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Afghanistan Integrity Initiative (AFII)

2014 FIRST QUARTERLY PROJECT PROGRESS
REPORT

DONORS



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UNDP is currently the only donor for the AFII project

PROJECT INFORMATION

Project ID:	00077819
Duration:	January 2014- March 2014
Strategic Plan Component:	Rule of Law
CPAP Component:	Public Sector Capacity and Accountability
ANDS Component:	
Cross Cutting Issues: and Accountability	Anti-Corruption Contributing to NPP2 Transparency
Total Budget:	US\$ 690,000
Implementing Partner:	UNDP
Project Manager/ CTA	Henrik Lindroth
Responsible ACD	Hedayatullah Mohammadi

ACRONYMS

AFII	Afghanistan Integrity Initiative
AOACIAP	ADB/OECD Anti-Corruption Initiative for Asia and the Pacific
AusAID	Australian Agency for International Development
CSO	Civil Society Organization
GoIRA	Government of Islamic Republic of Afghanistan
HOO	High Office of Oversight
ICTAWG	International Community Transparency and Accountability Working Group
KOICA	Korean International Cooperation Agency
LOA	Letter of Agreement
LPAC	Local Project Approval Committee
MEC	Monitoring and Evaluation Committee
MOE	Ministry of Education
MOJ	Ministry of Justice
MoU	Memorandum of Understanding
NACP	National Anti-Corruption Policy
NICSA	National Integrity Context and Systems Assessment
NPP ₂	National Priority Programme (on Transparency and Accountability)
PD 45	Presidential Decrees 45
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

Following the approval and signing of the Afghanistan Integrity Initiative (AFII) project on 9 December 2013, the key objective under this quarter has been to intensify the mobilization of project resources. Another priority has been to initiate the contracting of Transparency International (TI) to carry out the National Integrity and Context System Assessment (NICSAs) survey that aims to provide the government the data necessary to develop a comprehensive National Anti-Corruption Policy. During this quarter AFII and the New York University Abu Dhabi Centre (NYUAC) have reached an agreement to jointly conduct a pilot survey with the purpose of collecting data and qualitative information sub-nationally to ascertain the nature of corruption and maladministration affecting schools.

Regular consultations were conducted with government counterparts to determine and subsequently put into practice an AFII specific resource mobilization approach. A variety of project presentations and interactions with donors have been conducted, notably with GIZ, the Japanese embassy, the Swedish embassy, the Danish embassy as well as with assorted donors at the Human Resource Development Board (HRDB) Steering Committee meeting at the Ministry of Education.

Transparency International submitted their proposal to undertake the NICSAs survey which has been evaluated internally. UNDP Afghanistan's evaluation will be submitted to the Regional Advisory Committee on Procurement in Bangkok for final review in the second quarter.

The "Small Contributions Agreement" between AFII and NYUAC has been drafted and is presently with NYUAC for final review and clearance.

The 2014 annual workplan was approved by the Ministry of Education, the Ministry of Justice, the Supreme Audit Office, UNODC and the acting Democratic Governance Cluster Head at the AFII Board Meeting conducted on 5 February 2014.

The report shows that AFII partially achieved the annual targets of output 1, while output 2, output 3 and output 4, not were anticipated to be initiated in the first quarter.

The report further shows that AFII by the end of Quarter 1 of 2014 had disbursed a total of US\$ 94,855 or equivalent to 28% of the annual total budget.

II. RESULTS

A. OUTPUT 1: Complete the NICSA survey

This output contains two annual indicators:

- A) The extent to which the draft national anti-corruption policy is based on empirical evidence and broad based buy-in
- B) The extent to which CSOs advocate effectively for the formulation of a draft National Anti-Corruption Policy

Status:

- A) This indicator is based on Transparency International (TI) having been contracted and the NICSA survey subsequently having been completed and submitted to the Government's Policy Development Committee for translation to a National Anti-Corruption Policy. At this stage the contracting of TI is in the final stages of completion. The internal evaluation of TI's proposal has been finalized with the review by the Regional Advisory Committee on Procurement in Bangkok yet to be completed.
- B) Civil society advocacy and promotion of the evidence based results and recommendations pertaining to the NICSA survey can only be conducted following completion of the survey.

