



Independent Joint Anti-Corruption Monitoring and Evaluation Committee

**Vulnerability to Corruption Assessment (VCA) of the
Education Quality Improvement Program (EQUIP) in the
Ministry of Education**

VCA Unit

Kabul

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1. ABBREVIATIONS AND ACRONYMS

ADA	Afghan Development Association
ARTF	Afghanistan Reconstruction Trust Fund
COAR	Coordination of Afghan Relief
CC	Community Contract
EQUIP	Education Quality Improvement Program
IDA	International Development Association
JACK	Just for Afghan Capacity and Knowledge
MEC	Independent Joint Anti-Corruption Monitoring and Evaluation Committee
MOE	Ministry of Education
MOF	Ministry of Finance
NCB	National Competitive Bidding
NGO	Non-governmental Organization
PED	Provincial Education Directorate
PC	Provincial Council
WADAN	The Welfare Association for the Development of Afghanistan
VCA	Vulnerability to Corruption Assessment

2. Executive Summary

The Education Quality Improvement Program (EQUIP) was launched in 2004 in 26 provinces, including Kabul, and expanded to all 34 provinces in 2008. The fund is operated by the World Bank through the International Development Association (IDA) and the Afghanistan Reconstruction Trust Fund (ARTF). According to relevant documents and information obtained from the World Bank and EQUIP, the program has funded the construction of 1,486 school buildings (with relatively low quality), trained 612,928 teachers, provided 8,042 scholarships to women, and delivered “equipment and reconstruction funds” to 868 schools. However, notwithstanding these grandiose claims of success, poor planning, weak monitoring, and ineffective coordination among the main entities involved in the implementation process have led to the misuse of 30-40% of the program funds.

3. Background

The World Bank and EQUIP-supporting countries are the program's primary backers. EQUIP is not unique to Afghanistan, having been implemented in several other countries, including Sri Lanka, the Philippines, Bangladesh, and Nepal. EQUIP's budget is channeled through the ARTF and Ministry of Finance (MOF), as part of Afghanistan's national budget under the ARTF, with implementation primarily executed by the Ministry of Education (MOE). Each provincial Educational Directorate (PED) maintains an EQUIP office whose principal responsibility is to coordinate between the EQUIP Central Office and the implementing partners. According to the World Bank, these offices are also responsible for monitoring the program's progress. The capacity-building aspects of the program, though, are administered by several non-profit NGOs, including the Afghan Development Association (ADA), Just for Afghan Capacity and Knowledge (JACK), Coordination of Afghan Relief (COAR), and the Welfare Association for the Development of Afghanistan (WADAN).

Despite some successes, the \$517 million program has failed to meet its overall expected ambitious goals according to almost all persons with knowledge of EQUIP interviewed by MEC during the course of this research. Poor construction and inadequately educated students have raised concerns about the efficacy of the program among the public, donors, and civil-society activists. Consequently, MEC undertook this review to identify specific programmatic flaws and craft recommendations to address these deficiencies.

4. Methodology

The VCA team employed a number of data-collection tools in the course of its assessment, including:

- reviewing program documents; EQUIP Six-Month Reports; ARTF reports; and World Bank reports;
- interviewing EQUIP officials; MOE personnel involved in finance, teaching, procurement, teacher training, social mobilization, and infrastructure; provincial MOE officials in Kabul, Nangarhar, Laghman, Herat, Balkh, and Badakhshan provinces; and relevant officials from the World Bank, MOF, and collaborating NGOs, such as JACK, COAR, WADAN, and ADA;
- conducting field visits to EQUIP-related projects in Kabul, Nangarhar, Laghman, Herat, Balkh, and Badakhshan;

- interviewing teachers, students, school principals, MOE provincial authorities, and local residents regarding the quality of projects, effectiveness of teacher training programs, and school equipment.
- holding consultation meetings with the relevant civil-society stakeholders; and
- analyzing information in order to identify vulnerabilities to corruption and provide recommendations.

5. Education Quality Improvement Program

EQUIP was divided into two phases, EQUIP-I and EQUIP-II. EQUIP-I started in 2004, and EQUIP-II in 2008. It was designed by the donors, the World Bank and the Afghan government, and implemented by the NGOs in 26 provinces.

