities that will be conducted under the project developed by UNODC. To assist in strengthening the capacities of the GIAAC, UNODC approved an institutional strengthening project that aims at providing assistance for strengthening the capacity of the GIAAC. As the custodian of the UNCAC, UNODC remains a privileged UN partner of UNDP in the fight against corruption in Afghanistan. In case the UNODC project to support the anti-corruption agency materializes, then the ACT project will focus on providing additional technical inputs where needed, in particular with regard to refining roles, responsibilities and reporting lines between the different public entities involved in combating corruption.

*Fourth*, the Utstein Partners have demonstrated an increasing interest in supporting and fostering anti-corruption initiatives in Afghanistan. In a joint Utstein effort, two anti-corruption training seminars have been organized in the end of June, one in close cooperation with the international NGO Tiri directed at researchers and the other targeting selected government partners, civil society organizations and development partners. Most of the individual members of the Utstein group are exploring in which way they can get further involved in combating corruption. GTZ, e.g., is looking into the possibility to establish a network of programme managers who would look into tackling corruption at the operational level.

Collaboration with DANIDA will be further explored in particular with regard to the role that the Human Rights Commission and its local offices can play as an independent agency that can document and channel citizens' complaints on corrupt practices and mismanagement. DANIDA's own experiences with internal integrity initiatives will also be very useful when trying to create a sufficiently strong coalition among the donors to render aid management more effective and transparent.

Following preliminary consultations with USAID, potential areas of cooperation can include the support to civil society organizations, possibly through one of USAID's contractors Counterpart International.

Coordination and cooperation with the European Union is taking place in two different ways. On the one side, UNDP is coordinating with the Office of the EU Special Representative to Afghanistan, an important ally at the political and advocacy level, the overall political approach as well as priority actions to be taken by the government. On the other, the office of the European Commission has signalled its general support for the project while concrete ways of collaboration have to be worked out as yet.

The ACT program will also work closely together in particular with all other UNDP projects and programs (SEAL project, judiciary projects, the ASGP, promoting private sector, youth and

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<sup>26</sup> See "Proposed Program Cluster of Loans: Islamic Republic of Afghanistan: Fiscal Management and Public Administration Reform Program" of the ADB (Nov.2005)

governance project etc.). UNDP's SEAL project has also already started to work on "engaging the *national assembly* in the fight against corruption". For example, to support the development of a sustainable culture of transparency and accountability, the parliamentary project will be geared towards helping the parliament establish anti-corruption and oversight legislation, executive (external/governmental) and legislative (internal/parliamentary) oversight and access to information policies, procedures, mechanisms and committee structures. The SEAL project will also contribute directly to the sensitization and capacity building on ethics and anti-corruption of members of parliament and the secretariat. The UNCAC will also be introduced as a general reference framework and benchmark under the Afghanistan Compact.

Collaboration with the justice projects is crucial and the UNDP country office team has started to coordinate with the UNDP justice project as well as with the Justice Sector WG. Anti-corruption efforts in numerous countries have focused their energies on investigation and enforcement, even though judicial systems to take care of the follow up are often non-functional.

The ACT project's small grants mechanism will support the role of civil society organisations in awareness raising and information dissemination on the problem of corruption and the loss of public ethics, and promote public-private sector dialogue on the problem. Collaboration with the Joint National Youth Programme will result in an increased number of students being aware of the corruption problems and their impact on the development of the country.

Natural partners in the anti-corruption should be found in two trust funds that are UNDP managed, the Counter Narcotics Trust Fund (CNTF) and the Law and Order Trust Fund (LOTFA). Both are dealing with areas that are crucial to the fight against corruption, the drug economy and the police.

There are also links and partnerships to be secured with planned or ongoing initiatives. Tiri is currently studying areas vulnerable to corruption in the aid flows. In addition, some bilateral aid agencies, in particular those belonging to the Utstein group have stated their interest to consider the possibility of buying into the program in view of scaling it up in particular at the sub-national levels.

## Part VI: Assumptions, risks

There is no doubt that the fight against corruption in Afghanistan is a politically highly sensitive, but also dangerous undertaking, because of the direct links with national and international criminal organizations involved in the narcotics business, and their linkages to local warlords. A careful analysis of related risks is therefore needed. But without the political will to take on corrupt officials at all levels the Afghan people and the donor community will have no confidence in any anti-corruption strategy, whether included in the I-ANDS or not.