EXPENSES FOR THE QUARTER

During the first quarter of 2014, no expenses were incurred for this output.

Table 1: Output Progress for output 1

2014 Baseline	2014 Annual Targets	Q1 Planned	Q1 Actual	Comments
<ol style="list-style-type: none"> 1. No NICSAs survey has ever been conducted in Afghanistan to provide in-depth evidence based data on the prevalence and risks of corruption among key Afghan pillars of integrity 2. Poor awareness on how to conduct evidence-based anti-corruption advocacy 	<ol style="list-style-type: none"> 1. All pillars of integrity comprising the NICSAs survey have been reviewed and analyzed 2. A minimum of 5 CSO stakeholder coalitions formed, comprising at least 10-20% women that have one comprehensive plan each to advocate the translation of the NICSAs findings to a National Anti-Corruption Policy 	<ol style="list-style-type: none"> 1. Conclude partnership agreement with (TI) for the execution of the NICSAs research project 2. Not planned to be initiated in Q1 	<ol style="list-style-type: none"> 1. Contact with TI in the process of being finalized 2. N/A 	The completion of the TI contract is slightly delayed due to late submission of TI's final proposal

B. OUTPUT 2: The Audit Regime Strengthened

This output contains three annual indicators:

- A) The extent to which the parliamentary commission on finance, budget, PAC and banking affairs possesses the procedural clarity and staff capacity to effectively scrutinize the executive
- B) Level of organizational functionality of the internal audit departments of the MoE and MoJ
- C) The extent to which internal audit departments possess the requisite capacity to fulfil their mandates satisfactorily and independently

Status:

This output component was not planned to be initiated in the first quarter.

EXPENSES FOR THE QUARTER

During the first quarter of 2014, no expenses were incurred for this output.

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

Table 2: Output Progress for output 2

2014 Baseline	2014 Annual Targets	Q1 Planned	Q1 Actual	Comments
2.1.1 No clear practical mandate by the legislature to effectively scrutinize the executive	2.1.1 One manual on procedural guidelines for Commission Members and Secretariat staff approved	N/A	N/A	This output component was not planned to be initiated in the first quarter
2.2.1 No clear practical mandate by the legislature to effectively scrutinize the executive	2.2.1. The 2 Internal Audit Departments' (IAD) mandates and organizational structures revised and approved with 1 set of standardized guidelines for the coordination and information sharing between the Internal audit departments of the two ministries and the Supreme Audit Office (SAO) approved			
2.2.2 The baseline of the staff capacity on compliance adherence will be established through a capacity assessment to be conducted in Year 1	2.2.2. 2 capacity development plans for IADs approved and 30% of all IADs' staff of which 10%-20% are women, trained to effectively carry out the IAD mandates			

C. OUTPUT 3: Improve Ministerial Complaints Mechanisms in MoE and MoJ

This output contains four annual indicators:

- A) Level of formulation and operationalization of the legal framework, policies and procedures that underpin well-functioning complaints mechanisms in the MoE and MoJ
- B) Extent to which the complaint mechanisms address complaints in an effective manner
- C) Level of confidence of surveyed ministerial staff in using the complaint mechanisms
- D) Percentage of ministerial staff surveyed who can correctly identify complaints channels within their respective Ministries

Status:

This output component was not planned to be initiated in the first quarter.

EXPENSES FOR THE QUARTER

During the first quarter of 2014, no expenses were incurred for this output.

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

Table 3: Output Progress for output 3

2014 Baseline	2014 Annual Targets	Q1 Planned	Q1 Actual	Comments
3.1.1 The current legal framework regulating the complaints mechanism is imprecise	3.1.1. The legal framework guiding the complaints mechanisms reviewed, revised and submitted to the relevant authorities for approval	N/A	N/A	This output component was not planned to be initiated in the first quarter
3.1.2 In 2011, 50% of the complaints were processed (rejected, solved, referred to other authorities)	3.1.2. At least 50% of complaints received are addressed to completion (rejected, solved, referred to other authority)			
3.1.3 Baseline survey to be conducted in Year 1	3.1.3. A survey on the level of confidence and trust of ministerial staff on the current complaint mechanisms conducted (to establish the baseline)			
3.1.4. Baseline survey to be conducted in Year 1	3.1.4. A survey on current knowledge of ministerial staff on existing complaints channels conducted (to establish the baseline)			

