

Independent Joint Anti-Corruption  
Monitoring and Evaluation Committee

**MONITORING PROGRESS  
AGAINST CORRUPTION  
MINISTRY OF TRANSPORT**

October 2017

*Kabul-Afghanistan*



## ACRONYMS

AFN	Afghani (currency)
ARAZI	Afghanistan Independent Land Authority
ACP	Anti-Corruption Plan
CBR	Capacity Building for Results
DPCFA	Directorate of Provincial Coordination and Foreign Agencies
GIRoA	Government of the Islamic Republic of Afghanistan
IARCSC	Independent Administration Reform and Civil Service Commission
MEC	Independent Joint Anti-Corruption Monitoring and Evaluation Committee
MoF	Ministry of Finance
MoT	Ministry of Transport

## EXECUTIVE SUMMARY

In 2016, prior to the Brussels Conference on Afghanistan, all revenue-generating ministries of Afghanistan were instructed by the President of the Government of the Islamic Republic of Afghanistan (GIROA) to design and develop their Anti-Corruption Plans to ensure transparency in their operations and, above all, revenue collection. The Ministry of Transportation (MoT) is one of the five revenue-generating Ministries.

The Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) is reviewing all Ministry Anti-Corruption plans and is releasing here a Progress Monitoring Review of the MoT's Anti-Corruption Plan (ACP).

The Plan that was shown to MEC consists of 25 actions across three priority areas. To assess the ACP and progress against the Plan, MEC conducted 18 interviews and focus group discussions, together with analyzing related documents.

### General findings

The Ministry of Transport has made no significant progress in the fight against corruption. Corruption is endemic and the situation is not improving.

It has an Anti-Corruption Plan that is not serious, and the elements of the Plan have not been actively pursued. A new, more robust plan is required.

Despite the negative finding, MEC received good cooperation from the staff of MoT to conduct this review. Many were keen to see improvement in the operations of MoT.

The new leadership of MoT has promised to place the fight against corruption as their number one priority and to implement the Anti-Corruption Plan in its entirety.

### Specific Findings

The specific findings of MEC in relation to implementation of the ACP by the Ministry of Transport are as follows:

- 1. A NEW ANTI-CORRUPTION PLAN IS REQUIRED**

The existing Plan seems to have been written for the benefit of MEC, and has almost trivial elements to it.

- 2. SIMPLIFICATION OF PROCEDURES AND THE USE OF TECHNOLOGY BASES SYSTEMS**

A major source of MoT's revenue is "Transport Vehicles" on land ports. Vehicles are charged based on the weight of their load.<sup>1</sup> The problem is that there is no transparent collection of the money that employees of the Ministry charge drivers for the goods they transfer from one place to another. MoT officers fake tariffs and then records a false reduced amount in the manual log book.<sup>2</sup> The log book is a very poor document that is almost designed for corruption. Therefore, the whole process of revenue collection at the ports is vulnerable to corruption.

### 3. HUMAN RESOURCE CAPACITY BUILDING

There is very little HR management in the Ministry.

### 4. MAINTAINING TRANSPARENCY IN CONTRACTS IMPLEMENTATION

MoT has made some progress here. MoT decided to publish contracts valued over AFN 500,000 and post them on its website. The Ministry has also mentioned in its ACP that documents of some leased properties and quarterly reports of MoT are uploaded on the website for public access to information.

## RECOMMENDATIONS

NO.	RECOMMENDATIONS
1.	UPDATED ANTI-CORRUPTION PLAN. MoT should develop a new, thorough Anti-Corruption Plan by January 1, 2018.
2	MoT should review progress against this new Plan every three months, starting from April 2018, and publish the result on its website. For added credibility, MoT could consider using its Internal Audit Department to conduct this three-month review, or commission an outside group.
3.	MoT should make an analysis of what the revenue from the land ports should be – if there was no corruption – and that they use this estimated revenue as the target to achieve with the new e-system.
4.	The new MoT leadership should review the delays in implementing the e-system, develop a revised implementation plan in each of the ports, and publish progress against the Plan every three months.
5.	The quality of the Internal Audit Department needs to be verified, and then this Department should be used to monitor progress of the AC Plan.
6.	The new MoT Internal Audit Department liaise with Ministry of Finance to

<sup>1</sup> Interview with the staff of MoT, April 19, 2017.

