

د ادارى فساد پر وړاندې د څارنې او ارزونې

خپلواکه او گډه کمیټه



کمیټه مستقل مشترک نظارت و ارزیابی

مبارزه با فساد اداری

**INDEPENDENT JOINT ANTI-CORRUPTION  
MONITORING AND EVALUATION COMMITTEE**

**5<sup>th</sup> SET OF RECOMMENDATIONS  
AND BENCHMARKS**

**Kabul, Afghanistan**

**March 17, 2013**

## Table of Abbreviations

ACBAR:	Agency Coordinating Body for Afghan Relief
ACCI:	Afghanistan Chamber of Commerce and Industries
ACSFo:	Afghanistan Civil Society Forum
AGO:	Attorney General's Office
ANCB:	Afghan NGO Coordination Bureau
ANDS:	Afghanistan National Development Strategy
ANSA:	Afghanistan National Standards Authority
ARAZI:	Afghanistan Land Authority
ARDS:	Afghanistan Reconstruction and Development Services
AWN:	Afghanistan Women's Network
CoST:	Construction Sector Transparency Initiative
CSO:	Civil Society Organization
CTAP:	Civilian Technical Assistance Programme
DBI:	Doing Business Index
FINTRACA:	Financial Transactions and Reports Analysis Centre of Afghanistan
GIRoA:	Government of the Islamic Republic of Afghanistan
HOO:	High Office of Oversight
IARCSC:	Independent Administrative Reform and Civil Service Commission
IDLG:	Independent Directorate of Local Governance
IWA:	Integrity Watch Afghanistan
IEC:	Independent Elections Commission
MEC:	Independent Joint Anti-Corruption Monitoring & Evaluation Committee
MoCI:	Ministry of Commerce and Industries
MoEc:	Ministry of the Economy
MoF:	Ministry of Finance
Mol:	Ministry of Interior
MoJ:	Ministry of Justice
MoM:	Ministry of Mines
MoPW:	Ministry of Public Works
MoRR:	Ministry of Refugees and Repatriation
MRRD:	Ministry of Rural Rehabilitation and Development
NGO:	Non-Governmental Organizations
NPP:	National Priority Program
PPU:	Procurement Policy Unit, Ministry of Finance
SAO:	Supreme Audit Office
UNCAC:	United Nations Convention against Corruption
UNHCR:	United Nations High Commissioner for Refugees
UNODC:	United Nations Office on Drugs and Crime

## Infrastructure

### ***5.1 Enhanced technical and managerial capacity in MoPW will strengthen the monitoring of infrastructure projects and will lower vulnerabilities to corruption***

Afghanistan's government institutions, particularly those involved in infrastructure projects such as MoPW, lack technical and managerial capacity to monitor projects, resulting in deficient work. According to MoPW, monitoring 25 km of road construction requires five engineers, but the Quality and Control Directorate of the Ministry only has 11 engineers responsible for monitoring 23 projects.

**Recommendation 5.1:** MoPW and international donor agencies involved in building infrastructure projects should develop and implement a technical and managerial capacity building program for the Ministry. This program must contain a strategy that will provide short-term expertise and contain a long term capacity building component.

**Benchmark 5.1:** Program developed within six months and implemented within 12 months.

**Expected Outcome 5.1:** Enhanced managerial and technical capacity of MoPW employees will increase oversight of projects and lead to higher-quality infrastructure projects.

### ***5.2 MoPW must be supported with required financial and technical resources to improve its contract management activities***

The construction of roads is an essential factor in a society's economic, social and cultural development, as well as a means for better transportation. MoPW has been tasked with contract management activities that include contract administration, quality control, corrective action to resolve onsite deficiencies, and performance evaluation of contractors. Therefore, besides having capable human resources, financial resources are also urgently needed to fulfill such responsibilities.

**Recommendation 5.2:** GIRoA should devote financial and technical assistance to ministries - particularly MoPW - to enhance contract management practices. This assistance should include the development of a contract management capacity building plan developed by the MoPW in cooperation with IARCSC.

**Benchmark 5.2:** Financial and technical assistance provided and contract management capacity building plan developed within three months.