Risk identification	Risk mitigation measures
Lack of political will and/or capacity to put declared commitments into practice	Development partners and civil society organizations need to join forces and demand with one voice clear action from the government, parliament and the judicial sector and devote resources to the cause. Development partners can also help identify entry points to overcome restrictions for political commitment in practice.
Lack of political support to GIAAC (it is officially tasked with coordination of anti corruption policy). Consequently government ownership of coordination in this sector is uncertain.  Weak capacity of the AC agency	The project takes a pragmatic approach, working with the GIAAC, key ministries, the CCTG, the ANDS secretariat and various stakeholders until there is more clarity regarding the institutional framework. Clarifying mandates on ACT is part of the project's approach.
Resistance/lack of buy-in on the part of various stakeholders. Support for anti-corruption measures may not be wide-spread. Scepticism regarding feasibility of anti corruption efforts in general.	The transformation to a society that does not tolerate corruption needs to be approached in a culturally and conflict sensitive manner. This is a long-term process, which requires incremental steps.  Preventive measures introduced through basic public administration reforms, access to information and civil society empowerment concepts are therefore crucial at the outset.  Afghanistan is a young society. In 5 years, the average age of the public servants is estimated to be 35. Focus therefore needs to be on the new generation. In the meantime, civil society is weary about corruption and is willing to become engaged. In particular the grants facility of outcome 3 aims at empowering these groups of society.
Corruption is also pervasive in the ODA sector and the NGOs	The project aims to achieve specific outputs related to accountability and transparency in aid management. To ensure the credibility of the donor initiative on anti-corruption, a critical mass of donors needs to be identified to start curbing corruption in ODA itself. To set the example, UNDP will launch its internal integrity initiative.
Anti-corruption programs are a long-term endeavour which require substantive funding. Lack of political will may result in a lack of donor funding which may hamper project implementation and render the program unsustainable.	To sustain donor support, the government will need to express its political will to fight corruption through clear signals, including removal from office of corrupt officials and issue measures that will enforce government action in this regard and facilitate monitoring progress by various watchdog institutions and mechanisms.

Tackling corruption will inevitably have a destabilizing impact, as a lot of the corruption problems are directly linked to power structures and illegal production of narcotics.	Corruption efforts need to be introduced in tandem with democratic initiatives, the rule of law, protection of human rights and poverty reduction efforts. Awareness raising and popular support is needed in order create a critical mass of Afghans who demand meaningful change.
In the past 4 years not much has been done to fight corruption. There is a risk of wanting to do too much too soon. The absorptive capacity may be lacking, hence the risk that many of the outputs will be produced by external assistance rather than by the national stakeholders	Careful management of expectations is needed. Voices from different sectors of society, including the media, have become more outspoken and forceful to advocate against corruption and promote accountability and transparency. To avoid an externally driven process, national stakeholders and civil society actors will be involved in project implementation.
Anti corruption activities can be captured for political purposes	Implementing partners will be carefully selected and media training on balanced reporting will be carried out. This could be avoided through broad coalitions involved in project implementation.
Non-enabling legislative and legal environment	An assessment of the legal environment will be undertaken, but this is a longer-term process. Laws by themselves will not change society, strengthening the rule of law and legal enforcement will take time to materialize.

## Part VII: Legal context

"This project document shall be the instrument referred to as such in a) the Standard Technical Assistance Agreement, 1956; and b) Country Programme Action Plan (CPAP) 2006-2008. The host country implementing agency shall, for the purposes of the Standard Technical Assistance Agreement, refer to the Government co-operating agency described in the Agreement. See Annex II attached to this document.

**Part VIII: Budget****Indicative Budget for Accountability and Transparency Project**

	<b>US \$</b>
<b>Outcome 1. Institutional legal and policy environment for ACT policies and programs</b>	
1.1. National legislation revised in line with UNCAC	55,580
1.2. Institutional development for NIS coordinating body	33,080
1.3. National Integrity System Monitoring (Indicators, baseline study and perception survey, CCTG support)	223,340
1.4. Strategic international partnerships	35,000
Contingency 10% and GMS 5%	53,785
<b>Total Outcome I</b>	<b>400,785</b>
<b>Outcome 2. Pilot initiatives in ministries and aid management</b>	
2.1. Ethics & integrity initiatives in two pilot ministries	701,480
2.2. Survey on ACT in aid management	60,580
2.3. UNDP's internal clean aid initiative	42,180
Contingency 10% and GMS 5%	124,657
<b>Total Outcome II</b>	<b>928,897</b>
<b>Outcome III Increased awareness and understanding of corruption in Afghanistan</b>	
3.1. Grants facility for CSO, youth and media	229,000
3.2. Research on Complaints mechanism	62,675
3.3. Training modules & guides, training	25,000
Contingency 10% and GMS 5%	49,085
<b>Total Outcome III</b>	<b>365,760</b>
<b>Project Team costs for 30 months</b>	
Senior Project Manager	306,000
Deputy Project Manager	45,000
National Project Officer	20,250
Administrative & Finance Assistant	16,200
Translator and translation	16,200
Support Staff	10,800
IT Equipment	17,000
Driver (2)	18,000
Cars (2)	18,000
Car Maintenance & Fuel	9,000
Operational Office costs	36,000
Final audit	50,000
Final external evaluation	30,000
Contingency 10% and GMS 5%	91,830
<b>Total project team costs</b>	<b>684,280</b>
<b>GRAND TOTAL</b>	<b>2,379,722</b>