<sup>2</sup> Interview with truck drivers, May 7, 2017.

	determine ways to strengthen its professionalism.
.7	MoT should reform the HR Department, review the skills and integrity of all employees, and adjust the Tashkiel to encourage and reward reform minded and honest individuals.
8.	MoT should design and develop a written procedure for receiving and handling complaints, particularly those which are corruption-related.
9.	MoT and IARCSC should recruit operators to answer 135 calls on a 24-hour basis in close consultation with Civil Servants Commission.
10.	MoT should facilitate training for its land border staff on how to use the e-system that has been installed in the east of Kabul land port.
11.	MoT should either use fingerprint or e-card system for daily attendance.
12.	MoT's HR Directorate with the Cooperation IARCSC and CBR Program should employ the CBR reform strategy to ensure transparent recruitments. MoT's HR Director, IARCSC and CBR Program should immediately complete recruitments for current acting positions.
11.	The MoT HR Directorate of should develop and implement a comprehensive and integrated capacity building plan for its staff.
13.	MoT leadership should establish a specific team to periodically monitor and evaluate the performance of revenue-collection officers in the ports. This process should be conducted separate from the annual performance evaluation proscribed in the Civil Servants Law of Afghanistan.
14.	MoT headquarters should receive and publish monthly reports of all its provincial revenue collection units.
15.	MoT should facilitate the provision of internet access to its provincial units.

## 1. INTRODUCTION

### **ANTI CORRUPTION PLAN OF THE MINISTRY OF TRANSPORT (MoT)**

The Ministry of Transport is one of the five revenue-generating ministries of the G1RoA. It is mandated to manage and administer transportation services and to facilitate required infrastructure for the private sector. The core duties of MoT include licensing of transport companies, registering commercial vehicles and collecting revenue from land ports.

However, MoT is plagued with corruption vulnerabilities. The principal vulnerabilities are the following:<sup>3</sup>

- **Corruption in revenue collection at land ports**
- **Corruption in the recruitment process**
- **Corruption in procurement contracts**
- **Corruption in transport services**

The MoT ACP lists the following three priorities;

- I. SIMPLIFICATION OF PROCEDURES AND THE USE OF TECHNOLOGY BASED SYSTEMS**
- II. HUMAN RESOURCE CAPACITY BUILDING**
- III. MAINTAINING TRANSPARENCY IN CONTRACT IMPLEMENTATION**

## 2. MEC REVIEW METHODOLOGY

The review of MoT's ACP was conducted in an effort to determine progress by the Ministry regarding the implementation of the Plan. To systematically assess the indicators of the Plan, MEC initially conducted desk research, collected policies and procedures and carefully reviewed them. Subsequently, information regarding the indicators listed in the ACP was gathered through key informant and in-depth interviews, focus group discussions and document reviews.

For this report, MEC conducted 18 face-to face interviews with the Minister of MoT as well as other top officials in MoT directorates in Kabul. MEC also conducted focus group discussions

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<sup>3</sup> Anti-Corruption Plan of the Ministry of Transport, p. 2.

with mid-level and low-level staff of the Ministry of Transport in related directorates.

Additionally, MEC met with other entities involved in the sector. The field assessment was followed by a detailed review and analysis of the documents gathered to verify the descriptions and arguments revealed by the participants in interviews and focus group discussions.

The report was subsequently shared with the MoT to seek their comments about the feasibility and accuracy of the recommendations.

This MEC assessment was conducted during the previous leadership of the Ministry of Transport.