D. OUTPUT 4: Improve Education and Justice Service

This output contains four annual indicators:

- A) Extent to which policies and procedures are established and operationally applied that will enable the External Complaints Mechanism to function effectively and neutrally, while in partnership with the Ministry of Justice
- B) Extent to which the External Complaints Mechanism address Huquq complaints in an effective manner
- C) Extent to which a formalized framework of policies and procedures are put in place to allow school management shuras to effectively scrutinize administrative and operational practices of schools to detect possible misconduct and wrongdoing

- D) Extent to which School Management Shuras possess the capability to effectively detect possible misconduct and wrongdoing at the school level

Status:

This output component was not planned to be initiated in the first quarter.

EXPENSES FOR THE QUARTER

During the first quarter of 2014, no expenses were incurred for this output.

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

Table 4: Output Progress for output 4

2014 Baseline	2014 Annual Targets	Q1 Planned	Q1 Actual	Comments
<p>4.1.1 Limited to no cooperation between the government and citizens on public service complaints management</p> <p>4.1.2. Baseline survey to be conducted in Year 1</p> <p>4.2.1. No organized methodology to measure bribery and fraud in the education sector at the school level</p> <p>4.2.2 Baseline survey to be conducted in Year 1</p>	<p>4.1.1. 1 MoU on collaboration between the MoJ and the ECM, i.e., AIBA and IWA approved</p> <p>4.1.2. A minimum of 2 capacity development workshops that will enable the ECM staff to manage, document and report cases of wrongdoing and corruption designed and launched</p> <p>4.2.1. 1 MoU on collaboration between the MoE, and the EQUIP supported school management shuras approved</p> <p>4.2.2. One capacity development plan for school management shura representatives to satisfactorily fulfill their integrity role developed and approved</p>	N/A	N/A	This output component was not planned to be initiated in the first quarter

III. GENDER SPECIFIC RESULTS

There are no gender specific results to be reported in this quarter.

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.

In order to obtain high quality quantitative and qualitative baseline data AFII has initiated a partnership with New York University Abu Dhabi Center. This will allow AFII to benefit from the academic rigor and substantive expertise of NYUAC, while NYUAC will take advantage of UNDP Afghanistan's field presence to gather data and conduct interviews.

V. ISSUES

The 2014 annual workplan was approved by the Ministry of Education, the Ministry of Justice, the Supreme Audit Office, UNODC and the acting Democratic Governance Cluster Head at the AFII Board Meeting conducted on 5 February 2014.

VI. RISKS

Lack of political will and/or capacity to translate declared commitments into practice; disillusionment of donors on the feasibility of future anti-corruption programs; difficulties in identifying and recruiting staff with the right qualifications considering the very technically specific nature of the project are possible risks.

The biggest project risk however is that sufficient resources for full-fledged project financing will take some time to identify 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 decade. Mitigating measures have been related to designing AFII based on lessons learnt from UNDP's previous Accountability and Transparency (ACT) project, as well as based on realistic ambitions with reasonable objectives.

The change of government poses another potential risk in the sense that the new government's commitment to combat corruption is a very important unknown.

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 2 is to complete the contract with TI and start the data collection pertaining to the NICSA survey, as well as to mobilize a minimum of 25% 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 March 2014 for Afghanistan Integrity Initiative (00077819-AFII)

Annex 1. Financial Table

Donor Name	COMMITMENT/ PAST YEARS RECORD				CURRENT YEAR					FUTURE EXPENSES		TOTAL RECEIVABLE		Available Resource s N=(i- j-k-m)
	Commitment (a)	Revenue Collected as of 31/12/2013 (b)	Expenses as of 31/12/2013 (c)	IPSAS Adjustments (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)	
UNDP Core fund	690,000	-	-		-	690,000	-	94,856	595,145	5,591	-	-	-	589,553
Grand Total	690,000	-	-	-	-	690,000	-	94,856	595,145	5,591	-	-	-	589,553

Note:

i) The figures provided in the above statement are provisional.

