TO THE PEOPLE OF AFGHANISTAN

October 2017
Quarterly Report
The Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) independantly monitors and evaluates national and international efforts to fight corruption in Afghanistan. It reports to the public, Parliament, President, and International community.
## INSIDE THIS REPORT

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Letter from MEC’s Chair</td>
<td>5</td>
</tr>
<tr>
<td>MEC’s Recent Work</td>
<td>7</td>
</tr>
<tr>
<td>Corruption in Education</td>
<td>7</td>
</tr>
<tr>
<td>CARD-F Inquiry</td>
<td>10</td>
</tr>
<tr>
<td>Ministries’ Anti-Corruption Plans Reviews</td>
<td>13</td>
</tr>
<tr>
<td>The Committee’s 25th Mission</td>
<td>14</td>
</tr>
<tr>
<td>MEC’s Other Engagements</td>
<td>15</td>
</tr>
<tr>
<td>Corruption in Afghanistan: MEC’s Assessment of the News this Quarter</td>
<td>16</td>
</tr>
<tr>
<td>Introduction of MEC’s New Committee Member</td>
<td>18</td>
</tr>
</tbody>
</table>
To attain SUCCESS in the FIGHT AGAINST CORRUPTION, parallel to tangible reforms and prosecutorial EFFORTS, we need to seriously FOCUS on the strengthening of integrity as a core SOCIAL VALUE.

Helena Malikyar, Committee Chair
Dear Compatriots and International Friends,

Corruption continues to rage in Afghanistan, even though we have recently witnessed a wave of fundamental reforms in government structures, procedures and regulations.

Analysts and political leaders look at the prospect of the fight against corruption in the country with cynicism and gloom. However, ordinary citizens see a ray of hope and are optimistic about the news of reforms at the Attorney General Office, the Anti-Corruption Justice Center’s trials, the National Procurement Authority’s work and the adoption of the first ever National Strategy for Combating Corruption.

These differences of opinion may not necessarily stem from a deeper understanding of governance by the latter group and an unsophisticated outlook of the former; it is rather related to differences in goals and aspirations of the two.

The Independent Joint Anti-Corruption Monitoring and Evaluation Committee of Afghanistan (MEC), like any other institution or individual committed to tackling the problem of corruption in the country, optimistically welcomes every positive step, and strives relentlessly to institutionalize the fight against corruption. It is our duty to professionally and objectively monitor and evaluate anti-corruption efforts of the Afghan government and the international community and provide recommendations for reform. Pessimism has no place in this struggle.

But, while the Afghan government, with the support of the international community, has launched initiatives to
implement its anti-corruption commitments, it appears that the focus remains merely on tangible aspects. Yet, a fundamental component of combatting corruption—albeit intangible—is engraving of ethical principles and fostering of a culture of integrity.

The Afghans of my generation, who were raised in the pre-war Afghanistan, grew up with the Islamic and traditional values of integrity and ethics. Corruption did exist in the country, but it was not widespread and certainly was not an accepted phenomenon. Among the countless honest and virtuous citizens, the odd corrupt person was isolated and frowned upon. Messages of honesty, righteousness, trustworthiness, work ethics and commitment to the society permeated through textbooks, Friday sermons, poems and parents’ advice.

Today, after four decades of war and devastation, corruption has become the norm and integrity an exception. Insecurity, uncertainty, poverty, forced migrations, disruption of systematic education and many other miseries have contributed to the decline of moral values. Family, school and mosque no longer prioritize teaching integrity as a core value.

Vicissitude of values and moral crisis is not unique to Afghanistan – most post-conflict countries experience it. However, no other nation (except perhaps the Palestinians) has suffered such prolonged and multidimensional calamities. Therefore, addressing this issue too, requires comprehensive and collaborative efforts.

Government’s reforms in structures, procedures and laws, the international community’s commitment and civil society’s advocacy are all valuable parts of the fight against corruption. But, unless the government takes the moral leadership of this war-ravaged society and works together with families, schools, mosques and the media towards development and implementation of a national strategy for restoration of integrity and ethical values, success in the fight against corruption will be difficult to attain.

In the hope of a better future,

Helena Malikyar
MEC Committee Chair
On October 26, MEC released a new analysis of the Vulnerability to Corruption of the Afghan Ministry of Education. This report identifies the different areas and sectors in the Ministry which are vulnerable to corruption. Importantly, MEC makes 66 recommendations for improving different areas and bringing much needed reform.