## Annex I: (Part III) Results Framework

<b>Intended Outcome as stated in the Country Results Framework:</b>
<b>UNDAF Area of Cooperation:</b> Area 5 – Governance, Rule of Law and Human Rights <b>UNDAF Outcomes:</b> <i>Outcome 2:</i> "by 2008, an effective, more accountable and more representative public administration is established at the national & sub-national levels, with improved delivery of services in an equitable, efficient and effective manner. <i>Outcome 5:</i> "by 2008, Government is enabled to comply with its obligations agreed to under international conventions and to ratify other non-ratified conventions".
<b>Outcome indicator as stated in the Country Programme Results and Resources Framework, including baseline and target:</b> <b>UNDAF Indicator(s):</b> <b>2.7</b> Decreased perceptions of bribe taking and corruption in the civil service, and national anti-corruption policy developed in consultation with civil society, <b>5.3</b> International standards used as benchmark for policy and legislation, <b>5.5</b> Government provided with all necessary information and advice for decision making on international conventions <b>Expected CP Outcomes:</b> The democratic state and government institutions strengthened at all levels to govern and ensure quality public services through advocacy, policy advice and capacity development (reflects UNDP's <b>MYFF Goal 2</b> , "Fostering democratic governance"; and <b>MYFF Service Line 2.7</b> "Public Administration Reform and anti-corruption" <b>CP Output:</b> Public sector capacity at the individual, organizational and institutional level strengthened through the development of capacities in the areas of civil service management, law enforcement, information management and budget processing <b>Expected CPAP Outputs and Indicators:</b> <b>Output 2.</b> Public sector capacity strengthened through the development of civil service at the central and sub-national levels, the establishment of accountability mechanisms and the enhancement of information management for better service delivery, <i>Indicator 2.6:</i> Percentage of public institutions that have introduced accountability mechanisms/strategies, <i>Indicator 2.7:</i> A broad-based national Anti-corruption strategy has been developed and implementation is monitored.
<b>Applicable MYFF Service Line:</b> MYFF Goal 2: " <i>Fostering democratic governance</i> " - MYFF Service Line 2.7 " <i>Public Administration Reform and anti-corruption</i> "
<b>Partnership Strategy:</b> UNDP will provide the seed funds while international donors will provide the remaining funds for the project. The ACT project is a multi-stakeholder project for the success of which partnerships will be created with public institutions, development partners and civil society organizations. Close coordination and partnerships will be developed with the ANDS, the members of the CCTG on anti-corruption, the pilot ministries and CSOs as well as with other sector reform programmes as to incorporate the anti-corruption dimension into them. Strategic partnerships will be developed with regional and international anti-corruption networks, initiatives and movements in order to draw on international experience and strengthen the national policy development.
<b>Project title and ID:</b> Enhancing Accountability and Transparency (ACT) 2006-2007; Project ID 000 53 687

Outcome/Output	Output Targets for ( years)	Indicative Activities	Inputs
<b>OUTCOME 1: AN INSTITUTIONAL, LEGAL AND POLICY ENVIRONMENT CREATED TO SUPPORT THE IMPLEMENTATION OF ANTI-CORRUPTION POLICIES AND PROGRAMMES</b>			
1.1 National legislation revised in view of UNCAC and priority legal reforms identified	<p>2007 – Report on legal comparison finalized</p> <p>2007 – Stakeholder workshop organized on outcome of assessment</p> <p>2007 – Prioritization of legal adjustments defined and workplan for legal drafting/adjustments approved</p>	<ul style="list-style-type: none"> <li>Working group established ACT/OAA-SEAL/Parliament -Ministry of Justice and ANDS Secretariat</li> <li>In-depth analysis of current legal framework and comparison with UNCAC to identify gaps and prioritize optional and mandatory new or revised legislation</li> <li>National Workshop to present findings of the assessment and undertake prioritization exercise to define phased approach of adjusting national legislation</li> </ul>	<ul style="list-style-type: none"> <li>Short-term advisory services (2X2 weeks): US\$ 16,800</li> <li>Short-term national legal expert – Kabul University (2 months): US\$ 8,000</li> <li>International and National Travels: US\$ 15,280</li> <li>Research and logistical support: US\$ 3,500</li> <li>Workshop: US\$ 5,000</li> <li>Translation: US\$ 7,000</li> </ul>
<b>Estimated budget output 1.1</b>			<b>55,580 US\$</b>
1.2 Options for institutional arrangements to steer and coordinate a national anti-corruption strategy submitted to public debate	<p>2007 – Institutional analysis performed and options for reform/clarification of mandates available in a final policy option paper</p> <p>2007 – workshop on institutional arrangements to combat corruption held with involvement of large group of stakeholders</p>	<ul style="list-style-type: none"> <li>Agreement UNDP-UNODC on how to provide support to the institutional framework for combating corruption in Afghanistan</li> <li>Institutional analysis of existing institutions with responsibilities in combating corruption; identification of gaps and weaknesses; suggestion of solutions</li> <li>Organise workshop to discuss the findings and options</li> </ul>	<ul style="list-style-type: none"> <li>Short-term international consultant-organizational development (4 weeks): US\$ 25,580</li> <li>Workshop: US\$ 5,000</li> <li>Translation: US\$ 1,500</li> <li>Miscellaneous: US\$ 1,000</li> </ul>
<b>Estimated budget output 1.2</b>			<b>33,080 US\$</b>