5.1. EQUIP-I

In the first phase of the program, approximately \$79 million was allocated. Of this amount, \$35 million was distributed by the IDA and the World Bank and \$44 million by the ARTF. Under EQUIP-I, approximately 140,000 teachers were trained and about 4,000 schools received grants. But these unaudited statistics were obtained from parties and sources with a vested interest in the program being perceived as a success (e.g. the World Bank, ARTF, and EQUIP's own Six-Month Reports). Despite efforts by the VCA team to obtain relevant program documents, they couldn't get more than what was published by the relevant parties.

The documents received by the VCA team showed that this phase was implemented successfully and that could be the reason that the donors and the Afghan government extended the program to a second phase. Determining whether these published documents are reliable or not would require a serious review of the program and field visits to the implemented projects, however, due to security reasons, the VCA team was not conduct such a review.

5.2. EQUIP-II

The second phase of EQUIP was designed in 2007 and activated in 34 provinces in 2008. Its initial budget totaled \$188 million through the end of 2012, but this was later increased by \$250 million and extended until 2014 by the ARTF. Currently, EQUIP-II is not scheduled to cease operations until sometime in 2017.

5.2.1. EQUIP-II's Primary Components

EQUIP comprises three main components: improving the quality of schools, training teachers, and project management. The first component includes school-quality-improvement grants, community-council contracts, infrastructure improvements, model schools, and social mobilization.

5.2.2. School Quality Improvement Grants

Basically, this component aimed to equip schools and encourage community members to participate in the school-quality-improvement process. According to interviewees, schools covered under this component were equipped with computer labs, libraries, and laboratories. However, many challenges, such as low rates of participation by community members, poor capacity of council members, and a lack of effective monitoring by MOE officials, have led to a significant amount of wasted funds. Interviewees also added that much of the school equipment was purchased at prices 50% higher than their real market prices. In addition, due to a lack of electricity and the absence of skilled teachers in relevant fields, MEC's findings show that

computers and laboratory equipment were left unused in some of the provinces, including Herat, Badakhshan, Nanagarhar, and Balkh.

5.2.3. Community Contracts

This element concentrates on community members' involvement in school reconstruction and maintenance. Money transfers are performed collectively, with community members expected to contribute financially to the community councils. The maximum share of government funding is less than \$100,000, and this is usually spent on rehabilitating school buildings. Without doubt in some schools this program had positive impacts and the local residents succeeded in using the funds in a proper way.

However, several interviewees who met with MEC stated that the lack of security and weak project oversight made this initiative vulnerable to corruption. Since community councils had direct access to the funds, they could award the project to their favorite contractors and, in some cases, reconstruct schools by themselves. The main vulnerabilities in this process are the councils' lack of accountability to governmental oversight entities, weak coordination and monitoring, and opportunities for collusion among councils and MOE and MOF officials. Furthermore, based on MEC's observations and interviews, the quality of these projects is questionable.

5.2.4. Infrastructure (National Competitive Bidding):

EQUIP's infrastructure component concentrates on improving school buildings and constructing teacher-training centers. According to the World Bank, 1,820 schools benefited, at least somewhat, from this program since the start of EQUIP-I. Of these, 868 schools were categorized as "complete;" 618 schools were completed, but not fully equipped; 110 schools are still listed as undergoing reconstruction; and 224 schools are not constructed due to multiple reasons. Interviewees believe that the existence of corruption is the key challenge from the beginning of the projects up to the end. This was the case with several school buildings examined by MEC throughout the country, including in Herat province. There, poor-quality construction was evident at many locations, even in the center of Herat City.

According to interviewees, the following elements have made the overall project implementation problematic:

- Members of Parliament (MPs) interference in contract bidding in the procurement process;
- Illegal involvement of powerful individuals and local officials in the implementation process;
- Presence of subcontracted projects;
- Lack of an effective monitoring system;

5.2.5. Model Schools:

In total, 72 schools in 34 provinces were equipped and reconstructed under the Model Schools' initiative (some also received assistance under the aforementioned Infrastructure component). These Model Schools appear to be a qualified success, as they appear able to manage their budget and effectively use the equipment and facilities purchased for them. The main challenges affecting this program are recruitment, a lack of electricity for computer labs, and a limited number of professional teachers to run the school laboratories.