**Expected Outcome 5.2:** Better contract management will reduce vulnerabilities to corruption.

### ***5.3 The establishment of construction materials testing laboratories will enhance efforts to detect fraud and corruption in infrastructure projects***

Better implementation of infrastructure projects requires proper monitoring and quality control through quality assurance tests conducted by certified laboratories. However, MoPW and its regional and provincial departments lack such laboratories, preventing them from properly monitoring projects and ensuring that work completed is of high quality.

**Recommendation 5.3:** MoPW should conduct a needs assessment for permanent and mobile quality control testing laboratories in all regional Directorates of Public Works and should establish these laboratories in accordance with the priorities identified by the assessment.

**Benchmark 5.3:** Needs assessment completed and prioritized quality control laboratories, including mobile testing labs, in place within one year.

**Expected Outcome 5.3:** The existence of quality control laboratories in the capital and provinces will assist in detecting and preventing fraud in infrastructure projects.

***5.4 Enhanced coordination of international donors' selection and implementation of infrastructure projects with Afghanistan's government organizations and among themselves will increase effectiveness of international aid***

Most development projects funded by international donors have been implemented directly by donors themselves. Similarly, the international donor agencies do not coordinate their project selection and implementation with the government of Afghanistan, preventing them from being adequately monitored and maintained.

**Recommendation 5.4:** Donor projects should be aligned with Afghan government priorities and donor agencies should coordinate their project selection and implementation with relevant Afghan government institutions and among themselves.

**Benchmark 5.4:** Selection and implementation of projects aligned and coordinated within six months.

**Expected Outcome 5.4:** Proper implementation, monitoring and maintenance of infrastructure projects through better coordination of projects between donors and Afghan government institutions.

***5.5 Disclosure of information on infrastructure projects to the public will increase transparency and accountability***

Standards currently exist for the publication of tenders in the laws of Afghanistan, but there is no legal requirement for the publication of entire contracts when signed. Although, Presidential Decree 45 (July 26, 2012) requires MoEc to publish all contracts signed in the last three years, there is no requirement to publish future contracts.

**Recommendation 5.5:** MoEc and the PPU should develop binding standards and procedures for all contracting parties (project owner, contractors, and donors) to publish future infrastructure contracts above \$100,000 in full on their official websites and to make non-sensitive information available to the public.

**Benchmark 5.5:** Standards and procedures developed within six months and all contracts exceeding \$100,000 published within three months of the signing of such contracts.

**Expected Outcome 5.5:** Binding standards and publication of infrastructure project contracts will increase transparency and accountability.

***5.6 Daily reporting from donor agencies, contractors, consultants and monitoring and oversight bodies is essential for preventing fraudulent activities and delayed and sub-standard work***

Currently no mechanism exists that binds contractors and monitoring bodies to report daily on project activities, which creates barriers to quality work. Daily reporting will ensure on-time and quality completion of assigned activities.

**Recommendation 5.6:** MoEc together with the PPU should develop and implement a communication policy containing provisions for the daily reporting of all activities from work-sites, including deficiencies and delays.

**Benchmark 5.6:** Communication policy developed and implemented within six months.

**Expected Outcome 5.6:** Proper communication between the project owner and contractor will enhance monitoring and limit opportunities for corruption.

***5.7 A corruption reporting mechanism will help project owners and donors to prevent wrongdoing early on***

Reporting of wrongdoing and corrupt practices enables the project owner and donors to become aware of deficiencies happening in the project execution at an early stage. Currently, no mechanism exists that provides an opportunity for individuals to report the wrongdoing of a contractor or other relevant party. Similarly, there is no protection for whistleblowers leading to wrongdoing not being reported.

**Recommendation 5.7:** All government institutions who deal with infrastructure projects, particularly MoPW, should establish a corruption-reporting mechanism, such as a “call center” with assistance from relevant donors. The reporting mechanism should help whistleblowers adequately and confidentially report wrongdoings and corrupt practices during the project execution phase. All relevant information (i.e. special phone numbers) regarding the mechanism should be shared with the public.

**Benchmark 5.7:** Corruption reporting mechanism established within six months.

**Expected Outcome 5.7:** Reporting will lead to increase detection of corruption and deter others from engaging in corruption activities.