<p>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</p>	<p>2007 – initial set of indicators developed 2007 – Baseline study carried out 2007 – corruption perception survey carried out 2007 – series of workshops to discuss outcome of the studies and survey conducted at central level and in 8 regions (as part of the ANDS participatory process)</p>	<ul style="list-style-type: none"> <li>• Create special working group to develop initial set of integrity indicators</li> <li>• Development of indicators to establish baseline and monitor progress in Afghanistan’s national integrity system (NIS) using existing indicators available from various sources (CONTACT, TI)</li> <li>• Independent base line study on current situation</li> <li>• Independent corruption perceptions survey linked to NIS study.</li> <li>• Workshops at central level and in 8 regions to disseminate and discuss findings of the study and perception survey</li> <li>• High level seminar with political authorities to brainstorm on vulnerable areas to corruption and appropriate indicators to monitor performance</li> <li>• Capacity building workshops with CCTG, GIAAC, and other relevant stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>- Short-term international consultant – anti-corruption expert (4 months): US\$ 42,000</li> <li>- Translation: US\$ 10,000</li> <li>- Travel: US\$ 16,340</li> <li>- National research Institute (Base line study): US\$ 30,000</li> <li>- National research institute (perception survey study): US\$ 60,000</li> <li>- Workshops central and in 8 regions: US\$ 50,000</li> <li>- High level seminar and workshop logistics : US\$ 15,000</li> </ul>
<b>Estimated budget output 1.3</b>			<b>223.340 US\$</b>
<p>1.4 Strategic regional and international partnerships developed</p>	<p>2007 – Afghanistan participated as observer in Asia Pacific Accountability and Integrity Initiative 2008 – Afghanistan is member of the Asia Pacific Initiative</p>	<ul style="list-style-type: none"> <li>• Participation in regular Asia Pacific Accountability and Integrity Initiative meetings</li> <li>• Afghan government joins Asia Pacific Initiative</li> </ul>	<ul style="list-style-type: none"> <li>- Participation in regional and international events and networks: US\$ 35,000</li> </ul>
<b>Estimated budget output 1.4:</b>			<b>35,000 US\$</b>
<b>Contingency 10% and GMS 5% for Outcome 1</b>			53,785 US\$
<b>TOTAL Outcome 1</b>			<b>400.785 US\$</b>

<b>OUTCOME 2: A SERIES OF PILOT INITIATIVES STARTED TO ENHANCE ACCOUNTABILITY AND TRANSPARENCY IN PRIORITY SECTORS</b>		
<p>2.1 Ethics and integrity initiatives implemented in two pilot ministries</p>	<p>2007 – institutional risk assessments carried out in two pilot ministries</p> <p>2007 – Internal perception survey conducted</p> <p>2007 – Ministerial integrity action plan developed</p> <p>2007 – Internal Audit Manual developed</p> <p>2007 – Training material developed</p> <p>2007 – Training conducted</p> <p>2007 – Complaints mechanism established</p> <p>2007 – Information on fees, services, procedures publicly available</p>	<ul style="list-style-type: none"> <li>• Institutional risk assessment in two pilot ministries in order to develop anti corruption action plans based on a systematic understanding of vulnerable areas and corruption opportunities.</li> <li>• Ethics Commission/unit/commissioner established in the ministry and policies in place to enhance ethical conduct in ministerial operation (including implementation of the code of ethics and conflict on interest policies)</li> <li>• Perception survey within the sector covered by the ministry on integrity deficiencies</li> <li>• Public information campaign to ensure the provision of exact, timely, transparent and accessible information on fees and procedures for obtaining services provided by the ministry.</li> <li>• Development of Internal Audit Manual</li> <li>• Development of training manuals on ethics and anti-corruption and deliver training to civil servants in the selected ministries</li> <li>• An effective complaints system in place within the ministry with due respect of confidentiality and protection of those who blow the whistle.</li> </ul> <ul style="list-style-type: none"> <li>- 2 International consultants for institutional risk assessments (25 days each): US\$ 25,000</li> <li>- 1 International advisor to support integrity pilots in the 2 ministries (15 months): US\$ 255,000</li> <li>- 1 International consultant for internal audit manual (2 months): US\$ 28,000</li> <li>- 4 national consultants (2 in each pilot ministry at US\$ 2500 p.p.) to drive internal integrity initiative forward (15 months x 4): US\$ 150,000</li> <li>- Logistical support to the 2 Integrity Commissions (including for risk assessments and procurement capacity assessment): US\$ 50,000</li> <li>- Sectoral surveys: US\$ 20,000</li> <li>- Information campaigns in the ministry: US\$ 60,000</li> <li>- Travel (international and local): US\$ 58,630</li> <li>- Training modules on ethics and accountability – consultancy (6 weeks): US\$ 21,000</li> <li>- National support staff to work on the training manual (6 weeks): US\$ 4,200</li> <li>Training of trainers: US\$ 10,000</li> <li>- Translation (17 months + docs): US\$ 18,300</li> </ul>
<p><b>Estimated budget output 2.1</b></p>	<p><b>701.480 US\$</b></p>	

