

Promoting Transparency and Accountability in Public Services Concept Paper

Date: 20 May 2005

1. Type/modality of assistance (double-click on appropriate box)

- Lending
 - Project loan
 - Program loan
 - Sector loan
 - Sector development program loan
 - Other
- Nonlending
 - Project preparatory
 - Other than project preparatory
 - Economic, thematic, and sector work
 - Institutional development
 - Other:

2. Assistance Focus

- a. If assistance focuses on a particular sector or sub-sector, specify the
Sector(s): Accountability, transparency and public policy
Sub-sector(s): Pilot mainstreaming, awareness raising and best practices
- b. For project preparatory and lending, classification
 - Core poverty intervention
 - Poverty intervention
 - Other
- c. Key thematic area(s)
 - Sustainable economic growth
 - Inclusive social development
 - Governance
 - Gender and development
 - Environmental sustainability
 - Regional cooperation
 - Private sector development

3. Coverage

- Country
- Subregional
- Interregional
- Internal policy development

4. Responsible division/department: AFRM and SAGF

5. Responsible ADB officer(s): Rafi Fazil and SAGF staff (to be determined)

6. Description of assistance(s)

a. Background/contribution to country/regional strategy:

Afghanistan is at a critical crossroads in its development as a nation in transition, recovering from the devastation from 23 years of conflict and just only starting to see the buds of its efforts and investments towards governmental reform and development activities. It is in the process of putting in place a democratic system of governance at all levels of the society. A key requirement for sound democratic governance to prevail is the independence and integrity of key institutions such as the new parliament, the judiciary, and the media and civil society. It also requires the promotion of transparent and accountable institutions with processes which are participatory in nature in determining their priorities, actions and achievement of results. The cornerstone of democratic governance is a clean, transparent, accountable and non-corrupt government.

President Karzai has stated in no uncertain terms of his commitment to fight and eradicate corruption in all its

forms. He has articulated a vision of 'zero tolerance' to corruption in his government. The Government signed up to the UN Convention Against Anti-Corruption on 20 February 2004 and established the General Independent Department of Anti-Corruption and Anti-Bribery through a Presidential Decree (Decree No. 93 dated 24/09/1382) to eliminate corruption in the country. It has established the central office in Kabul and plans to establish seven regional offices according to seven zones namely Kabul, Kandahar, Herat, Balkh, Kunduz, Nangahar and Paktia. However, this department is still young with limited financial and human resources. It lacks in the necessary means to implement its mandate which is considered overly broad with a potential risks of the department exercising powers inconsistent with the constitution and democratic norms.

The Government, along with a number of agencies is examining approaches and strategies to fight corruption ranging from such measures as vigilance and prosecution, of those found to be guilty of violating the laws, to improve transparency and accountability in the use of government resources and to increase awareness amongst many others. Donor and UN agencies have underlined the importance of the government fighting corruption and the sound management of the large amounts of donor assistance invested in the country, particularly through the government budget. Corruption prevailing in Afghanistan is systemic, although not yet well organized, and the importance of anti-corruption measures is well recognized amongst the various national and international stakeholders.

Experiences and lessons learned from other countries have proven that corruption in public contracting seems particularly intractable in post-conflict countries marred by weak government structures, thriving black markets, a legacy of patronage, the sudden influx of donor funds and the need to 'buy' the short term support of former combatants. Corruption can be particularly damaging to the peace building efforts and the rule of law, storing up serious long-term problems.

It is therefore crucial that action be initiated as soon as possible to target the scope and nature of reforms, both geographically and programmatically, and to launch a holistic anti-corruption campaign that is developed and implemented through a wide participatory approach engaging key national and international stakeholders at various levels but starting from small localized pilot awareness campaigns to see what works and what does not work.

The United Nations Development Programme (UNDP) fielded an Anti-corruption Needs Assessment Mission in March 2005 in response to the request by the Office of the President. The final needs assessment report has been submitted to the Government, key national and international stakeholders for review and to be used as a basis to hold further discussions in determining and initiating priority actions recommended in the report.