***5.8 Community-based monitoring will increase transparency and accountability of projects***

Community-based monitoring of infrastructure projects is an international best practice used in various countries. It empowers individuals from local communities to actively monitor construction activities that are occurring around them and directly or indirectly affecting them. Some NGOs and CSOs have started to monitor such infrastructure projects, but the institutionalization of community-based monitoring is desirable.

**Recommendation 5.8:** MRRD in coordination with international donor agencies should develop and implement a mechanism that provides for community-based monitoring of all infrastructure projects. The mechanism should provide capacity building for community-based monitors and other relevant individuals.

**Benchmark 5.8:** Community based monitoring mechanism developed and implemented within six months.

**Expected Outcome 5.8:** Enhance capacity for local community to monitor and oversee infrastructure projects leading to detection and prevention of corruption.

***5.9 Including CSOs, the private sector, and national and international donors in monitoring publicly financed infrastructure projects will increase transparency***

The establishment of an institutionalized multi-stakeholder group - with representatives from CSOs, private sector, donors and government - on monitoring publicly financed infrastructure projects will increase transparency and accountability. Currently, most infrastructure projects are monitored by the funding agencies that lack adequate expertise and independence. A joint effort will strengthen the government and international community's accountability mechanisms. An effective approach is CoST, which works in eight countries and provides information to the public on infrastructure projects and together with the CSOs monitor the implementation of these projects.

**Recommendation 5.9:** The multi-stakeholder initiative CoST should be developed by the ANDS Secretariat with technical assistance from CoST's international secretariat. Participants in the initiative should include representatives from ANDS, MoPW, PPU, CSOs, ACCI, ANSA and Shafafyat.

**Benchmark 5.9:** CoST-Afghanistan initiative developed within six months.

**Expected Outcome 5.9:** Increased transparency in publicly financed infrastructure projects to promote transparency and accountability and monitor publicly financed infrastructure projects.

***5.10 Sharing technical information/data of infrastructure projects implemented by donors with the Afghan government will increase cooperation between them and will help government institutions properly conduct maintenance work***

Technical information/data (survey, design, and specification) related to highways and roads funded and implemented by international donors are not fully shared with MoPW and other relevant Afghan government institutions. MoPW does not have sufficient technical information/data about the highways and roads that are funded and implemented by donors, creating barriers for the proper maintenance by MoPW. The Ministry has recently drafted the Road Maintenance Strategy that requires all relevant technical information (data) for better maintenance to be shared.

**Recommendation 5.10:** In order to better implement the MoPW Road Maintenance Strategy:

- MoPW should prepare a list of all road construction projects constructed and financed by international donors that are missing technical information/data and request the missing information from relevant donor agencies.
- Donor agencies who constructed and funded highways and roads should share all technical documents/data (i.e. soil investigation reports, survey data, approved design and technical specifications) with MoPW.

**Benchmark 5.10:** List of projects missing technical data prepared within two months and technical documents/data shared within four months.

**Expected Outcome 5.10:** Better knowledge of road and highway technical information/data will lessen opportunities for corruption in the maintenance phase of these projects.

## Mining

***5.11 Conducting a comparative study of internationally experiences in the mining sector will prevent unsuccessful experiences and increase successful experiences of other countries in Afghanistan***

In some countries, the discovery of minerals has resulted in economic development, but in others it has led to conflict and missed opportunities. A comparative study of the experiences of these countries in the mining sector will help to identify best practices in the mining sector.

**Recommendation 5.11:** IWA – as the only Afghan CSO with extensive experience in mining – should undertake a mining study in cooperation with MoM. The study should compare the experiences of countries that have successfully regulated and benefited from the mining industry with those that have not to identify best practices that can be implemented in Afghanistan.

**Benchmark 5.11:** Comparative study completed within 6 months.

**Expected Outcome 5.11:** A comparative study of the mining sector will lay the foundation for future policy development in mining.