2.2 Survey on transparency and accountability in aid management	<p>2007 – Transparency and accountability in aid survey conducted</p> <p>2007 – workshop organized to discuss findings</p> <p>2008 – guidelines for transparency and integrity in aid management issued</p>	<ul style="list-style-type: none"> <li>Carry out a survey on donor perceptions of corruption in aid, existing transparency and accountability mechanisms in development community (including the identification of gaps between desired and actual situation)</li> <li>Workshop to discuss findings of the survey</li> <li>Develop voluntary guidelines on ethical conduct and transparency in aid management (for international community)</li> </ul>	<p>1 International advisor to support the survey<sup>27</sup> (1 month): US\$ 16,800</p> <p>National research institute: US\$ 15,000</p> <p>Workshops: US\$ 5,000</p> <p>Travel: US\$ 13,780</p> <p>Logistical support, travel etc.: US\$ 5,000</p> <p>Translation: US\$ 5,000</p>
<b>Estimated budget output 2.2</b>			<b>60,580 US\$</b>
2.3 UNDP's internal "Integrity Initiative"	<p>2007 – internal review of project management conducted and recommendations are implemented</p> <p>2007 – staff trained regularly on code of conduct</p> <p>2007 – awareness raising course implemented</p> <p>2008 – internal complaints procedures established</p>	<ul style="list-style-type: none"> <li>Review of project / program profiling and business operations</li> <li>Development of internal anti-corruption awareness raising course.</li> <li>Training of staff on code of conduct</li> <li>Establishment of internal complaints mechanism</li> <li>Improve work practices</li> </ul>	<p>- 1 International advisor to support the survey – (2 weeks): US\$ 8,400</p> <p>--Support from the UNDP -- Management Consulting team: US\$ 20,000</p> <p>- Workshops: US\$ 5,000</p> <p>- Travel: US\$ 8,780:</p>
<b>Estimated budget output 2.3</b>			<b>42,180 US\$</b>
<b>Contingency 10% and GMS 5% for Outcome 2</b>			124,657 US\$
<b>TOTAL Outcome 2:</b>			<b>928.897 US\$</b>
<b>OUTCOME 3: INCREASED AWARENESS RAISING AND UNDERSTANDING OF CORRUPTION IN AFGHANISTAN</b>			
3.1 Establishment of a "Grants Facility" to build the watchdog capacity of civil society actors and the media	<p>2007 – Grants mechanism operational</p> <p>2008 – applications for grants facility have increased</p>	<ul style="list-style-type: none"> <li>Design grants facility mechanism</li> <li>Create TOR for eligible projects</li> <li>Organize training workshop on how grants facility operates</li> <li>Ensure broad awareness on the availability of the grants facility</li> </ul>	<p>-Initial workshop: US\$ 20,000</p> <p>-Grants facility: US\$ 200,000</p> <p>-Grants facility manager (25% of national PO): US\$ 9,000</p>
<b>Estimated budget output 3.1.</b>			<b>229,000US\$</b>

<sup>27</sup> Ideally, this would be a former UNDP Resident Representative who initiated a similar process in another country.