This analysis was requested by His Excellency Dr. Asadullah Hanif Balkhi, the Minister of Education. Despite being aware that the results would be highly critical, he and his staff were co-operative and actively engaged. Both His Excellency and MEC believe that openness and honesty regarding the problems of corruption in education are essential if there are to be better results for students and for the country.

This large study was the first-ever comprehensive evaluation of corruption vulnerabilities across the entire Ministry. MEC carried out 542 interviews with five groups of people: Ministry officials (109), Provincial Education officials (126), Training Colleges (76), Teachers (93), Parents and students (125), Development Partners and other (22), and MEC conducted 160 Focus Group Discussions. The study took place in Kabul and in the nine provinces of Badakhshan, Balkh, Faryab, Ghazni, Herat, Khost, Bamyan, Pansjhir and Nangarhar, and in 138 schools.

Main Findings

MEC reviewed 36 different types of education corruption. Taken together, they constitute a corruption of the very ideal of education.
in Afghanistan. This deep problem has been the status quo for at least the past 10-15 years, and is not improving.

1. Jobs market. Because the education Ministry is so large, with 262,000 employees (68 percent of total civilian staff of the Afghan government), it is the prime jobs market for corrupt influence.

2. Teacher appointments are largely corrupted. So many teachers and newly qualified teachers are really keen to do a good job. However, across the country, teachers are appointed on the basis of influence, nepotism and bribery, not on the basis of merit. The very high levels of teacher unemployment – some 75 percent of Teacher Training College Graduates are unable to find work – is likely due in large part to this corruption. There are widespread related problems, such as a corruption of the testing procedure, payments required to get the teaching position, corrupted recruitment procedures, teachers paying to stay on beyond retirement age, and gender bias.

MEC concludes that the issue of corruption in teacher appointments is the most dangerous topic that threatens the education of students.

3. Extensive corruption in textbooks, especially in distribution. Students all across the country have to buy their own textbooks, which are meant to be free.

4. The Ministry is so large that it is almost unmanageable. Therefore corruption flourishes and cannot be controlled.

5. The school quality inspection is ineffective and not independent.

6. Salaries continue to be paid in cash across most provinces. This is a high risk of corruption, and Ministry progress on this topic is too slow.

7. Procurement procedures continue to be vulnerable to corruption. This causes most projects to lag behind, and some projects have been left incomplete for years. Better external verification on school construction, including by donors, is required.

8. The EMIS data for the schools visited was found to be 23 percent higher than the number of students actually attending in the small sample of schools (88) for which MEC gained actual data. This data sample is too small for any general conclusions. However, given that MEC did not analyze the most insecure provinces, where the attendance is likely to be still lower than enrolment, this finding therefore needs urgent attention by those reviewing EMIS data quality.

9. The adult literacy program is heavily corrupted.

10. Corruption problems also happen as a consequence of the school curriculum being too large. This means that it is beyond the competence of many teachers and not realistic to teach so much to students in the time available. Because of this, they have to resort to dishonest methods to help the students get through the exams.

Recommendations

- Increase local responsibility for the selection of teachers, so that school communities have more responsibility for choosing teachers
- Establish an independent oversight body for educational quality
- Establish an independent oversight body for teacher appointments
• Reform the Ministry by reducing its size and scope, so as to enable tighter management
• Reducing the overall size of the curriculum
• Greater enforcement and referral of corrupt cases to AGO

MEC has discussed the findings with Ministry of Education. They were professional and helpful, and have commenced their own anti-corruption action plan.

MEC will now actively monitor the implementation of these recommendations and the progress of the Ministry over the next two years. MEC will publish these findings every quarter.

“The Ministry is so large that it is almost unmanageable. Therefore corruption flourishes and cannot be controlled.”
MEC released the results of its inquiry into concerns about the operation of the Comprehensive Agriculture and Rural Development Facility (CARD-F) Program. This inquiry was focused purely on concerns about poor practices and possible corruption. It did not examine the benefits of the program for Afghanistan’s farmers, though the CARD-F program may be having impressive achievements in establishing agricultural enterprises and employment opportunities for Afghan farmers.

**Major Findings**

1. **There has been nepotism and cronyism in the CARD-F Management Unit.** For example, drivers, office cleaners and guards who were originally from the province of the former Executive Director were employed to work in Herat, Kabul and Helmand Provinces. Exporting junior staff from the provinces of Management Unit leadership to jobs in other provinces is nepotism.