## Elections

***5.12 Preventing the recruitment of past IEC employees who have engaged in corruption will minimize fraud in the upcoming elections***

Reports from previous elections in Afghanistan indicate that fraudulent and other illicit activities have been committed by some former employees of the IEC and that the IEC has developed a list of individuals suspected of engaging in these activities. It is necessary for the IEC to

properly vet individuals seeking to work in the upcoming elections to reduce vulnerabilities to corruption.

**Recommendation 5.12:** The IEC should vet all job applicants for the 2014 and 2015 elections against the list of individuals who allegedly participated in illicit activities in past elections to ensure that they are not recruited again. The IEC should provide MEC with a report on their vetting activities.

**Benchmark 5.12:** The IEC reports to MEC within 2 months and every 3 months thereafter.

**Expected Outcome 5.12:** Increased transparency in IEC hiring process leading to reduced fraud in the elections.

***5.13 The IEC must strengthen its plans around voter registration to ensure that vulnerabilities to fraud are addressed as much as possible***

Voter lists are derived from a comprehensive civil registry in most mature democracies. However, the Afghan experience in registering voters has been plagued by a lack of reliable information, reports of voter cards being issued improperly, and reports of fake cards being developed outside the country. The voter registration process in Afghanistan also faces logistical challenges related to security. The challenges facing voter registration have led to reports that millions of potentially fraudulent voter cards have been issued in past elections.

**Recommendation 5.13:** The IEC should enhance its voter registration plan to register voters in insecure areas through the utilization of existing government infrastructure and public services, including clinics, mosques, and schools. This should be done with the support of security forces to protect these institutions and staff.

**Benchmark 5.13:** Voter registration plan enhanced within two months.

**Expected Outcome 5.13:** A comprehensive and reliable voter list reduces vulnerability to corruption in issuing voter cards.

## **Off-budget Aid**

***5.14 The publication of all past development projects will enhance transparency and accountability***

Since 2002, the international community has spent billions of dollars on development in Afghanistan. Statistics from GIRoA reveal that at least 80 percent of international aid has been spent by donor agencies and their implementing partners with little consultation with the Afghan government. Increased government and public awareness will enhance transparency and accountability leading to more effective development projects.

**Recommendation 5.14:** MoF should prepare and publish a list of all development projects implemented in Afghanistan since 2005 in cooperation with MoEc and other line ministries and



donor agencies. Any administrative or technical problems in compiling the list should be made public. MEC will selectively monitor and evaluate specific projects from the list.

**Benchmark 5.14:** The list prepared and published within six months.

**Expected Outcome 5.14:** Improved transparency, accountability and public awareness through an enhanced government role in monitoring of development projects.

***5.15 Public engagement in the budget process will help to ensure that budget allocations are not made on the basis of undue influence***

MoF is the key institution entrusted to prepare the annual budget in coordination with all state institutions. However, powerful actors have misused their authority to unduly influence the budgeting process in order to divert funds from legitimate purposes.

**Recommendation 5.15:** MoF and MoEc should ensure that the government's annual budget aligns with the needs of all provinces through the active participation of provincial development councils representing local government needs; the advisory functions of provincial councils representing the people; and the use of budgeting best practices.

**Benchmark 5.15:** Annual budget aligned with provincial needs in the 2014 budget cycle.

**Expected Outcome 5.15:** Public participation leads to increased transparency and accountability and the reduction of undue influence.

## **Justice and Impunity**

***5.16 Preparing a mechanism to ensure that evidence is properly maintained will lead to more effective prosecutions***

Effective investigation and prosecution requires that all evidence (i.e. fingerprints, biological material, and documents) is collected, maintained and stored in an appropriate manner. This ensures that evidence is protected from being diverted, destroyed, or modified. Information indicates that current operating procedures for the maintenance and protection of evidence in Afghanistan are not sufficient, particularly as they relate to sensitive information.

**Recommendation 5.16:** In order to better utilize evidence during investigation and prosecution, MoI, AGO and other relevant agencies should enact enhanced procedures and practices to properly document, control, dispose of and purge evidence and property.

**Benchmark 5.16:** Procedures and practices enhanced within 6 months.

**Expected Outcome 5.16:** All evidence and property will be better maintained and managed increasing the effectiveness of investigations and prosecutions; and evidence will be protected from being used inappropriately.

