



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

Press Release

**27 MEC Recommendations Fully Implemented by the Ministry of Mines and Petroleum**

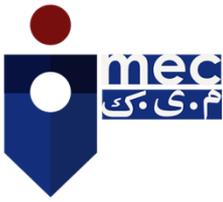
*Kabul, Afghanistan – August 25<sup>th</sup>, 2019:* The Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) released its First Quarterly Monitoring Report on the implementation of its anti-corruption recommendations for the Ministry of Mines and Petroleum (MoMP), issued in MEC's Ministry-wide Vulnerability to Corruption Assessment (MVCA) of the MoMP. The original MVCA was released in October 2018 and focused on anti-corruption efforts and proposed reforms in the MoMP and relevant stakeholders.

Observations of MEC's Active Follow-Up team showed improvements and MoMP's intention for implementation of the recommendations, as a specific committee had been established in MoMP to follow the implementation process of MEC's recommendations. MEC's follow up on the implementation of MoMP MVCA report's recommendations showed that 27 recommendations currently considered as fully implemented out of the total of 191 recommendations issued in the MVCA. 48 MEC recommendations have been either partially implemented or are classified as "work has started," while 116 recommendations are pending future action.

Taken together, MEC's findings show that while there has been notable progress during this initial period since the launch of the MVCA Report, further progress is still required in the implementation of the MEC recommendations.

In one of the significant findings of the MEC Active Follow-Up Team, the approval of the new Minerals Law (although is approved by presidential decree, and needs to be sent for parliament as well in the future) incorporated the following aspects related to MEC's original recommendations:

- Clear and enforceable anti-corruption clauses in contracts and in licensee obligations.
- Adequate recruitment procedures inside MoMP have been initiated.
- A Professional Development Action Plan for MoMP has been developed.
- In the new MoMP *Tashkiel* a dedicated new Directorate of Research and Policy Development has been established to perform all policy related work.
- The new Minerals Law addresses rights for both land users as well as land owners.
- The new Minerals Law defines 'Politically Exposed Persons,' including defining job levels for public officials.
- The new Minerals Law includes criteria to assess applicants for mineral rights, including a 'fit and proper person' test.
- Criteria have been articulated to decide about renewals and cancellations of mineral rights.
- MoMP will now have clear renewal and cancellation enforcement powers.
- Criteria for how royalties will be defined and calculated have been established.
- The new Minerals Law articulates the fundamental and minimum steps for accessing mineral rights, including who is responsible at each step.
- Within the new Minerals Law there are unambiguous and clear Duty Statements for the different roles in the system for accessing mineral rights.



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- There are now limits in the scope of contract negotiations by using licensing as the primary way for accessing mineral rights (and only using contracts for large scale industrial projects).
- Model contracts have been developed to limit the scope of contract negotiations by providing the key contract obligations for large scale industrial projects and establishing clear negotiating terms for those items that can be negotiated.
- MoMP ensures now that the financial guarantee required of successful applicants is sufficient to cover the environmental and other costs of closure.
- MoMP coordinated with Ministry of Finance to establish a Revenue Code for signature bonuses and also that bonuses are paid into the appropriate Treasury account.
- The new Minerals Law provides a clear legal basis for community consultation about and engagement with the mining industry.
- The new Minerals Law clearly defines the responsibilities for revenue collection of MoMP and Ministry of Finance and clearly specifies the roles of central and Provincial Offices for determining liabilities.
- MoMP ensures now that all legal instruments (Act, Regulations, Contracts and Policies) consistently require that all revenue is paid into the Treasury Single Account, not Ministry-controlled accounts, within one year of the release of the MVCA.

On the other side, recommendations partially implemented still require further actions:

- Regulation derived from the new Minerals Law are under an ongoing approval process.
- The implementation of procedures, protocols or systems detailed in the MEC recommendations are not 100% achieved. There are still critical steps that must be completed.
- Some documents recommended to be created and approved are still in the approval stage.
- In some cases, the recommendations are fulfilled with isolated efforts, indicating there is still the need to have an integrated implementation program.
- The implementation process started in many cases, but there is still a requirement for consultation with other stakeholders.

Finally, MEC recommendations with no or little progress include areas: poor relationship between national and subnational governments, MoMP reform strategy, incorrect production information, inappropriate inspector behavior, Tax collection, Cadastre, HR, and National Environmental Protection Agency.

The reasons are varied:

- There's an overlap about the institutional leadership in the implementation of policies, protocols, and operational documents.
- Because the workload needed to fulfill the complete set of MEC's recommendations, MoMP has prioritized them according to internal assessment.
- In some cases, MoMP didn't present evidence about the fulfillment of the recommendation, despite repeated requests.

Some baselines must still be defined between MoMP and MEC to establish a clear understanding of the scope of the recommendations.