



**Independent Joint Anti-Corruption
Monitoring and Evaluation Committee**

NEWS RELEASE

**AISA's Ambiguous Legal Status and Lack of Accountability Lead to
Mismanagement of Government Resources**

KABUL, Afghanistan, January 11, 2014 – AISA's ambiguous legal status and lack of oversight has put Government funds and property into jeopardy of being misused. After an extensive review, MEC issued recommendations today calling for an audit of AISA and a review of the transfer of industrial parks to that organization. The recommendations also address the need to reformulate the legal and regulatory framework governing AISA to ensure that appropriate oversight is exercised in the future.

AISA was created by the High Council on Investment to support the development of the private sector in Afghanistan. However, MEC's analysis reveals that AISA asserts its independence as a limited liability corporation or alternatively as a Government entity whenever it is more advantageous. AISA collects fees for public services, but the income is used directly by AISA, rather than being sent to the Central Revenue Account of the Government. Since 2006, AISA has never had to account to the Government for its income and expenses, as other Government entities do, and has not been audited by the Supreme Audit Office.

The lack of accountability is of greater concern with the transfer of responsibility for the development of thousands of jeribs of industrial park land. MEC is calling on the Government to review the legitimacy of the transfer of responsibility to ensure that it conforms to the Constitution and laws of Afghanistan.

Mr. Drago Kos, MEC's current Chair, stated:

MEC has great concerns that AISA's ambiguous legal status and lack of transparency is allowing it to use public resources inappropriately, particularly in relation to the use of collected fees and the administration of industrial parks. MEC, as the independent voice on monitoring anti-corruption efforts, has developed recommendations to review past practices and to create the framework to ensure that appropriate oversight is in place in the future.

MEC's recommendations include:

- A financial and performance audit of AISA to account for past revenues and expenditures.
- The reorganization of AISA's legal structure.
- Review of the legitimacy of the transfer of industrial park responsibilities from the Ministry of Commerce and Industries to AISA.
- Transparency at the High Commission on Investment through publication of their decisions.

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