***5.17 Improved standards for transferring cases from one province to another will reduce impunity***

The transfer of cases from one province to another introduces vulnerabilities to corruption and is often used by influential individuals as a means for having their case heard by a more favorable judge. Although the transfer of cases is legal and is appropriate in most circumstances, there needs to be clear standards and procedures to avoid the abuse of these provisions, which results in impunity.

**Recommendation 5.17:** The Supreme Court is requested to improve standards and procedures for transferring criminal cases from one province to another.

**Benchmark 5.17:** Standards and procedures improved within six months.

**Expected Outcome 5.17:** The opportunity for corruption will be reduced and influential people will not remain immune from penalty.

***5.18 The assessment of the implementation of UNCAC requires the full participation from relevant ministries of the Afghan government and civil society***

UNCAC acts as the framework for anti-corruption activities in countries that have adopted the convention, which includes Afghanistan. HOO is currently reviewing the chapters of the convention related to criminalization and law enforcement. If done properly, the assessment can provide a road map for reform to strengthen the justice system's response to corruption in Afghanistan. However, key justice sector participants have shown little engagement in the self-assessment process, which threatens the utility of this exercise.

MEC is concerned that there is no requirement for public participation or for the Afghan government to publicize the results of the self-assessment, which has an impact on the ability of the public, civil society, and other monitoring agencies to hold the government accountable for the implementation of the required measures.

**Recommendation 5.18:** Relevant organizations, including the AGO, MoJ, MoI, the Supreme Court and CSOs should fully and effectively participate in the UNCAC self-assessment being led by HOO with support from the UNODC. HOO and the UNODC should provide information to MEC on the participation of the relevant agencies.

**Benchmark 5.18:** Information on the participation of the relevant agencies provided within 3 months.

**Expected Outcome 5.18:** Broad participation will ensure that the assessment is complete and accurate, thereby forming the strongest grounds for future action and technical assistance.

***5.19 The full assessment on the implementation of UNCAC should be made available to participants***

**Recommendation 5.19:** HOO should share the results of its self-assessment of the implementation of the UNCAC with all participant stakeholders and MEC.

**Benchmark 5.19:** The self-assessment report shared within one month of its completion.

**Expected Outcome 5.19:** The distribution of the self-assessment will provide information for civil society and policy makers to have an informed basis to monitor the government's progress in strengthening the justice system.

## Land Usurpation

More than 4 million jerib of land (800,000 hectares) have been usurped across Afghanistan over the past 30 years, including thousands of hectares in urban centers like Kabul. Land usurpation often involves powerful and high-ranking officials and there is a lack of political will to address it. Other factors that perpetuate the land usurpation problem have included administrative corruption, political interference, weak rule of law, and impunity.

The Afghan government has attempted to address the land usurpation issue in the National Strategy of Administrative Reform and Anti-Corruption. The government established the ARAZI within the framework of the Ministry of Agriculture to address land usurpation issues, identify usurpers and return usurped land back to its owners. Unfortunately, ARAZI has failed to inform the public about the findings of its assessments as was required.

### ***5.20 The legal framework for identifying and processing cases of land usurpation should be reviewed and enhanced***

Currently, there is no specific legislation that deals with issues related to land usurpation. Land usurpation is addressed through outdated general criminal code provisions, which have proven ineffective due to the unique nature of land usurpation offences. There is a need in Afghanistan for a strengthened legislative framework to more effectively deal with the problem.

**Recommendation 5.20:** ARAZI with the support of the AGO should review the legislative framework for detecting, investigating and prosecuting land usurpation offences and identify required amendments to enhance the effectiveness of dealing with land usurpers and returning property to its rightful owners.

**Benchmark 5.20:** Review conducted and required amendments identified within 3 months.

**Expected Outcome 5.20:** The identification of structural changes in the way that land usurpation cases are investigated and prosecuted.

### ***5.21 The specific criminalization of land usurpation will help to more effectively deal with land usurpers and deter others from future infractions***

**Recommendation 5.21:** GIRoA should ensure that the acquisition and possession of illegally acquired private or public land is explicitly criminalized through specific legislative provisions.