3.2 Research: Inventory and design of public complaints mechanism; feasibility study of social audits	2007 – inventory of complaints mechanisms completed 2007 – complaints mechanism system produced 2008 – proposals for whistleblower protection available	<ul style="list-style-type: none"> <li>• Study on inventory of existing complaints mechanisms and proposals for improvement;</li> <li>• Workshop to present and discuss findings of the study and proposals for improvement</li> <li>• Design of complaints mechanism system (within public institutions, independent, parliamentarians through their constituencies, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>- Short-term consultancy (2months): US\$ 30,250</li> <li>- National expertise (2 months): US\$ 6,000</li> <li>- Workshop: US\$ 7,000</li> <li>- Travel (international &amp; local): US\$ 15,425</li> <li>- Translation &amp; miscellaneous: US\$ 4,000</li> </ul>
<b>Estimated budget output 3.2</b>			<b>62.675 US\$</b>
3.3 Training modules and anti-corruption guides developed and initial training launched	2007 – Training manuals completed 2008 – training of trainers conducted	<ul style="list-style-type: none"> <li>• Training on prevention of corruption prepared and integrated into national training programs for civil servants, judiciary and MPs</li> <li>• Training of trainers conducted</li> </ul>	<ul style="list-style-type: none"> <li>- PM and Technical Advisors provided under the ACT project.</li> <li>-National expertise (4 months): US\$ 10,000</li> <li>- Expenses – travel: US\$ 5,000</li> <li>- Training of trainers (in addition to the pilot ministries – see output 2.1.): US\$ 10,000</li> </ul>
<b>Estimated budget output 3.3</b>			<b>25,000US\$</b>
<b>Contingency 10% and GMS 5% for Outcome 3</b>			49,085 US\$
<b>TOTAL Outcome 3:</b>			<b>365,760 US\$</b>
<b>Project Team costs for 18 months</b>			<b>684,280 US\$</b>
<b>Total Project Team Cost</b>			
<b>TOTAL BUDGET</b>			<b>2, 379,722 US\$</b>

## **Annex II: (Part VII) Legal Context – Supplemental Provisions to the Project Document**

### General responsibilities of the Government, UNDP and the executing agency (when applicable)

1. All phases and aspects of UNDP assistance to this project shall be governed by and carried out in accordance with the relevant and applicable resolutions and decisions of the competent United Nations organs and in accordance with UNDP's policies and procedures for such projects, and subject to the requirements of the UNDP Monitoring, Evaluation and Reporting System.
2. The Government shall remain responsible for this UNDP-assisted development project and the realization of its objectives as described in this Project Document.
3. Assistance under this Project Document being provided for the benefit of the Government and the people of Afghanistan, the Government shall bear all risks of operations in respect of this project.
4. The Government shall provide to the project the national counterpart personnel, training facilities, land, buildings, equipment and other required services and facilities. It shall designate the Government Co-operating Agency (hereinafter referred to as the "Co-operating Agency"), which shall be directly responsible for the implementation of the Government contribution to the project.
5. The UNDP undertakes to complement and supplement the Government participation and will provide the required expert services, training, equipment and other services within the funds available to the project.
6. Upon commencement of the project the Executing Agency (UNDP) shall assume primary responsibility for project execution and shall have the status of an independent contractor for this purpose. However, that primary responsibility shall be exercised in consultation with UNDP and in agreement with the Co-operating Agency. Arrangements to this effect shall be stipulated in the Project Document as well as for the transfer of this responsibility to the Government or to an entity designated by the Government during the execution of the project.

### (a) Participation of the Government

7. The Government shall provide to the project the services, equipment and facilities in the quantities and at the time specified in the Project Document. Budgetary provision, either in kind or in cash, for the Government's participation so specified shall be set forth in the Project Budgets.
8. The Co-operating Agency shall, as appropriate and in consultation with the Executing Agency (UNDP), assign a director for the project on a full-time basis. He shall carry out such responsibilities in the project as are assigned to him by the Co-operating Agency.
9. The estimated cost of items included in the Government contribution, as detailed in the Project Budget, shall be based on the best information available at the time of drafting the project proposal. It is understood that price fluctuations during the period of execution of the project may necessitate an adjustment of said contribution in monetary terms; the latter shall at all times be determined by the value of the services, equipment and facilities required for the proper execution of the project.
10. Within the given number of person-months of personnel services described in the Project Document, minor adjustments of individual assignments of project personnel provided by the Government may be made by the Government in consultation with the Executing Agency, if this is found to be in the best interest of the project. UNDP shall be so informed in all instances where such minor adjustments involve financial implications.
11. The Government shall continue to pay the local salaries and appropriate allowances of national counterpart personnel during the period of their absence from the project while on UNDP fellowships.
12. The Government shall defray any customs duties and other charges related to the clearance of project equipment, its transportation, handling, storage and related expenses within the country. It shall be responsible for its installation and maintenance, insurance, and replacement, if necessary, after delivery to the project site.