2. **There have been irregularities in the awarding of grants and procurement contracts.** These irregularities included the use of contracting companies that were debarred by the Afghan National Procurement Authority, accepting informal proposals, accepting bidding documents beyond the closing date, and accepting different and contradicting ownership documents.

3. **Funds in Phase I went primarily to international contractors.** Only 33 percent of Phase I funds reached the end users, instead of the planned 60 percent, with most of the remaining funds going to the international contractors. However positive may be the impact of the remaining 33 percent for Afghan farmers, and the benefits of the technical assistance used to build up the program Management Unit, practices such as this reinforces a belief held by many Afghans that donor money is largely for the benefit of the donors and their contractors. MEC has not analyzed whether this issue also exists in Phase II.
The following charts show the composition of total project budget and expenditures for Phase I.

4. There have been conflicts of interest for the international contractor in Phase I. In Phase I, the contractor was simultaneously managing the funds of CARD-F, hiring the CARD-F local staff and providing Technical Assistance. In this triple role, the contractor had wide discretion in determining the need and quantity of technical assistance, at least during Phase I. Therefore, it had an incentive to maximize its benefits from the arrangement.

5. The donors’ externally-commissioned forensic audit lacks credibility. Donors contracted an international audit firm to conduct a ‘major forensic audit’ of 29 allegations that they had received. Donors informed MEC that the results of this external audit were largely clean and, therefore, any MEC inquiry would have little value, being a duplication. MEC was not permitted to see this audit report, for confidentiality reasons, though assurances were given that MEC could see parts of it. MEC was only informed at the end of the
inquiry that all the allegations were from a single whistleblower.

MEC’s inquiry was initiated by allegations from five separate whistleblowers. All of these allegations were followed up by MEC. Plus, MEC examined significant information provided by others in CARD-F. MEC concluded that these whistleblower allegations were largely justified. At least two of the whistleblowers were fired, and others felt they had to leave.

6. The governance arrangements are complex and were poorly monitored in Phase I. Because the main international contractor does not have a legal base in Afghanistan and cannot pay salaries or sign contracts, a complicated – and therefore expensive – structure was put in place for the functioning of the Program.

7. There is possible illegality in employee contracting. MEC considers that the structure established by the contractor for obtaining work permits may be illegal, as the substance of the work being done is different from the legal application. The donors have informed MEC that they believe that these arrangements are legal, so this question needs further clarification.

8. Donors oppose examination of their own practices. MEC had hoped that donors would respond positively to an independent examination of possible corruption concerns in a major donor-funded program. However, MEC’s inquiry was opposed by donors until a late stage. The existence of the donors ‘major forensic audit’ was cited by donors as a key reason why MEC should not be concerned. Yet, MEC had independent whistleblower information, and the donor audit appears to have been less comprehensive than MEC was given to believe. The right response would surely have been to welcome such scrutiny, as has been the case in recent MEC analyses of the both the Ministries of Public Health and Education.

**Recommendations**

MEC recommends that donors examine how the CARD-F Program can build a culture of transparency and accountability in its projects and programs, and can genuinely welcome and protect whistleblowers. To this end, it is also recommended that donors become more open to discussion of potential weaknesses. MEC also expects that donors will want to commission an independent external review on the totality of Phase II integrity.

“**MEC concluded that the whistleblower allegations about CARD-F Program were largely justified. At least two of the whistleblowers were fired, and others felt they had to leave.”**
Starting in 2016, MEC began reviewing anti-corruption plans of revenue-generating ministries to assess the quality of the plans, whether they adequately address all aspects of vulnerability to corruption based on the functions of the institutions, as well as monitor what progress had been made by the relevant ministry in implementing its plan. MEC has now expanded the scope to eventually look at all Afghan ministry plans.

An across-the-board MEC observation thus far is that almost no ministry has given serious time and attention to its anti-corruption plan. The reviewed plans either did not include the key areas, or included insignificant areas. Many contained goals that had already been achieved prior to the time of drafting the plan. In addition, MEC has found that ministries show little to no interest in achieving the goals they themselves have set.

From February 2017 to date, MEC has reviewed the Anticorruption Plans of the Ministry of Communication, Information and Technology; Ministry of Finance; Ministry of Commerce and Industry; Ministry of Refugees and Repatriation; Ministry of Transport.