**Benchmark 5.21:** Legislative amendment submitted to Parliament within 6 months.

**Expected Outcome 5.21:** Prosecutors have a clear offense to pursue in relation to land usurpation, which will strengthen enforceability.

***5.22 All cases of land usurpation need to be effectively tracked to ensure that they are being investigated and prosecuted***

There has been conflicting information from agencies regarding the number of land usurpation cases referred to the Attorney General for prosecution. Currently, there is no mechanism for tracking cases that would allow for verification of cases referred to the AGO and their current status providing opportunities for corruption.

**Recommendation 5.22:** ARAZI, Mol, HOO, IDLG, and the National Directorate of Security should provide MEC with a list of all land usurpation cases referred to the AGO since January 1, 2010, including unique case numbers and the date that it was submitted. The AGO should submit to MEC a list of all cases received from these institutions as of January 1, 2010, including the same information, the current status and any reasons for delay.

**Benchmark 5.22:** Lists provided within six months and every four months thereafter.

**Expected Outcome 5.22:** Tracking land usurpation cases will strengthen transparency and accountability as cases progress through the system.

***5.23 Cases of land usurpation and their outcomes need to be publicized to ensure transparency and accountability and to act as a deterrent for other land usurpers***

The publication of judgments increases transparency and accountability for land usurpation cases, but this has not occurred in every land usurpation case to date.

**Recommendation 5.23:** The Supreme Court is requested to publish all its judgments related to land usurpation from January 1, 2010 onwards.

**Benchmark 5.23:** Land usurpation judgments are published within three months and onwards.

**Expected Outcome 5.23:** Transparency and accountability for concluding land usurpation cases is enhanced, as well as the monitoring of the outcomes to ensure that perpetrators are held accountable.

***5.24 The possible role of international actors in supporting land usurpers needs to be explored and understood so that effective interventions can be developed if necessary***

MEC has received information that a number of complaints have been registered in the area of international involvement in land usurpation. The role of international organizations and individuals has never been adequately explored.

**Recommendation 5.24:** ARAZI should collect information on illegally-acquired government and private land that is being used by – or with the support of – international organizations. This information should be shared with MEC.

**Benchmark 5.24:** Information collected and shared with MEC within six months.

**Expected Outcome 5.24:** The extent of international involvement in land usurpation will be understood thereby allowing informed policy development.

## Civil Society

### ***5.25 An expert commission consisting of national and international NGOs is best placed to evaluate NGOs against the NGO code of conduct***

In the last few years non-governmental organizations have been criticized by GIROA and people for being ineffective. Despite the fact that several provisions of the NGO Law address the issue of monitoring, current problems in the MoEc such as the lack of adequate and professional personnel for monitoring and evaluation has resulted in inadequate oversight. Since MoEc is lacking professional and expert personnel to conduct standard monitoring and evaluation of NGOs, another mechanism is required to review the effectiveness of NGOs.

**Recommendation 5.25:** The Directorate of NGOs in MoEc should establish an Expert Commission consisting of NGO coordinating bodies (namely ACBAR, ACSFo, ANCB, AWN and Counterpart International) to conduct a review of the structures, capacity, and effectiveness of all NGOs in line with the requirements of the code of conduct for NGOs. This review should be financially supported by the international community and should provide progress reports to MoEc, MEC, and the public.

**Benchmark 5.25:** Expert Commission established within three months and progress reports are provided every six months thereafter.

**Expected Outcome 5.25:** All the existing NGOs are monitored and evaluated.

### ***5.26 Key information about individual NGOs should be published to enhance accountability and oversight***

More than 2,000 national and international NGOs operate in Afghanistan under the category of non-governmental organizations. It is very important that all these NGOs are categorized to ensure that they operate within the area that they have been registered and are competent to do so, therefore avoiding the misappropriation of international funds.

**Recommendation 5.26:** MoEc should create a publicly available database of all NGOs in Afghanistan, which includes their name, address, basic activities, previous year's financial statements, annual budget, and composition and names of its executive board and executive director, as well as three major donors of each NGO.