### 3. FINDINGS - SIMPLIFICATION OF PROCEDURES AND THE USE OF TECHNOLOGY BASED SYSTEMS

OBJECTIVES	ACTIVITIES	BASELINE	INDICATORS
<b>Identify corruption</b>	Enhance the ability to receive and review complaints	New office and procedures were established in March 2016 and need to be evaluated for lessons learned.  Currently there is no formal mechanism to handle complaints from the provinces.	Reception office to facilitate receiving complaints has been established.  Assessment of the effectiveness of the newly established complaints procedure and complaints committee is completed.  Strategy for the expansion of complaints process to the provinces is developed.
<b>Reduce vulnerabilities to corruption in Ministry processes</b>	Simplify the Transportation Law and Ministry-related procedures	The previous Law was developed in 1358/1979 and introduces unnecessary administrative procedures that have created opportunities for corruption.  Similarly, the procedure for registering companies is lengthy and complicated introducing similar vulnerabilities.	Complete a review of the current Transportation Law and identify amendments that would reduce vulnerabilities for corruption.  Develop a new procedure for registering transportation companies.
<b>Enhance</b>	Activating the electronic gate in	Currently, the reporting of commercial traffic and revenues is manual and relies	Electrical power to the East Gate is connected to make it fully functional.

OBJECTIVES	ACTIVITIES	BASELINE	INDICATORS
Revenues	the West and East Gates	solely on Ministry officials without a mechanism to verify reports.	Land for the West Gate is identified in consultation with ARAZI.  Land survey and building design completed.
	Redesign bonds to ensure that they cannot be forged by Ministry officials	Bonds issued to commercial vehicles by government officials are easily forged thereby allowing revenue to be diverted to Ministry officials.	Proposal for the development of new bonds is submitted to MoF.  The design of new bonds is complete.  New bonds are printed and put into circulation.

**FINDINGS:**

To receive and review corruption-related complaints, MoT needs to have an effective mechanism. Therefore, a reception office has been set up inside the Ministry’s main building to receive complaints through the following sources:<sup>4</sup>

- 1: Provincial Governors
- 2: Dial 135
- 3: Complaint Box inside MoT

However, the MEC assessment team found that MoT has not developed a written procedure for receiving and handing complaints.<sup>5</sup> For instance, provincial governors mostly inform the leadership of MoT about corruption-related complaints through phone calls.<sup>6</sup>

The MEC team has also repeatedly dialed 135 to check if the system works. The result was negative. Moreover, MoT has not complied with its ACP and assessed whether complaints are received and properly processed.<sup>7</sup>

MoT’s legal review indicates that the current Transportation Law<sup>8</sup> is not in line with the Constitution of Afghanistan and that demotes the transportation market. For instance, the Law,

<sup>4</sup> Interview with the Chief of Staff of MoT, April 10, 2017.

<sup>5</sup> Ibid.

<sup>6</sup> Ibid.

<sup>7</sup> MEC assessment team’s observation, April 13, 2017.

<sup>8</sup> Transportation Law, Official Gazette # 429, 1979 (1358).



enacted in 1358/1979, forbids the private sector from contracting with transporting companies without the permission of the Ministry of Transport.<sup>9</sup> The Constitution of Afghanistan, however, guarantees a market economy.

To simplify the procedures and align the Law with the Constitution, MoT reviewed the Transportation Law and proposed necessary amendments in April 2017 insofar as possible. The draft legislation is being reviewed by the Legal Department of Ministry of Justice.<sup>10</sup>

#### 4. FINDINGS - REVENUE COLLECTION

One of MoT's sources of revenue is transport vehicles that pass through land ports. Vehicles are charged based on the weight of their load.<sup>11</sup> However, through MEC's analysis it was learned that there is no transparent collection of the money that employees of the Ministry charge drivers for the goods they transfer from one place to another. MoT officers falsify tariff amounts and record less money in the manual log book.<sup>12</sup> Therefore, the whole process of revenue collection at the ports is vulnerable to corruption. Review of documents show that in 1395/2016, the revenue of MoT was AFN 1,743,165,650, but the estimated revenue was targeted to be AFN 1,943,523,422. The collected revenue shows an AFN 200,357,772 deficit due to the absence of a standard mechanism for revenue collection.<sup>13</sup> The Ministry of Transport could generate the estimated amount of revenue, had it tackled bribery at entry gates.

