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Afghanistan Integrity Initiative (AFII)

2013 THIRD QUARTERLY PROJECT PROGRESS
REPORT

DONORS



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PROJECT INFORMATION

Project ID:	00082180
Duration:	2013-2016
Contributing to NPP:	Anti-Corruption, Contributing to NPP ² Transparency and Accountability Government has improved ability to deliver services to foster human development and elected bodies have greater oversight capacities
CPAP Component:	Rule of Law
Strategic Plan Component:	US\$ 760,566
Total Budget:	UNDP
Implementing Partner:	UNDP
Responsible Parties:	Henrik Lindroth
Project Manager:	Hedayatullah Mohammadi
Responsible Assistant Country Director:	

¹ UNDP is the only donor for the AFII Initiation phase

ACRONYMS

AIBA	Afghanistan Independent Bar Association
CSO	Civil Society Organization
GoIRA	Government of Islamic Republic of Afghanistan
HOO	High Office of Oversight and Anti-Corruption
LOA	Letter of Agreement
MOE	Ministry of Education
MOJ	Ministry of Justice
MoU	Memorandum of Understanding
NACS	National Anti-Corruption Strategy
SAO	Supreme Audit Office
UNCAC	United Nations Convention Against Corruption
UNDP	United Nations Development Programme
UNODC	United Nations Office on Drugs and Crime
VCA	Vulnerability to Corruption Assessment

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I. EXECUTIVE SUMMARY

The Afghanistan Integrity Initiative (AFII) project is unique in the sense that it's in its initiation phase. The sole objective is to formulate and initiate the mobilization of resources for UNDP's new Anti-Corruption project. Consequently, desk review, counterpart consultations as well as coordination with donors have continued to constitute The Afghanistan Integrity Initiative's activity focus in the third quarter of 2013.

Key achievements in this quarter encompass:

- The completion and pre LPAC of the draft project document of the forthcoming Afghanistan Integrity Initiative
- The revision of the project document in line with suggested changes put forward at the pre LPAC
- Extensive discussions with government counterparts and civil society organizations to ensure a strong reflection of stakeholder priorities in the finalized project document
- The project has continued to be presented to a larger donor audience to evince general interest and possibility of support

The report shows that AFII partially achieved the output targets of formulating the project document and initiate the mobilization of resources for the project.

The report further shows that AFII by the end of the 3rd quarter had disbursed a total of US\$ 341,708 (provisionally).

II. RESULTS

A. OUTPUT 1: The Afghanistan Integrity Initiative (AFII) project document approved and sufficient resources mobilized

This output contains two indicators:

- A) Project document drafted and presented at a pre-LPAC meeting
- B) Level of resources to implement the project mobilized

Status:

- A) A finalized draft project document was completed in June 2013 and was presented before the Pre-LPAC meeting in July 2013. The Chief Technical Advisor incorporated the pre LPAC comments and finalized the project document. The project document was subsequently sent out for a final round of consultations with national counterparts in order to cement government buy-in and ownership. Intense resource mobilization and project support is anticipated to be secured following project finalization in the 4th quarter of the year. In light of drastically decreased funding availability from internal UNDP sources, funding will need to be mobilized almost exclusively from external sources. AFII's resource mobilization strategy will be based on approaching bi-lateral donors together with government counterparts to signal strong stakeholder buy-in and sustainability of project objectives.
- B) The key government counterparts that have been engaged in the consultation and project document formulation process are the Office of the Senior Minister, the Ministry of Education, the Ministry of Justice, and the Supreme Audit Office. A final round of consultations is still required to secure the Ministry of Justice's buy-in to the project. All other government counterparts have agreed to the final project content.
- C) No donor funding has been committed to AFII at this stage. The Chief Technical Advisor has conducted presentations of the project and discussed funding prospects with representatives from the donor community; in particular donors representing AusAID, Japan, and Norway have been consulted. They all expressed interest in the project and are awaiting the signed project document in order to review it thoroughly and ultimately decide on funding support. Follow up meetings with detailed project discussions for possible funding support will continue with the broader donor community once the project document has been signed by government

counterparts following the completion of the LPAC meeting, which is expected to take place in the first half of November.

EXPENSES FOR THE QUARTER

During the third quarter of 2013, a total of US\$ 341,708 was spent for this output. For more details, please refer to annex on page 11 for details.

Below is a snapshot of where the Afghanistan Integrity Initiative is in relation to its annual targets after Q3

Table 1: Output Progress

2013 Baseline	2013 Annual Targets	Q3 Planned	Q3 Actual	Comments
<ul style="list-style-type: none"> 1- No finalized project document exists 2- Seed funding is available to formulate the project 	<ul style="list-style-type: none"> 1- Project document approved 2- 50% of required resources to implement the 1st year of the project mobilized from donor sources 	<ul style="list-style-type: none"> 1. Project document drafted 2. Initial project funding mobilized 	<ul style="list-style-type: none"> Project document drafted No initial funding mobilized 	<p>The project formulation is on target but the mobilization of resources is slightly delayed due to an overall resource drawdown</p>

III. GENDER SPECIFIC RESULTS

Not applicable in the project formulation stage

IV. PARTNERSHIPS

In response to the magnitude of the corruption problem and the anticipated decrease in bi-lateral engagement as Afghanistan enters the transformational decade, UNDP and UNODC seek to elevate and strengthen their anti-corruption profiles by deepening their inter-organizational collaboration through a mutual anti-corruption partnership framework. This is sensible as the comparative advantages of UNDP and UNODC are naturally complementary and lend themselves to collaboration. While UNDP's technical strength is predominantly geared towards prevention, UNODC is uniquely positioned with law enforcement and criminal justice expertise. The partnership will build on this natural complementarity which is practically reflected in a sample of anti-corruption activities outlined in a draft "UNDP and UNODC Anti-Corruption Cooperation in Afghanistan: An Umbrella Framework" for future collaboration.