**Benchmark 5.26:** Database created and made available to the public within one year.

**Expected Outcome 5.26:** NGOs' effectiveness is increased and systemic classification and overview of the NGOs is ensured.

## International Agencies

MEC has received information and evidence that identifies a number of concerns with the administration of financial aid related to UNHCR. Sources have indicated that some potentially fraudulent activities have occurred regarding the renting of facilities paid for by UNHCR on behalf of government institutions. According to the received evidence, these houses were never used for official purposes and some belong to high officials from the government.

In addition, MEC has received information that the MoRR has allegedly opened a second account through which it is receiving financial aid provided by UNHCR. This apparently contravenes the *Law on Financial Management and Public Expenses* as it is not released through the secondary revenues bank account or requested from the General Directorate of Budget of the MoF. It is uncertain what this money is being allocated for and how it is being spent.

Further, different sources indicate that acts of misappropriation have been committed by UNHCR through the double payment of salaries, ghost workers and other fraudulent human resources practices. The lack of transparent financial administration and reporting systems creates an environment where these practices are allowed to continue and projects are not properly implemented.

Finally, there is a lack of transparency and coordination in the development and implementation of projects between UNHCR and the MoRR, resulting in ineffective implementation and possible misuse of aid. A memorandum of understanding between the two organizations would enhance transparency, coordination, and reduce the potential for corruption.

### ***5.27 Forensic audit can identify corrupt practices within UNHCR***

**Recommendation 5.27:** UNHCR should conduct and publish the results of a forensic audit starting from January 1, 2010 and inform MEC of its findings, conclusions, and recommendations. The audit should capture the potential misuse of funds for facilities, secondary accounts, salary administration, and the construction of shelters.

**Benchmark 5.27:** MEC is informed of the results of the forensic audit within six months.

**Expected Outcome 5.27:** Transparency and accountability in the office of the UNHCR will be strengthened.

### ***5.28 Internal integrity and finance audit can identify corrupt practices within MoRR***

**Recommendation 5.28:** SAO – in cooperation with FINTRACA – should immediately conduct an internal integrity and finance audit of MoRR starting from January 1, 2010 and inform MEC of its findings, conclusions, and recommendations. The audit should capture the potential misuse of funds for facilities, secondary accounts, salary administration, and the construction of shelters.

**Benchmark 5.28:** MEC is informed of the results of the internal audit within two months.

**Expected Outcome 5.28:** Transparency and accountability in MoRR will be strengthened.

***5.29 Hidden or second accounts in ministries need to be identified and eliminated to prevent corruption and the misuse of funds***

**Recommendation 5.29:** SAO should evaluate other ministries in their regular audit process to ensure that there are no secondary accounts in other ministries.

**Benchmark 5.29:** Audits begin to include evaluation for secondary accounts within one month and a report is sent to MEC within eight months.

**Expected Outcome 5.29:** Transparency will be strengthened in the audited ministries.

***5.30 Vulnerabilities to corruption in UNHCR need to be better understood to ensure that measures are in place to prevent and detect corruption***

**Recommendation 5.30:** UNHCR should conduct a vulnerability to corruption assessment and provide MEC with a report in sufficient detail to allow MEC to evaluate the results. The vulnerability to corruption assessment should capture the potential misuse of funds for facilities, secondary accounts, and salary administration.

**Benchmark 5.30:** Vulnerability to corruption report completed and submitted to MEC within six months.

**Expected Outcome 5.30:** Vulnerabilities to corruption will be identified allowing informed measures to be developed and implemented.

***5.31 Enhanced cooperation between UNHCR and relevant institutions will enhance transparency in UNHCR funded projects***

**Recommendation 5.31:** UNHCR and MoRR should sign a memorandum of understanding detailing the prioritization, selection and implementation of the projects funded by UNHCR. UNHCR should provide MEC, MoF, and MoEc with a copy of the executed memorandum of understanding.

**Benchmark 5.31:** Memorandum of understanding signed and provided to MEC, MoF, and MoEc within two months.

**Expected Outcome 5.31:** Coordination and transparency in implementation of projects will be improved and strengthened.