The Internal Audit Department of the Ministry has also documented this loss of the revenue which is the result of rampant corruption in the collection of revenue on the ports.<sup>14</sup> The Internal Audit Department's report indicates that the largest portion of money collected at Kabul land ports goes into the pockets of corrupt MoT officers.

It seems that Internal Audit Department has been doing its job to record such problems, but they have not been resolved. The staff in this Department recommends that the Minister arranges regular meetings with the Internal Audit Department to understand the problems that are emerging. And finally, it is also recommended that all Internal Audit reports be published on the MoT website.

Based on inspections in one Kabul gate alone, nine revenue collection forms were checked against the log book number 452201. The revenue collection officer on the gate received AFN

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<sup>9</sup> Transportation Law, Article 25, p. 22.

<sup>10</sup> Interview with MoT Legal Department, April, 17, 2017.

<sup>11</sup> Interview with MoT staff, April 19, 2017.

<sup>12</sup> Interview with truck drivers, May 7, 2017.

<sup>13</sup> 1395 Revenue Collection Report of MoT, April 10, 2017.

<sup>14</sup> Interview with MoT head of Internal Audit Department, April 12, 2017.

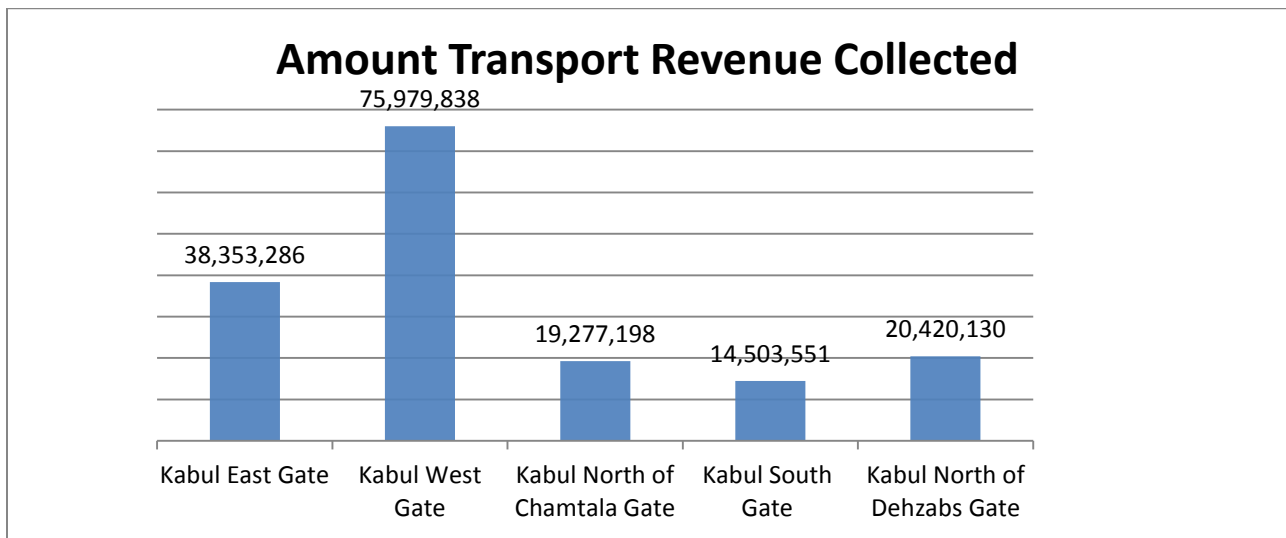
2,600 but he reported AFN 262 in the log book.<sup>15</sup> It is one example of how officers forge the tariffs and steal the money.