5.2.6. Social Mobilization and Awareness:

The objective of this component is to raise public awareness about the importance of education and mobilize community members to take part in educational activities. According to a 2015 World Bank report, one of the program's main achievements was establishing 14,932 community councils, which surpassed its initial target of establishing 13,969 such councils by 2016. But some interviewees doubt the reliability of these and other statistics contained in World Bank, ARTF, and MOE reports.

Different figures reinforce the likelihood of ghost community councils. The key vulnerabilities of this program are a lack of an effective monitoring system, exaggerated reports, and insecurity, even in those areas which have been covered by the program. It is likely that ghost community councils have been formed in these areas, however in order to confirm this, it is necessary to randomly visit some of these councils, especially in insecure areas.

5.2.7. Teacher-training Challenges

According to MOE's official statistics, EQUIP-sponsored programs provided at least some training to 612,928 teachers. Though June 2014, MOE also claimed that EQUIP funded advanced (university- and graduate-level) training to up to 8,042 female teachers. The total cost of EQUIP's training component is estimated at \$129 million. However, even MOE admits the program is deeply flawed. Problems include:

- allocating significant amounts of funds to cover the administrative costs of NGOs;
- a shortage of qualified teacher trainers, with many unqualified trainers being selected because of their connections;
- limited attendance at training workshops, which are sometimes scheduled during final-exam periods;
- a failure to publicize the time and location of training workshops;
- providing certificates of completion to teachers who did not attend the workshops so as to artificially inflate attendance figures ("ghost trainees"); and
- corrupt NGOs asking for money to purchase workshop materials and then reusing training materials from previous workshops.

5.2.8. Project Management and Coordination:

The \$109.2 million project management and coordination component of EQUIP-II includes management and coordination functions, as well as monitoring and evaluation sub-components. According to the MOE's official report, which it provided to MEC, 78,686 Ministry employees received training in administration, management, and monitoring and evaluation areas (82.8% male and 17.2% female). In addition to project coordination, the program monitoring and evaluation portion is also included in this component. Furthermore, \$2 million has been invested in project implementation monitoring by the World Bank. This task was often contracted to private consulting companies.

One of the questionable programs funded under the auspices of this component of EQUIP was an information-management system (HR-MIS) for the MOE's HR Department. MEC's review of this system calls into question its value, as it apparently has not helped the Ministry purge thousands of unqualified teachers from its rolls. According to interviewees, some individuals have been recruited as an MOE employee or teacher with forged education documents. This

shows that the HR-MIS is inadequate to mitigate the level of corruption in the recruitment process at the MOE.

5.3. EQUIP's Planning and Budgeting are Vulnerable to Waste, Fraud, and Abuse

One of the program's main shortcomings is its failure to prioritize the specific needs of each region, and then customize its approach accordingly. Without adequate guidance on priorities, the program has been implemented differently—and often ineffectively—in different regions, resulting in poor outcomes. Among the reasons for this is a persistent lack of coordination between the World Bank and other donors. For example, those donors who were active during the years when Provincial Reconstruction Teams existed spent their education-assistance budgets mainly in those areas where their country maintained a military presence. For instance, Canada used its EQUIP funds in Kandahar, while Denmark focused on Faryab. This adversely affected the program's implementation in other provinces.

In some areas, such as Badakhshan province, schools were built in locations inaccessible to teachers and students, even though the MOE did not agree to construct schools in those areas. Unrealistic budget plans made these problems worse. In an egregious example of the superficial planning that has plagued the program, the same amount of money was allocated for each region of the country, regardless of the local conditions, construction costs, population, and security situation. This made it difficult to implement the program's objectives, as costs differ greatly depending on the province. For example, the price of cement in Badakhshan is 130% higher than the price of cement in Herat, while the outlying districts of Badakhshan often see prices 300% higher than the provincial capital. According to one Badakhshan official, conflicts on the Tajik border over narcotics smuggling have blocked the importation of construction materials for about two years.

5.4. Financial Management of EQUIP-II

Another issue highlighted by interviewees was the weak performance of the MOF in sending the funds on time to the provincial offices responsible for implementing the program. The MOF's practice of transferring the funds at the end of each year made it difficult to commence new construction projects in many areas, because by the time the money arrived, the weather precluded extensive outdoor building activities. Consequently, the engineers did not permit construction, and the money was often transferred into council members' accounts and used for other purposes. The remaining program funds were not enough to fund many projects unless and until the offending council members returned the funds to the proper account. In most cases, though, this was difficult, leading to conflicts among MOE officials, council members, and engineers—all to the detriment of the education system.