The activities indicated in this concept note takes into consideration and complement the activities that will be conducted under the project developed by a United Nations Office for Drug and Crimes (UNODC) Vienna Anti-Corruption Expert fielded one week needs assessment of the Anti-Corruption Commission of Afghanistan in January 2005. The project will be implemented by UNODC Kabul Office in collaboration with the Anti-Bribery and Corruption Commission, the Attorney General Office as well as Supreme Court. The UNODC project is aimed at providing assistance for strengthening the capacity of the newly established Anti-Bribery and Corruption Commission of the Government with the following main objectives:

- ❖ In-depth assessment of the nature, type, patterns and location of corruption both in the public and private sectors in Afghanistan;
- ❖ Development and support to the implementation of a comprehensive plan for institutional capacity of the Anti-Bribery and Corruption Commission, including strategy and action plan;
- ❖ Strengthening the capacity and integrity of the judiciary to effectively handle corruption cases.

b. Goal and purpose: The **goal** is for Afghanistan to implement a national accountability and transparency strategy/action plan through an open government participatory process. **The purpose** of the project is to begin a process in Afghanistan that establishes the fundamentals of transparency and accountability in: (a) the new democratic institutions of government; (b) selected investments for reconstruction; (c) priority services in one or more districts; and d) among the people of Afghanistan.

c. Components and outputs: There are three components that will be implemented in a manner that will allow for lesson learning, production of good practice guidance and monitoring of results to be undertaken. All components will be anchored to institutions that have responsibility for the project outputs and subsequent scale-up and application. Small-scale pilot schemes will be used to determine what works best in the local context,

establish good practices and capture lessons learned as well as raise awareness amongst the various levels of the Afghan society.

To contribute to nation building, a 'rights and duties' based approach will be used. The current efforts on preparing the nation for parliamentary education will provide useful lessons on approaches suited for creating an environment where citizens feel free to seek their rights and also recognize that they have a collective and individual responsibility to re-build the fractured society. . .

The purpose of the project will be achieved by: (i) Pilot mainstreaming activities to improve/establish accountability and transparency of specific investments and public services in selected (transport, public works and rural development) ministries, provinces and districts; (ii) Raising awareness among citizens about the deleterious impact of corruption on their livelihoods and securing their participation in mitigating risks of corruption; and (iii) Capacity building of the one or more oversight bodies established as part of the post-parliamentary elections and democratic process on their role in overseeing new investments and delivery of public services.

One of the first steps in the detailed design will be establishing a small and effective ¹sub group as part of the institutional arrangements for preparing the NDS.²The sub group will provide guidance and ensure political commitment in implementing the components outlined below. A small secretariat will be established to support the activities of the NDS sub-group and guide the implementation of the components.

Component 1: Improve and consolidate efforts and strategies on accountability, oversight and enforcement through piloting mainstreaming activities in selected ministries, provinces and districts.

The Consultative Groups already in place coordinating development for Transport and Rural Development will identify the investment projects and services (in a specific geographical area) based on criteria provided by the NDS sub group as pilots for establishing/improving accountability and transparency. The institutional arrangements for piloting will depend on the arrangements already in existence at the local levels for delivering the investment/services. Where feasible, pilots will be implemented through existing arrangements – establishing additional/parallel structures would defeat the objective of mainstreaming. The pilots will focus on developing and implementing a framework that will enable the assessment of the effectiveness of accountability and transparency measures for all stages of the investment cycle/service delivery stages and identifying the risks and mitigation measures that could be mainstreamed to improve accountability and transparency.

Framework will include: stakeholder analysis; provision of information and communications; effective consultation and participatory processes; assessing and reporting quality; redress mechanisms; tracking fund flows; transparency in costs associated with investments and services; and legal framework for accountability and transparency – rules of disclosure;

Component 2: Launch an accountability and transparency awareness raising campaign.

The immediate post-elections period following the Parliamentary and Provincial Council Elections provides a valuable 'not to be missed' opportunity to continue engagement of civil society groups who are currently actively engaged in civic education activities vis-à-vis the elections. It will also be an ideal momentum to increase the understanding of the newly established democratic institutions as well as their rights and duties as Afghan citizens in making the democratic reform process a success and assist in further development of their economy and society. Ideas and modalities of the awareness raising campaigns will be developed and piloted through consultations with a wide range of national and international stakeholders including government officials, political leadership, civil society, media, private sectors, international aid agencies and donors incorporating lessons learned from the civic education activities of the electoral process.

- ❖ Locally developed messages and methodologies will be used 'to hit home';
- ❖ Champions from key political, media, business and civil society leaders will be identified and actively engaged to convey messages developed through the local participatory approach as well as through key pilot ministries to raise the awareness and understanding of the Afghan population at large.

¹ Membership would be determined during design. However, it is envisaged that key Ministers, senior civil servants, civil society organizations, the private sector and key donors will be considered for forming the sub-group.

² The NDS is being completed through a consultative process in two stages: an Interim national poverty reduction strategy (NPRS) in 2005; and the final NPRS is planned for completion late 2006.

In the first instance campaigns will be localized and focused in the areas where component one will be implemented. Extensions to other areas will depend on the success and time available but will be taken over by the activities under the NDS.