Given the corruption, MoT has installed an e-system for revenue collection at the East Gate of Kabul to replace the outdated manual system. The e-gate is now equipped with security cameras for monitoring and controlling, and a database for revenue collection.<sup>16</sup>

Nevertheless, some MoT officers are not able to utilize the electronic database for revenue collection that has been placed at the gate. They do not have the necessary skills to operate the system.<sup>17</sup> For best results, when the electronic machines were installed or shortly thereafter, the MoT should have trained its staff.

To curb corruption, MoT has also proposed new tariff papers and submitted this to the Ministry of Finance for design and purchase.<sup>18</sup>

Graph1 shows the transport revenue from five Kabul City gates in 2016.



Based on the above graph, AFN 168,534,003 has been collected from the five gates of Kabul in the year 2016. MEC recommends that MoT conducts an analysis of how much the revenue from the land ports should be – if there was no corruption – and that they use this estimated revenue as the target to be reached with the new e-system.

<sup>15</sup> Internal Audit Report of MoT, May 4, 2017.

<sup>16</sup> Interview with MoT Deputy Minister, April 12, 2017.

<sup>17</sup> Field observation of the MEC team, May 31, 2017.

<sup>18</sup> Interview with MoT Deputy Minister, April 9, 2017.

MOT recommends that the new MoT leadership review the delays in implementing the e-system, develop a revised plan of when it will be implemented in each of the gates, and publish progress against the plan every three months.

## 5. FINDINGS - HUMAN RESOURCE CAPACITY BUILDING

OBJECTIVE	ACTIVITIES	BASELINE	INDICATOR
<b>Enhance human resource management</b>	Enhance performance management and evaluation	Recruitment is often neither transparent nor based on merit.	Performance evaluation of all 59 employees working at gates is completed to identify underperforming employees.  Electronic attendance systems for all Ministry staff located in Kabul is implemented.  Personnel databases developed and implemented to store all personnel files.
	Merit-based recruitment of staff on the basis of qualifications and experience	CBR procedures are slow but implementation has started. Some positions are filled based on previous pay and grading.	CBR reforms strategy is completed and approved.  All Grade 1 and Grade 2 positions are announced and filled by a competitive process.
	Implement programs to enhance the capacity of key staff	Ministry capacity in some areas is low and there is no formal assessment of capacity needs or a strategy to build capacity	Capacity needs assessment is completed.  Capacity building plan is developed.  Capacity building plan is substantially implemented.

To enhance the capacity of MoT's staff, the DPCFA evaluated the performance of its 59 employees working at the gates in the provinces,<sup>19</sup> but the performance evaluation has not been accepted by MoT's Human Resource Directorate, questioning the impartiality of the evaluation team.<sup>20</sup> However, the low-level staff of the Ministry put their weight behind the

<sup>19</sup> Interview with DPCFA Executive Director, April 18, 2017.

<sup>20</sup> Interview with HR of MoT, April 9, 2017.

evaluation and agreed to the findings of the team.<sup>21</sup> MEC has found that refusal of the performance evaluation report has delayed the decision of the Ministry's leadership to either promote or demote those staff who have been evaluated.<sup>22</sup> DPCFA also functions under the mandate of the Ministry of Transport. Its HR Directorate evaluated the performance of the provincial staff of MoT and then sent its report to the headquarters in Kabul. But the HR Directorate of MoT in Kabul did not agree to the evaluation and wanted to re-evaluate the staff of the provincial departments itself. However, the evaluation has not been conducted.