Transferring the funds into council members' accounts was intended to encourage community members to become more involved in the school-construction process, but there were many cases of embezzlement and waste. Moreover, since the majority of council members are illiterate or indifferent towards education-improvement programs, they had little stake in seeing that the funds were spent efficiently. In one case, a local purchasing team bought poor-quality products that cost twice as much as better-quality goods of a similar nature in the market.

PED officials criticized the MOE's procurement and financing procedures as well, citing the fact that some contractors could receive their entire fee in advance of beginning work on a project, something that is against the law and likely a violation of the contract. One example is the construction of Herat's financial-accounting institute. The contractor only completed 30% of the

work, but received all payments in advance and then stopped work on the project and disappeared.

According to knowledgeable persons interviewed by MEC for this report, there are two reasons behind such corrupt practices: a rigged bidding process that ensures well-connected companies (affiliated with high governmental officials and MPs) use different strategies such as bribes or coercion to win most contracts; and an ineffective monitoring and inspection process that makes it difficult to determine what has actually been built in the provinces.

The chart below provides an overview of EQUIP-II's current financial status.

Components of EQUIP-II	Sub-components of EQUIP-II	Allocated budget for each sub-component	Expenditures for each sub-component	Balance for each sub-component
Schools quality enhancement	Schools quality enhancement grant	24.50	26.32	-1.82
	Community Infrastructures Contracts	60.31	45.15	15.16
	Infrastructure development (NCB)	33.85	22.16	11.69
	Infrastructure (NCB) - Teacher Training centers	4.00	-	4.00
	Model schools	0.79	0.79	0
	Awareness - Social Mobilization	28.57	3.28	3.28
	Sub-total (C1)		151.23	97.88
Teachers' Training	Teachers' training	108.85	98.24	10.61
	Basic training	8.36	11.03	-2.67
	Scholarships (For Females)	60.39	20.04	40.36
Sub-total (C2)		177.60	129.31	48.29
Projects Management and Coordination	Management & Coordination	63.11	67.31	-4.64
	Initiatives	44.00	3.38	40.62
	Monitoring	1.56	0.14	1.41
	Evaluation	0.50	0.10	0.40
Sub-total (C3)		109.17	71.37	37.80
Grand total EQUIP-II	438.00	298.37	139.44	

5.5. Conflicts of Interest and Inadequate Monitoring Have Made the Project-Implementation Process Vulnerable to Corruption

EQUIP is administered by eleven staff in each of the 34 provinces: a program manager, eight facilitators, and two engineers. The program manager monitors the program and reports regularly to EQUIP's central office in Kabul, and this office reports regularly to the World Bank, MOE, and MOF. At the provincial level, EQUIP officers, supervisors, and engineers are charged with coordinating, evaluating, and implementing the program's objectives. But the majority of the administration team belongs to the same ethnic group, especially in the Kabul office of EQUIP, and has deep ties to senior MOE officials, MPs, and other high-level government personnel. Many of the junior staffers share the same sorts of connections to influential MOE figures.

According to interviewees, illegal interference by MOE officials has left the EQUIP-recruitment process open to abuse. Not surprisingly, nepotism and favoritism are rife. Many staffers are

unqualified and hired because of their connections to MOE officials or to MPs. Such issues are made worse by the low capacity of the monitoring staff. Consequently, this has led to low quality school construction and ineffective capacity building programs for teachers.

With regard to EQUIP's capacity-development efforts, coordination problems at all levels hampered its effectiveness. EQUIP offices, government human-resources (HR) departments, teacher-training departments, and NGO implementing partners often disagreed about workshops and training plans. In some cases, government HR officers and EQUIP representatives in the provinces were not informed about training workshops. Here again, a lack of monitoring has rendered elements of the program ineffective.

Furthermore, there is also a lack of cooperation among council members, school principals, EQUIP engineers, and MOE provincial officials. There are multiple examples of this in Herat, Balkh, and Laghman provinces. There, projects that should have been implemented under the council's authority were instead handed over to contracting companies by corrupt MOE officials. In a variation on this theme, there exist several cases where the principals have tried to dominate the council and/or use the funds for their own personal needs. This has occurred in some of the more insecure provinces, such as Khost, Paktika, and Zabul.