V. ISSUES

A preparatory Local Project Approval Committee (LPAC) took place on 17th of July 2013. Following a final round of consultations with buy-in from the Ministry of Justice the LPAC proper is scheduled for the first half of November 2013.

VI. RISKS

The biggest project risk is that sufficient resources for full-fledged project financing won't be mobilized from external donor sources due to the overall decrease of aid budgets experienced by most major donors. This decrease is expected to be particularly challenging for Afghanistan which has experienced unusually high external resource availability over the past 10 years. Mitigating measures have been related to designing the project based on lessons learnt from the ACT project, as well as based on realistic ambitions with reasonable objectives.

VII. LESSONS LEARNED

The development environment of Afghanistan is highly volatile which requires any new project to be formulated with a high degree of realism in scope. Based on lessons learnt from the ACT project AFII has accordingly been formulated with realistic ambitions. In contrast to the ACT project AFII has also been developed following extensive consultations with government stakeholders to ensure not only a strong initial project buy-

in, but also continued stakeholder support after the election irrespective of change in institutional leadership.

VIII. FUTURE PLAN

The plan for quarter 4 is to complete the project document and mobilize a minimum of 50% of required resources for 2014. Given the current level of the donors' interest and the size of the proposed budget for the project (\$4 Million for 2014); we expect the target to be met.

IX. ANNEXES

ANNEX 1: FINANCIAL TABLE

The Interim Donor Report for January to June 2013 for Afghanistan Integrity Initiative (All)

Annex 1. Financial Table

Donor Name	COMMITMENT/ PAST YEARS RECORD				CURRENT YEAR-2013					FUTURE EXPENSES		TOTAL RECEIVABLE		
	Commitment (a)	Revenue Collected 31/12/2012 (b)	Expenses 31/12/2012 (c)	IPSAS Adjustment (d)	Opening Balance E=(b - c+d)	Contribution Revenue (f)	Other Revenue (g)	Expenses (h)	Closing Balance I=(e+f+g - h)	Commitments (Unliquidated Obligations) (j)	Undepreciated of fixed Assets and Inventory (k)	(Future Due) L=(a-b-f)	(Past Due) (m)	Available Resources N=(i- j-k-m)
UNDP (Core fund)	756,636	456,636	456,636		-	300,000	-	397	299,603		1,551	-	-	298,052
UNDP (CCF)	460,566					460,566		341,310	119,256	10,069				109,187
Grand Total	1,217,202	456,636	456,636	-	-	760,566	-	341,708	418,858	10,069	1,551	-	-	407,238

Note:

- i) The figures provided in the above statement are provisional; the final figures will be known once the 2013 third quarter closure exercise has been completed by mid November 2013.
- ii) Income received in currency other than USD is approximated to USD based on UN- Operational Rate of Exchange applied.

ANNEX 2: EXPENSES BY OUTPUT

The Interim Donor Report for January to June 2013 for Afghanistan Integrity Initiative (AII)

Annex 2. Expenses by Output

Project Output ID and Description	2013 Budget (AWP)	Expenses (Jan-Jun-2013)	Expenses (Jul-Sep-2013)	Cumulative Expenses (Jan - Sep 2013)	Delivery Rate
Output 1 (00082180) The Afghanistan Integrity Initiative (AII) project document approved and required resources mobilized	760,566	248,687	93,021	341,708	45%
Grand Total	760,566	248,687	93,021	341,708	45%

ANNEX 3: EXPENSES BY DONOR

The Interim Donor Report for January to June 2013 for Afghanistan Integrity Initiative (All)

Annex 1. Financial Table

Donor Name	Project Output ID and Description	2013 Budget (AWP)	Expenses (Jan-Jun-2013)	Expenses (Jul-Sep-2013)	Cumulative Expenses (Jan-Sep-2013)	Delivery Rates
UNDP (Core fund)	Output 1 (00082180) The Afghanistan Integrity Initiative (AFII) project document approved and required resources mobilized	300,000	342	55	397	0%
Sub-Total		300,000	342	55	397	0%
UNDP (CCF)	Output 1 (00082180) The Afghanistan Integrity Initiative (AFII) project document approved and required resources mobilized	460,566	248,345	92,965	341,310	74%
Sub-Total		460,566	248,345	92,965	341,310	74%
Grand Total		760,566	248,687	93,021	341,708	45%

ANNEX 4: RISK LOG

#	DESCRIPTION	DATE IDENTIFIED	TYPE	IMPACT & PROBABILITY	COUNTERMEASURES/MNGT. RESPONSE	OWNER	SUBMITTED/UPDATED BY	LAST UPDATE	STATUS
1	Resources for full-fledged project financing won't be mobilized from external donor sources	July 2013	Financial	<p>Enter probability on a scale from 1 (low) to 5 (high)</p> <p>P = 5</p> <p>Enter impact on a scale from 1 (low) to 5 (high)</p> <p>I = 5</p>	A high level meeting comprising the Ministers representing the beneficiary institutions will be organized with the donor community to allow the Ministers to make a forceful pitch for resources from the donor community	Chief Technical Advisor of the Project / DCD	Chief Technical Advisor of the Project		No change