The other indicator of MoT's ACP was to install an electronic attendance system in the headquarters of the Ministry to stop unnecessary absenteeism. This indicator has been achieved. However, MoT has set up dual e-attendance system (fingerprint and e-card) and it is now too difficult to properly monitor and supervise attendance.<sup>23</sup> Most respondents voiced their concern regarding the current dual e-attendance system and reported that some employees do not show up and instead give their e-cards to their other colleagues to sign them in and out.<sup>24</sup>

To ensure transparent and merit-based recruitment, the MoT Human Resource Directorate was supposed to apply the CBR strategy, which requires ministries to avoid delaying the announcements of positions for their acting staff. Nevertheless, CBR reforms are still non-existent in MoT.<sup>25</sup> The Ministry of Finance approved seven Grade-B positions for MoT in 2016. However, according to respondents, announcement of the positions is intentionally being delayed so that acting directors' benefit.<sup>26</sup> Most of MoT's directorates are led by acting directors including Human Resource, Legal, Foreign Relations DPCFA, the Transport Directorates of Hirat, Niroz, Balkh, Khost, Paktya, Baghlan, and Faryab Provinces.<sup>27</sup>

Moreover, most MoT staff admitted that they are inept in leadership, policy-making, programming, communication, and monitoring and evaluation. To build the capacity of its staff, MoT has thus far not developed a Capacity Building Plan.<sup>28</sup>

MEC recommends that the new MoT leadership urgently review its capacity building plans to strengthen personnel capability and implement a new plan.

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<sup>21</sup> Group discussion with low-level staff of MoT, May 9, 2017.

<sup>22</sup> Ibid.

<sup>23</sup> Interview with IT head of MoT, April 10, 2017.

<sup>24</sup> Group discussion with the staff of MoT, May 22, 2017.

<sup>25</sup> Interview with HR Directorate of MoT, April 9, 2017.

<sup>26</sup> Interview with MoT staff, May 8, 2017.

<sup>27</sup> Recruitment documents of HR, May 14, 2017.

<sup>28</sup> Interview with MoT staff, May 10, 2017.

## 6. FINDINGS - MAINTAINING TRANSPARENCY IN CONTRACTS IMPLEMENTATION

OBJECTIVE	ACTIVITIES	BASELINE	INDICATOR
Bringing transparency in contracts	Enrichment of the Ministry's website for the purpose of transparency	Currently all procurement contracts over AFN 500,000 and all reports are published on the website.	All procurement contracts over AFN 500,000 are published on the website.  All properties leased from the Ministry are published on the website.  All Ministry quarterly reports and annual report are published on the website.
	Implementation of access to information requirements in MoT	Currently MoT has not undertaken steps to implement the Access to Information Law	Assess the requirements for the implementation of the Access to Information Law and Oversight Commission on Access to Information regulations in MoT.  Strategy for the implementation of the Access to Information Law is completed.

### FINDINGS:

As part of its anti-corruption effort, MoT decided to publish their contracts valued at over AFN 500,000 on their website. The Ministry has also mentioned in its ACP that documents of leased properties and quarterly reports of MoT are also uploaded on the website for public access. MEC has reviewed the website of MoT and notes that its quarterly reports and contracts are all posted and accessible to the public, except details of properties of the Ministry that were leased. The IT Department of MoT insisted that they have received no details regarding the leased properties from relevant offices to post them on the website.<sup>29</sup>

Under its ACP, MoT was also supposed to upload its monthly revenue collection reports on the website. However, MEC finds that most provincial departments of MoT do not have access to IT

<sup>29</sup> Interview with officials of MoT, May 10, 2017.

facilities to send their monthly revenue collection data to the Central Revenue Collection Department of MoT in Kabul.<sup>30</sup>

To bring about transparency and accountability in operations, the top-level managers of the Ministry of Transport were supposed to develop a strategy on how to meet the requirements of the Law on Access to Information and then fully implement it. However, due to lack of capacity and resources, the assessment has been done and the strategy has not been developed.<sup>31</sup>

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<sup>30</sup> Interview with the staff of Central Revenue Collection Department of MoT, May 14, 2017.

<sup>31</sup> Interview with officials of MoT, May 10, 2017.