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 March 2014 for Afghanistan Integrity Initiative (00077819-AFII)

Annex 2. Expenses by Output

Project Output ID and Description	2014 Budget (AWP)	Expenses (Jan - Mar-2014)	Delivery Rate
Output 1 (00088412) Complete the NICSA Survey	350,000	-	
Sub-total Output 1	350,000	-	
Output 2 (00088429)The Audit Regime strengthened	-	-	
Sub-total Output 2	-	-	
Output 3 (00088430) Improve Ministerial Complaints Mechanisms in MoE and MoJ		-	
Sub-total Output 3	-	-	
Output 4 (00088431) Improve Education and Justice Services	-	-	
Sub-total Output 4	-	-	
Output 5 (00088432) Project Management and Monitoring & Evaluation	340,000	94,855	28%
Sub-total Output 5	340,000	94,855	28%
Grand Total	690,000	94,855	28%

ANNEX 3: ISSUE LOG

Not applicable

#	DESCRIPTION	DATE IDENTIFIED	IMPACT/PRIORITY	COUNTERMEASURE/MNGT RESPONSE	OWNER	STATUS
1	The biggest project risk is that sufficient resources for full-fledged project financing won't be mobilized from external donor sources	July 2013	Describe the effect on the project Enter priority on a scale from 1 (low) to 5 (high) Impact =5 Priority =5	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	The owner of the risk is the Chief Technical Advisor of the Project	No change

ANNEX 4: RISK LOG

Not applicable

#	DESCRIPTION	DATE IDENTIFIED	TYPE	IMPACT & PROBABILITY	COUNTERMEASURES/MNGT. RESPONSE	OWNER	SUBMITTED/UPDATED BY	LAST UPDATE	STATUS
1	Enter a brief description of the risk	When was the risk first identified	Environmental Financial Operational Organizational Political Regulatory Strategic Other Definitions of each risk type, according to POPP, is below for easy reference	Describe the potential effect on the project if this risk were to occur Enter probability on a scale from 1 (low) to 5 (high) P = Enter impact on a scale from 1 (low) to 5 (high) I =	What actions have been taken/will be taken to counter this risk	Who has been appointed to keep an eye on this risk	Who submitted the risk	When was the status of the risk last checked	e.g. reducing, increasing, no change, resolved

Environmental	Financial	Organizational	Political	Operational	Regulatory	Strategic	Other
Natural Disasters: storms, flooding, earthquakes	EXTERNAL economic factors: interest rates, exchange rate fluctuation, inflation	Institutional Arrangements	Corruption	Complex Design (size: larger/multi-country project; technical complexity; innovativeness, multiple funding sources)	New unexpected regulations, policies	Partnerships failing to deliver	Other risks that do not fit in any of the other categories
Pollution incidents	INTERNAL:	Institutional/ Execution Capacity	Government Commitment	Project Management	Critical policies or legislation fails to pass or progress in the legislative process	Strategic Vision, Planning and Communication	Might refer to socioeconomic factors such as: population pressures; encroachment – illegal invasions; poaching/illegal hunting or fishing
Social and Cultural	Co-financing difficulties	Implementation arrangements	Political Will	Human Error/Incompetence		Leadership and Management	
Security/Safety	Use of financing mechanisms	Country Office Capacity (specific elements limiting CO capacity)	Political Instability	Infrastructure Failure		Programme Alignment	
Economic	Funding (Financial Resources)	Governance	Change in Government	Safety being compromised		Competition	
	Reserve Adequacy	Culture, Code of Conduct and Ethics	Armed Conflict and Instability	Poor monitoring and evaluation		Stakeholder Relations	
	Currency	Accountability and Compensation	Adverse Public opinion/media intervention	Delivery		Reputation	
	Receivables	Succession Planning and Talent Management		Programme Management		UN Coordination	
	Accounting/Financial Reporting	Human resources Processes and Procedures		Process Efficiency		UN Reform	
	Budget Allocation and			Internal Controls			

Environmental	Financial	Organizational	Political	Operational	Regulatory	Strategic	Other
	Management						
	Cash Management/Reconciliation			Internal and External Fraud			
	Pricing/Cost Recovery			Compliance and Legal			
				Procurement			
				Technology			
				Physical Assets			