Component 3: Building capacity in the oversight bodies established after parliamentary elections in measures needed to oversee accountability and transparency in the public service.

- ❖ The ongoing electoral activities already encompass elements of anti-corruption measures to address potential electoral fraud by the voters (e.g. multiple voting, secrecy of vote) and candidates (e.g. Complaints and challenges mechanism, 'code of conduct' on electoral campaigning including non-use of threats, violence and bribery). These efforts will be taken a step further in holding those who are finally elected accountable through linkages with activities related to the ongoing support to the establishment and capacity building of the National Assembly and explore possibilities of developing a public accountability mechanism within the parliament structure.
- ❖ One of the key roles of the newly established Provincial Councils will be the oversight role and hence accountability mechanisms could be pilot tested as well as elected members could be actively engaged in addressing ways to mainstream and improve existing accountability mechanisms to increase new investment and development projects at the provincial/district levels.

All Components

For each component there will be short but user-friendly best practice guides targeted for different groups of stakeholders including but not limited to service providers, service users, policy makers, oversight bodies and donors. There will be explicit outputs that will be used in support of recommendations made by the NDS sub group on mainstreaming better accountability and transparency in new investments for reconstruction.

Developing a National Accountability and Transparency Strategy and Action Plan

The above three components will contribute to the development of a road map for a publicly supported comprehensive national strategy and action plan to deepen and widen anti-corruption efforts in public institutions through improved systems and process of accountability and transparency.

d. Expected results and deliverables: Recognition by government, parliament, non-government organizations and the people of Afghanistan of the importance of the accountability and transparency in the delivery of public services and in the nation's reconstruction efforts. Enhanced knowledge and experience on some of the practical measures that can be taken to secure the full benefits from the services and the investments through simple but effective measures that demonstrate accountability and transparency.

e. Social or environmental issues or concerns: There may be resistance by the local elite to measures that require disclosure of information and participation of citizens. Any attempt to shift power at a local level to improve equity of access to services and investments could be problematic. The new democratic structures will be an important channel for creating an environment where the risks of state and local elite capture of resources are mitigated. Specific measures will be taken to encourage women and young persons to actively engage and bring about positive changes to the more traditional/conservative perceptions and existing systems/decision-making processes.

f. Plans for disseminating results/deliverables: Best practices paper to be disseminated widely through distribution of documentation itself as well as presentation and discussions through workshops, seminars and local traditional gatherings and nationwide press coverage through the engagement of the national and local media.

7. Proposed executing/implementing agency or agencies: NDS Accountability and Transparency Sub Group as the Executing Agency.³ Implementing Agencies will be agreed during detailed design.

³ In the early stages of the operation of the sub group, UNDP and ADB will support the EA.

8. Nature/extent of government/beneficiary involvement in identifying or conceptualizing the assistance:

The President of the Anti-corruption and Bribery Department has been consulted regarding the capacity building activities of UNODC and that other wider activities may be conducted based on the findings and recommendations of UNDP's anti-corruption needs assessment mission. Broad consultation has been conducted with donors and civil society organizations as well as locally based think tanks and experts involved in relevant projects such as elections, parliament, justice, civil service reform and civil society empowerment.

9. Timetable for assistance design, processing, and implementation

- a. Year included in CSP, CSP Update, RCSP, RCSP Update, or interregional work plan:
- b. Expected date of submission for approval
 Lending:
 Nonlending (project preparatory):
 Nonlending (other than project preparatory): 15 June 2005
- c. Period and duration of assistance
 Lending:
 Nonlending: 2 years commencing October 2005

10. Financing Plan

- a. For lending
 Ordinary capital resources: \$
 Asian Development Fund: \$
 Other:

If cofinancing is required, indicate amount and sources sought: \$____, from _____.
 If known, provide cost estimates and financing arrangements.

| Source | Amount (\$) |
|----------------------|-------------|
| ADB Financing | |
| Government Financing | |
| Other Financing | |
| Total Cost | |

- b. For nonlending
 No resources required, other than ADB staff
 ADB's administrative budget:
 Grant TA funds
 Other: cofinancing of \$600,000 will be sought from the Governance Cooperation Fund

If cofinancing is required, indicate amount and sources sought:
 \$300,000 from United Nations Development Programme.

If known, provide cost estimates and financing arrangements.

| Source | Amount (\$) |
|----------------------|--|
| UNDP Core Funds | \$300,000 |
| Government Financing | |
| Other Financing | \$600,000 sought from Governance Cooperation Fund |
| Total Cost | \$900,000 |

ADB = Asian Development Bank, UNDP = United Nations Development Programme, CSP = country strategy and program, RCSP = regional cooperation strategy and program, TA = technical assistance.