



کمیته مستقل مشترک نظارت و ارزیابی مبارزه علیه فساد اداری
د اداری فساد پروړاندې د مبارزې د څارنې او ارزونې خپلواکه گډه کمیته
Independent Joint Anti-corruption Monitoring and Evaluation Committee

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MEC Releases Ministry-wide Vulnerability to Corruption Assessment of the Ministry of Mines and Petroleum

Kabul, Afghanistan: The Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) released its Ministry-wide Vulnerability to Corruption Assessment (MVCA) on the Ministry of Mines and Petroleum (MoMP).

This MVCA represents the first comprehensive analysis of corruption vulnerabilities across the entire operating context of the MoMP. It assesses the vulnerabilities in both MoMP's internal operations and regulation of the extractives industry in Afghanistan. The assessment includes examining corruption vulnerabilities across each step in the mining value chain for which the MoMP is responsible.

The MVCA has been conducted with information gathered through systematic research methods to assess whether internal and other process controls currently in place would be sufficient to prevent corruption from occurring. A multi-method approach for data collection was used, consisting of 266 semi-structured interviews with key informants, primary document analysis, secondary document analysis, and case studies of MoMP contracts – When combined, these multiple sources assured MEC's data was triangulated. The MEC assessment team also looked for positive deviances – situations where corruption vulnerabilities have been controlled more effectively than elsewhere. The MVCA research began in October 2017 with the research data collection activities taking place through July 2018.

While this MVCA research is not focused on the most recent reforms of the Ministry, MEC has noted their effort to address long-standing governance problems, including for example, delegation of recruitment to the Independent Administrative and Reform Civil Service Commission, a Memorandum of Understanding between MoMP and other GoIRA authorities covering the use of materials for construction and infrastructure projects, and establishment of the MoMP Donor Coordination Unit.

Key Findings:

1. Lack of coordination among relevant Government authorities creates opportunities for collusion and avoiding obligations.
2. Lack of capacity in the ministry and in provinces in terms of: human, technical and financial resources leads to not fulfilling functions adequately.
3. Obscure beneficial ownership arrangement of companies leads to illegal payments channeled to Politically Exposed People (PEP) or illegal armed groups.
4. Illegal mining happen either directly by illegal armed groups or under their supervision.
5. Local officials of different Government agencies are involved in collecting payments from miners without authority or are involved in illegal mining activities.
6. Salaries of most of the MoMP staff can be less than a living wage, which creates incentive to misuse their position to supplement income.
7. Internal audits are not conducted to a sufficiently high standard, and the auditors can be influenced by benefits, gifts or other considerations by the audited agency.
8. Lack of policies and regulations for key issues and ambiguous legal provisions.
9. Unclear, lengthy and weak awards process can be subject to external interferences.
10. Due diligence is not adequately done on applicants integrity, political connections, past lawful conduct, capacity and financial resources.



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11. Inadequate monitoring of extractives operations allows contractors to avoid their legal responsibilities and not obey contract terms and conditions adequately.
12. Production rate, proven reserves and/or production volumes are not reliably monitored or audited and Royalties and Taxes are not paid correctly.

In addition, the MEC MVCA of the MoMP has 16 overarching and 185 detailed recommendations, addressing corruption vulnerabilities across 35 specific aspects of the Ministry and the extractives industry.

Main Overarching Recommendations:

1. Review MoMP's reform strategies to address the findings of this MVCA and to ensure that current strategies do not exacerbate existing vulnerabilities, but rather contribute to reducing and eliminating corruption.
2. Develop a practical and achievable approach to obtaining accurate and reliable information about the country's mineral reserves.
3. Develop a nuanced illegal mining strategy to address the different types of illegal mining (e.g., artisanal mining versus mining being done in insurgent-controlled territory).
4. Develop a plan and a strategy to operationalize the requirement to return five percent of mining revenue to affected Provinces, involving the Citizens' Charter National Priority Program, as set out in the Industry Roadmap (GoIRA 2017).
5. Conduct a pilot project to test how best to engage communities in monitoring extractives activities, without placing communities at risk from violence, based on existing networks such as Mining Watch Afghanistan (MWA) and the Environmental and Natural Resources Monitoring Network (ENRMN). Use this pilot as the basis to inform further development of a policy package on community engagement.
6. Develop and implement a recruitment procedure for the MoMP that ensures the primacy of relevant knowledge, skills and qualifications, based on a cooperative approach between the MoMP and the Independent Administrative Reform and Civil Service Commission (IARCSC).
7. Ensure that implementation of the system for Beneficial Ownership Transparency, which is currently being prepared by the Afghanistan Extractive Industry Transparency Initiative (AEITI), occurs as soon as possible and incorporates suitable due diligence processes.
8. All approaches by PEPs to officials of the MoMP for any reason and using any medium must be formally and publicly registered.
9. Implement the electronic information systems Mining Cadaster Administration System (MCAS) and the Non-Tax Revenue System (NTRS) as soon as possible, ensuring integration with Ministry of Finance (MoF) systems as well.
10. Develop effective coordination between the MoMP and other relevant agencies, particularly the National Environment Protection Authority (NEPA).
11. Establish a clear law enforcement policy and strategy that includes processes for review of inspectors' decisions based on the provisions of the Law.
12. Establish a Multi-Stakeholder Group (MSG) to monitor implementation of MoMP's actions in response to this MVCA.

The MEC will monitor implementation of all 185 recommendations and publish the status of each recommendation as well as report on the progress being made by the Ministry on a quarterly basis.