5.6. Implementation and Monitoring of Projects

According to the EQUIP officials, several hundred thousand dollars are regularly transferred into the Provincial Finance Departments (*Mustafiat*). After these transfers occur, school-council members are able to access the money and begin construction work and the purchasing of school supplies. This process is highly vulnerable to abuse by unethical contractors, council members, and EQUIP staffers. In the more insecure provinces, there is even collusion among council members, contracting companies, and school officials to burn down unfinished school buildings and later claim that the construction was complete, but the facility was then destroyed by the Taliban.

Purchasing the right kind of school equipment has also been a challenge because too few qualified individuals are involved in selecting the goods that are ultimately bought. The dearth of well-educated science and computer instructors has meant that equipment purchased for classes in these fields often sits unused. In most provinces, the lack of reliable electricity exacerbates this problem, rendering the equipment useless even if a qualified teacher is present.

Moreover, due to ineffective monitoring by MOE's understaffed procurement and infrastructure departments, EQUIP-funded schools are often poorly constructed. For instance, the VCA team noticed that some schools were damaged shortly after construction because of the poor quality of materials used by the contractors. One example is the Sayed Mohammad Qanad high school in Herat province's Enjil district. Additionally, since part of the money is transferred to the construction companies before work actually begins on a project, some unethical companies leave the site prior to completing their contractually-obligated tasks, leaving half-finished schools that serve no useful function.

According to knowledgeable parties interviewed by MEC, many projects that were specified in the budget plans were never built. For example, funds for building a football field were received by the Kabul EQUIP office, but the field was never built. This stands as yet another instance where the lack of monitoring has made it easy to divert program funds from their intended purpose.

6. Conclusion

While MEC found that approximately 72 schools funded by EQUIP were of good quality, the program's myriad failures counterbalanced this achievement. As noted above, poor planning, unrealistic budgeting, and inadequate monitoring combined to create a toxic synergy that led to failed projects and misspent funds. The lack of trained personnel, nepotistic recruiting practices, substandard reporting policies, and no investigation or punishment of wrongdoers only served to worsen these structural flaws. Widespread corruption has led to the misuse or wasting of funds representing almost 30-40% of the project's entire budget and has prevented EQUIP from meeting its expectations.

7. Recommendations¹

Indicator	Recommendation	Baseline
The reporting process improved and discrepancies in EQUIP's reporting system removed	EQUIP develops a quarterly and annual consistent reporting system which provides a true and fair picture of the program's progress and achievements.	(4 November 2015) Currently, there are discrepancies in the figures between the reports of the World Bank, Teachers Education Department and EQUIP.

References:

- Meetings with Ministry of Education, EQUIP Office, World Bank officials, Provincial Councils and PED officials of Herat, Balkh, Nangarhar, Laghman and Badakhshan provinces;
- Field visits to provincial EQUIP project sites;
- Interviews with relevant officials, school principals and Teachers, and students and their parents;
- Focus Group and Consultation meetings;
- EQUIP Semi-Annual Report (July-December 2014) by EQUIP office/MOE
- EQUIP Semi-Annual Report (Jan-June 2013) EQUIP office/MOE
- EQUIP Semi-Annual Report (July-December 2012) EQUIP office/MOE
- EQUIP Semi-Annual Report (Jan-June 2011) EQUIP office/MOE
- Ex post evaluation by KFW-Afghanistan, 2014
- Implementation Status & Results Report, World Bank, 2015
- Proposal for the management committee: Additional Financing, June 2012
- Afghanistan Second Education Quality Improvement Project (EQUIP II, TF 93962) Request for Release of Balance ARTF Funding of USD 23 million
- ARTF Second Education Quality Improvement Program (EQUIP II) Proposal for the Management Committee: April 10, 2011
- Implementation Completion and Results Report (IDA-H1190 TF-54730) on a grant in the amount of SDR 24.00 million (\$35 million equivalent) to the Islamic Republic of Afghanistan for the Education Quality Improvement Project, World Bank, September 22, 2009
- International Development Association Project Paper for a proposed grant in the amount of SDR 18.9 million (\$30.0 million equivalent) to the Islamic Republic of Afghanistan for the second Education Quality Improvement Project, January 4, 2008
- Project Information Document Concept Stage, November 30, 2004, Report No. AB545

¹ In addition to the recommendation in the table, MEC will provide a recommendation of the overall inspection of the program soon.