## **CTAP**

Different sources indicate that acts of nepotism, fraud, and negligence of duty has been committed by CTAP personnel - including those embedded in different ministries and institutions - regarding their non-compliance with contractual obligations and their absence from their assigned positions. The lack of effective financial and performance audits creates an

environment where these practices are allowed to continue. It is also indicated that the performance of CTAP personnel has not been evaluated in a satisfactory manner and that the capacity and contribution of some is negligible.

***5.32 A Steering Committee with executive power and appropriate membership would enhance accountability of CTAP***

**Recommendation 5.32:** MoF should replace the CTAP Advisory Board by re-establishing the Steering Committee with executive powers and representation from the international community.

**Benchmark 5.32:** Steering Committee established within three months.

**Expected Outcome 5.32:** Transparency and accountability in CTAP will be strengthened.

***5.33 An audit is required to bring transparency to CTAP***

**Recommendation 5.33:** SAO – in cooperation with the IARCSC – should conduct a financial and performance audit of CTAP personnel, including those embedded in different ministries and institutions and inform MEC of the results.

**Benchmark 5.33:** Audit completed and MEC informed within three months.

**Expected Outcome 5.33:** Increase transparency and accountability.

## **Private Sector**

***5.34 MoCI's action plan to respond to the DBI must take into account anti-corruption measures to avoid increasing vulnerabilities to corruption***

The World Bank's DBI assesses the ease of doing business in 185 countries worldwide through the evaluation of regulatory procedures related to starting a business, construction permits, acquiring electricity, registration of property, getting credit, protecting investors, paying taxes, cross-border trade, contract enforcement, and insolvency.

The 2012 DBI ranked Afghanistan 168 out of 185 countries, identifying many areas that the regulatory environment could be improved to enhance business activity in the country. In response, MoCI has developed a draft action plan to address many of the deficiencies identified in the index. However, the DBI methodology does not explicitly consider corruption in its assessment. Although some of the initiatives proposed in MoCI's action plan include measures to reduce corruption, there are some that actually increase vulnerabilities to corruption.

**Recommendation 5.34:** MoCI should update and implement its DBI action plan, in cooperation with relevant stakeholders, to ensure that all measures are consistent with anti-corruption principles and do not introduce vulnerabilities to corruption.

**Benchmark 5.34:** Action plan updated within two months.



***5.35 The development of a unified blacklist would enhance the effectiveness of efforts to identify and avoid contracting with corrupt contractors***

Blacklists exist to ensure that companies or organizations that have engaged in undesirable practices (i.e. corruption, fraud, and low-quality project implementation) do not receive contracts in the future. Currently, GIRA and other donor countries maintain their own blacklists, but do not effectively share these lists to ensure that blacklisted contractors are not awarded projects by other funders. Reports also indicate that some donors are not effectively using their own blacklists in awarding contracts. Unification and publication of blacklists would ensure that they are used more effectively as a tool to detect and prevent corruption and other undesirable practices in contracting.

**Recommendation 5.35:** MoEc should develop a unified blacklist of contractors in cooperation with key donors involved in anti-corruption initiatives and other relevant national and international entities. The unified blacklist should be regularly updated and published on the websites of all participating organizations and in national and local newspapers.

**Benchmark 5.35:** Unified blacklist developed and published within four months with updates published every month thereafter.

**Expected Outcome 5.35:** Increased effectiveness in using blacklists to avoid awarding contracts to corrupt contractors.

## **ARDS**

***5.36 An audit will clarify allegations of questionable practices within ARDS***

ARDS was established to support government entities in their procurement activities and to carry out their procurement processes beyond a fixed threshold. ARDS also implements development and operational projects funded by international donors and the MoF. MEC has received information indicating that ARDS has engaged in questionable procurement practices. A financial and performance audit would assist in affirming or refuting these claims and would assist in identifying vulnerabilities to corruption within ARDS.

**Recommendation 5.36:** SAO – with assistance from the World Bank – should conduct a financial and performance audit of ARDS from January 1, 2010 – December 31, 2012 and publish the results in national print and electronic media.

**Benchmark 5.36:** Audit completed and results published within four months.

**Expected Outcome 5.36:** Enhanced transparency and accountability of ARDS.