13. The Government shall make available to the project - subject to existing security provisions - any published and unpublished reports, maps, records and other data, which are considered necessary to the implementation of the project.
14. Patent rights, copyright rights and other similar rights to any discoveries or work resulting from UNDP assistance in respect of this project shall belong to the UNDP. Unless otherwise agreed by the Parties in each case, however, the Government shall have the right to use any such discoveries or work within the country free of royalty and any charge of similar nature.
15. The Government shall assist all project personnel in finding suitable housing accommodation at reasonable rents.
16. The services and facilities specified in the Project Document which are to be provided to the project by the Government by means of a contribution in cash shall be set forth in the Project Budget. The Government shall make payment of this amount to the UNDP in accordance with the Schedule of Payments.
17. Payment of the above-mentioned contribution to the UNDP on or before the dates specified in the Schedule of Payments by the Government is a prerequisite to commencement or continuation of project operations.

(b) Participation of the UNDP - the executing agency

18. The UNDP shall provide to the project the services, equipment and facilities described in the Project Document. Budgetary provision for the UNDP contribution as specified shall be set forth in the Project Budget.
19. The Executing Agency shall consult with the Government and UNDP on the candidature of the Project Coordinator a/ who, under the direction of the Executing Agency, will be responsible in the country for the Executing Agency's participation in the project. The Project Manager shall supervise the experts and other agency personnel assigned to the project, and the on-the-job training of national counterpart personnel. He shall be responsible for the management and efficient utilization of all UNDP-financed inputs, including equipment provided to the project.
20. The Executing Agency, in consultation with the Government, shall assign international staff and other personnel to the project as specified in the Project Document, select candidates for fellowships and determine standards for the training of national counterpart personnel.
21. Fellowships shall be administered in accordance with the fellowships regulations of the Executing Agency.
22. The Executing Agency may, in agreement with the Government, execute part or all of the project by subcontract. The selection of subcontractors shall be made, after consultation with the Government, in accordance with the Executing Agency's procedures.
23. All material, equipment and supplies which are purchased from UNDP resources will be used exclusively for the execution of the project, and will remain the property of the UNDP in whose name it will be held. Equipment supplied by the UNDP shall be marked with the insignia of the UNDP.
24. Arrangements may be made, if necessary, for a temporary transfer of custody of equipment to local authorities during the life of the project, without prejudice to the final transfer.
25. Prior to completion of UNDP assistance to the project, the Government, the UNDP shall consult as to the disposition of all project equipment provided by the UNDP. Title to such equipment shall normally be transferred to the Government, or to an entity nominated by the Government, when it is required for continued operation of the project or for activities following directly there from. The UNDP may, however, at its discretion, retain title to part or all of such equipment.
26. At an agreed time after the completion of UNDP assistance to the project, the Government and the UNDP shall review the activities continuing from or consequent upon the project with a view to evaluating its results.
27. UNDP may release information relating to any investment oriented project to potential investors, unless and until the Government has requested the UNDP in writing to restrict the release of information relating to such project.

### Rights, Facilities, Privileges and Immunities

28. In accordance with the Agreement concluded by the United Nations (UNDP) and the Government concerning the provision of assistance by UNDP, the personnel of UNDP and other United Nations organizations associated with the project shall be accorded rights, facilities, privileges and immunities specified in said Agreement.
29. The Government shall grant UN volunteers, if such services are requested by the Government, the same rights, facilities, privileges and immunities as are granted to the personnel of UNDP.
30. The Executing Agency's contractors and their personnel (except nationals of the host country employed locally) shall:
  - a) Be immune from legal process in respect of all acts performed by them in their official capacity in the execution of the project;
  - b) Be immune from national service obligations;
  - c) Be immune together with their spouses and relatives dependent on them from immigration restrictions;
  - d) Be accorded the privileges of bringing into the country reasonable amounts of foreign currency for the purposes of the project or for personal use of such personnel, and of withdrawing any such amounts brought into the country, or in accordance with the relevant foreign exchange regulations, such amounts as may be earned therein by such personnel in the execution of the project;
  - e) Be accorded together with their spouses and relatives dependent on them the same repatriation facilities in the event of international crisis as diplomatic envoys.
31. All personnel of the Executing Agency's contractors shall enjoy inviolability for all papers and documents relating to the project.
32. The Government shall either exempt from or bear the cost of any taxes, duties, fees or levies which it may impose on any firm or organization which may be retained by the Executing Agency and on the personnel of any such firm or organization, except for nationals of the host country employed locally, in respect of:
  - a) The salaries or wages earned by such personnel in the execution of the project;
  - b) Any equipment, materials and supplies brought into the country for the purposes of the project or which, after having been brought into the country, may be subsequently withdrawn there from;
  - c) Any substantial quantities of equipment, materials and supplies obtained locally for the execution of the project, such as, for example, petrol and spare parts for the operation and maintenance of equipment mentioned under (b), above, with the provision that the types and approximate quantities to be exempted and relevant procedures to be followed shall be agreed upon with the Government and, as appropriate, recorded in the Project Document; and
  - d) As in the case of concessions currently granted to UNDP's personnel, any property brought, including one privately owned automobile per employee, by the firm or organization or its personnel for their personal use or consumption or which after having been brought into the country, may subsequently be withdrawn there from upon departure of such personnel.
33. The Government shall ensure:
  - (a) prompt clearance of experts and other persons performing services in respect of this project; and
  - (b) the prompt release from customs of:
    - (i) equipment, materials and supplies required in connection with this project; and
    - (ii) property belonging to and intended for the personal use or consumption of the personnel of the UNDP, its Executing Agencies, or other persons performing services on their behalf in respect of this project, except for locally recruited personnel.