“An across-the-board MEC observation thus far is that almost no ministry has given serious time and attention to its anti-corruption plan.”
During the past quarter, the MEC Committee continued to engage with a number of Afghan and international stakeholders to determine the current status of anti-corruption efforts and to share views about the way forward.

During its 25th Mission in Kabul, the Committee had the opportunity to meet with H.E. President Ashraf Ghani and discuss the most problematic and critical corruption issues facing Afghanistan. In a meeting with H.E Chief Executive Abdullah Abdullah, the Committee had a lengthy and fruitful discussion about the findings of MEC’s Ministry of Education Ministry-wide Vulnerability to Corruption Assessment (MVCA).

The Committee then participated in the High Council of Rule of Law and Anti-Corruption meeting where MEC’s Ministry of Education MVCA was presented. After the findings and recommendations of the report were discussed in details, President Ghani and CEO Abdullah emphasized the Government’s cooperation in implementing MEC’s recommendations.

To discuss current and future MEC projects, the Committee had individual meetings with the Ministers of Agriculture, Communications, Education, Interior, Justice, Transport, and the Attorney General.

Committee members also had useful exchanges with the international community. They held individual meetings with a number of ambassadors, and had the opportunity to present the findings of the Ministry of Education MVCA to EU Heads of Missions.

Another important aspect of the Committee’s work is to reach out to senior government officials, civil society activists, and other key stakeholders in the fight against corruption. To this end, MEC held several significant forums in October.

For the fifth time, a High-Level Forum brought together a diverse group of senior-level individuals to share perspectives and experiences on anti-corruption initiatives in Afghanistan. MEC also hosted another forum in which, for the first time, senior women officials were brought together to discuss the specific role of women in fighting corruption. An additional session was held with business owners to understand the business community’s daily corruption challenges.

To foster better communication and cooperation among the Afghan state’s major anti-corruption institutions, MEC also organized a sharing session during which officials were able to have open and fruitful discussions.

And finally, in connection with MEC’s follow-up of the MoE report recommendations, Country Directors of major education NGOs were briefed on the findings of the report and the way forward. Their cooperation was sought in implementing the recommendations of the report.
MEC’s Other Engagements

As part of MEC’s outreach program, it had useful engagements with students, civil society organizations and the media. A university session was organized at the Faculty of Law and Political Science of Kabul University where MEC’s Special Report of the Attorney General’s Office was the main topic of discussion. In addition, MEC presented a case study of its findings and progress of the Ministry of Public Health Special Report at the Anti-Corruption Summer School organized by the American University of Afghanistan in Kabul. MEC also visited around 30 civil society members of southern provinces in Kandahar and discussed what role they can play in combating corruption in their provinces.

In addition, MEC submitted the third quarterly financial report to its lead donors. MEC also facilitated the DFID annual review in this quarter.

In an effort to achieve gender balance at MEC Secretariat, the Human Resources Department has recruited a number of qualified women employees with provision of some positive discrimination such as favoring female candidates for short-term consultancy positions as well as for long-term positions, and giving female candidates five additional marks as a positive discrimination in comparison to male candidates during the scoring process. As a result, the number of MEC’s female employees has now increased to 12 women (23% of the total employees) working in different departments with excellent performances, contributing to MEC’s successes.

On October 1, MEC’s Technical Director conducted one-day training for MEC Secretariat staff on “Corruption: Concepts, Types and Related Concepts” where he explained various concepts and theories of corruption.
The biggest positive news of this quarter was the adoption of the much anticipated Afghanistan National Strategy for Combating Corruption. The final document was adopted on September 29, 2017, after a consultative process and inclusion of suggestions by a number of government and non-government stakeholders, including MEC. We were delighted to see that MEC’s proposals for additional ministries to be included on the list of the government institution on which the Strategy focuses and expansion of the list of government officials who must register their assets became part of the final document.

The Strategy primarily focuses on the security sector, civil service recruitment, prosecutions and tracing the money trail. While it may not appear as comprehensive as some would wish, MEC hopes that the National Strategy’s focus on particular—and most problematic—sectors has a better potential for success and visible impact.

However, there is concern that perhaps the Strategy places more burden on the Independent Administrative Reform and Civil Service Commission (IARCSC) than the institution could or should shoulder. For years the Commission itself has been marred with accusations of corruption and low capacity and needs time to reform itself. The reformation and capacity upgrading of the IARCSC will undoubtedly be observed closely by the national and international anti-corruption watchdogs.

