



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

SUMMARY OF THE VCA ON PENSION ADMINISTRATION

1. Background

The process of paying pensions to retirees in the GDPT of MoLSAMD is one of the most important and crowded processes in the field of public service. This organization has over 300 daily visitors. The old administrative system increased delays in paying pensions, which often takes weeks or months. A new electronic pension system is being implemented under the Reforming the Pension Process and Network of Social Security Project, which has been operating since 2009 and is funded by the World Bank. Nevertheless, there are widespread complaints and concerns due to the complicated administrative bureaucracy of the process. Thus, MEC conducted research and an assessment into the vulnerabilities to administrative corruption of the process. In an attempt to achieve this aim and confirm the findings, the VCA team used different methods of research such as interviews, roundtables, questionnaires and meetings.

2. VCA Findings

The findings show that the newly established electronic system is partially implemented and covers a small number of newly-retired employees. In addition, some beneficiaries are beginning to receive their pensions through banks. This assessment indicates, however, that numerous deficiencies and gaps within legislative documents, the organizational structure, actual practices and the information and document management system are to blame for the various forms of administrative corruption found in the process. Bribery, service delay, the absence of staff, forgeries, and the presence of forged pension cards are indicators of corruption identified in the process through this assessment. Furthermore, the VCA team also identified weak coordination and cooperation among the core and contract employees of the process as a problem area.

3. Vulnerabilities to Corruption

Vulnerabilities to corruption in the process identified through the assessment include: deficiencies in the legal framework of the process; the slow progress in the implementation of the new electronic system; opportunities for bribery; the existence of fake pension documents; the lack of sufficient human resources; the long procurement process in the World-Bank funded project; the lack of coordination between related organizations to enforce the relevant laws and regulations; the unfair influence of high-ranking government officials; the existence of two processing and filling systems (classic and modern); and the lack of beneficiary information.

4. Recommendations

Given the identified vulnerabilities, the recommendations include: amending legislative documents; designing a monitoring mechanism for enforcing the law; adjusting the organizational structure; recruiting sufficient staff; creating a mechanism to prevent unfair interference in the process; accelerating the conversion process to the new electronic



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system; establishing a One-Stop Shop for the process; and convincing the related organizations to regularly enforce the legislative documents.

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