34. The privileges and immunities referred to in the paragraphs above, to which such firm or organization and its personnel may be entitled, may be waived by the Executing Agency where, in its opinion, the immunity would impede the course of justice and can be waived without prejudice to the successful completion of the project or to the interest of the UNDP.
35. The Executing Agency shall provide the Government through the resident representative with the list of personnel to whom the privileges and immunities enumerated above shall apply.
36. Nothing in this Project Document or Annex shall be construed to limit the rights, facilities, privileges or immunities conferred in any other instrument upon any person, natural or juridical, referred to hereunder.

Suspension or termination of assistance

37. The UNDP may by written notice to the Government suspend its assistance to any project if in the judgment of the UNDP any circumstance arises which interferes with or threatens to interfere with the successful completion of the project or the accomplishment of its purposes. The UNDP may, in the same or a subsequent written notice, indicate the conditions under which it is prepared to resume its assistance to the project. Any such suspension shall continue until such time as such conditions are accepted by the Government and as the UNDP shall give written notice to the Government that it is prepared to resume its assistance.
38. If any situation referred to in paragraph 1, above, shall continue for a period of fourteen days after notice thereof and of suspension shall have been given by the UNDP to the Government and the Executing Agency, then at any time thereafter during the continuance thereof, the UNDP may by written notice to the Government and the Executing Agency terminate the project.
39. The provisions of this paragraph shall be without prejudice to any other rights or remedies the UNDP may have in the circumstances, whether under general principles of law or otherwise.

**ANNEX III Matrix on technical assistance foreseen to Afghan institutions**

20 December 2006

<b>Public institution / Donor</b>	<b>World Bank</b>	<b>ADB</b>	<b>UNDP</b>	<b>UNODC</b>	<b>DfID</b>	<b>Norway</b>	<b>EC</b>
<b>CCTG</b>							
> ACT Strategy*	Analytical work package to feed into strategy: - Vulnerability assessments - Survey - Case studies in sectors	> Strategy advisor /facilitator > Vulnerability assessments > Funding for analytical work, incl. surveys in cooperation with WB	> Assessment of institutional framework for combating corruption > Assessment of legislative framework in view of UNCAC ratification > Development of indicators to monitor progress > Financial support for GoA participation in Asia Pacific Transparency Initiative	Preliminary analysis of Constitution and existing legislation in view of UNCAC			
> GIAAC support				Capacity building project for GIAAC - (not yet funded)			
> General support			International co-focal point	International co-focal point			
<b>Ministry of Finance</b>							
> Treasury	Vulnerability assessment						

> Customs		> Vulnerability assessment and development of risk management plan > Capacity building support to ACD for implementation					
> Revenue					Vulnerability assessment – through support to ASI		
> Budget	Vulnerability assessment						
> Procurement	Vulnerability assessment						
> Internal Audit	Capacity building / external audit agent		Internal Audit Manual development				
> Administration			> Vulnerability assessment > Communications strategy support > Capacity building on public ethics and integrity				
<b>IARCSC</b>	Vulnerability assessment of recruitment and other HR processes		Development of training and capacity building material for public officials				

<b>Ministry of Justice</b>			> Vulnerability assessment > Communications strategy support > Capacity building on public ethics and integrity				
<b>Ministry of Public Works</b>		> Vulnerability assessment and risk management plans for road sector					
<b>Ministry of Water and Energy</b>		> Vulnerability assessment and risk management plans for power sector					
<b>Ministry of Public Health</b>	Case study						> Vulnerability assessment > Ethics and transparency advisor
<b>Ministry of Education</b>	Case study						
<b>Control &amp; Audit Office</b>	Capacity building						

<b>Parliament</b>			Training & capacity building of Parliamentarians through SEAL project				
<b>Civil Society</b>			<ul style="list-style-type: none"> <li>&gt; Focus Groups on type, nature, causes and remedies to corruption (<i>on-going</i>)</li> <li>&gt; Grants mechanism for CSO projects</li> <li>&gt; Support for ACT day*</li> </ul>			> 3 year core funding for Integrity Watch Afghanistan	

\* ACT = Anti-corruption