To its credit, the IARCSC did announce in August that it has launched an assessment of procurement units of ministries and other government entities, and has begun their restructuring on a priority basis in order to make them compatible with new standards. There were a number of other areas in which positive strides were made towards combatting corruption in the last few months.

The Anti-Corruption Justice Center (ACJC) has continued combating corruption in various government institutions. From the former CEO of Pashtnay Bank, to the former provincial police chief of Helmand, two MoD generals, a former Pul-I Charkhi Prison commander, two army colonels and many other officials were prosecuted and tried on charges of embezzlement, abuse of authority, violations of the law, negligence of obligations and deception.

Although efficiency of prosecutors in building sound cases and submitting complete dossiers has reportedly improved and the number and quality of trials have seen a steady increase, it seems that technical hurdles and weak politics continue to prevent the ACJC from moving on to the next step of undertaking larger and more politically sensitive cases. Still, since its inception, the ACJC courts have tried more than a thousand anti-corruption cases, nearly 470 persons were sentenced to prison and more than USD 14 million in repayments have been assessed, according to the Attorney General’s Office.

Moreover, the signing in August of a number of joint agreements for cooperation, case tracking and information-sharing between the Attorney General’s Office and the Ministries of Defense and Interior was an important positive step and one of MEC’s recommendations in our July Special Report.
On August 16, the Ministry of Public Health (MoPH) launched its anti-corruption strategy. The strategy closely reflects MEC’s recommendations as detailed in our 2016 Special Report on Vulnerabilities to Corruption in MoPH. On the other hand, the latest MEC’s quarterly Follow-up Report of MoPH’s progress on recommendations of MEC Report of 2016 highlighted a slowing down of the pace of reforms in some areas at MoPH.

Also in August, the Ministry of Finance launched an online tax payment system for large taxpayers to curb corruption and shorten processing time by enabling taxpayers to avoid referring to the revenue section. Simplifying and digitizing processes to reduce corruption is also underway at Kabul Municipality.

Corruption and internal cries of foul play at the Parliament and at the Independent Elections Commission have offered much drama to the nation during the last weeks of this quarter. While criticism and call for action against corrupt colleagues coming from within these institutions are positive signs, the manner in which these accusations will be treated is a crucial test.

Overall, though the quarter had a slow start in anti-corruption efforts, August and September saw a number of positive foundational activities and the approval of the National Strategy for Combatting Corruption has provided a clear roadmap.

“The biggest positive news of this quarter was the adoption of the much anticipated Afghanistan National Strategy for Combating Corruption.”
Mr. Barry Salaam has been appointed as a national Committee MEC Member in October 2017 based on Presidential Decree No 134. A journalist, human rights activist and entrepreneur, Mr. Salaam was born in Badakhshan in 1978. He received his BA in Persian literature from Kabul University and has earned his master degree in International Relations from the Fletcher School, Tufts University. He has been awarded several prestigious communications and leadership fellowships in the US, UK, and Germany.

Mr. Salaam has 19 years of experience in communications, media management, and civil society activism. He served as a News Attaché to the International Committee of the Red Cross in Kabul from 1996 to 2001. In 2001-2002, he was communications officer at the Danish Committee for Aid to Afghan Refugees (DACAAR). His media experience includes founding of Good Morning Afghanistan Radio in 2002, the country’s first public service broadcasting service. NAW MEDIA Production Company and establishment of 7 TV network in 2010.

For the last 3 years, Mr. Salaam has been the Director of the Organization of Afghan Alumni (OAA), a network of over 500 alumni, including graduates of Fulbright Master’s Degree Program and participants of other cultural exchange programs sponsored by the United States government.

As a well-known civil society activist, Mr. Salaam has participated in more than 50 international conferences promoting free media, women’s rights, development and security in Afghanistan and was elected by his peers to be the civil society speaker both at the 2014 London Conference on Afghanistan and at the Bonn Conference in 2011. He has organized and led massive civil society campaigns including the Farkhunda Rally and the demonstrations in defense of victims of Paghman sexual assault. Over the last decade, Barry Salaam has contributed to founding and strengthening numerous major civil society organizations and networks including the 120-member Civil Society & Human Rights Network (CSHRN), Afghan National Journalists Union (ANJU), Journalists Safety Committee, and Civil Society Joint Working Group.