



Afghanistan

Improving Transparency, Accountability and Counter-Corruption (TACC) in the ANSF, MoD and MoI

An external perspective as at August 2013

October 2nd, 2013

Executive Summary

Transparency International UK's Defence and Security Programme visited Kabul in August 2013, with the objective of understanding the current status of Transparency, Accountability and Counter-Corruption (TACC) measures in the MoD, MoI and the ANSF, and of offering ways that these could be strengthened. The TI team met with the MOD, MOI and held some 40 interviews, covering the Afghan Government (MoD, MoI), HOOAC, ISAF, NGOs, Ambassadors and Development Agencies during the week-long visit.

The MoD is making good progress in strengthening TACC measures in the MoD and ANA, propelled by strong political commitment over several years at Ministerial level. The main MoD weakness is that almost no one outside of MoD is aware of the progress on TACC – not diplomats, not the Afghan public, not the international public - all of whom continue to view MoD as corrupt and run by warlords. A priority is thus for MoD to have a stronger external face and external engagement.

The MoI appears to be in an opposite situation, with a very difficult political environment and no common direction on TACC. There have been significant cuts to the Inspector General's staff, and this has stalled after what was good progress six months ago.

We see three development TACC tasks ahead for the MOD and MOI:

- Working with NATO and the International Community to scope strong TACC measures, which can reassure donors that funds flowing into Security Ministries and ANSF from the Chicago process will be properly accounted for, used effectively, and that corruption is under control.
- To ensure that the International Mission post 2014 ('Resolute Support Mission' or RSM) has a strong capability to oversee all the TACC measures within MoD and MoI that are part of the Chicago process. To our minds, **50% of the importance of the RSM will be in its capacity to give confidence to the IC that donor money is being safely utilized.**
- To develop the dialogue with civil society to the point where there are additional civil society organisations monitoring the ANSF in place by the end of 2014.

1. Introduction

The Defence and Security Programme of Transparency International UK (TI-DSP) has been engaged with Afghanistan and the ANSF since 2008, conducting corruption-prevention training of senior ANSF officers, advising Mod and MOI on counter corruption measures. TI-DSP published an assessment of Afghanistan's defence counter-corruption capability in the recently launched TI 'Government Defence Anti-Corruption Index'.

Meetings with the MoD

We had the opportunity to meet with Minister of Defence Mohammadi, with First Deputy Minister Nazari, with Inspector General MG Payenda and their colleagues. All were generous with their time, and reviewed in depth the substance of the current MoD reforms. We discussed with them our suggestions for additional transparency and counter-corruption measures they might consider, all of which were positively received.

Meetings with the MoI

We had planned to meet with Inspector General Ragheb, but he was taken ill and instead we met with his Deputy, General Sahar. We spoke subsequently by teleconference with General Ragheb.

Thanks

Many people in the International Community and Afghan society also gave generously of their time, often at short notice. We would like to thank them all sincerely for their time and for their openness in helping us to answer our questions. All were committed to doing whatever they could to raise integrity and reduce corruption risk in Afghanistan.

Current corruption situation in Afghanistan

There is no sense among interviewees that the overall situation is improving. The Kabul Bank scandal is one major factor, as are the perceptions of dysfunction in two of the key counter-corruption institutions: the High Office of Oversight and Anti-Corruption and the Attorney General's Office. Transparency International's most recent 'Corruption Perceptions Index' (CPI) showed no improvement in Afghanistan's ranking at the bottom of the index. The Government has not yet succeeded in satisfying donors in relation to the National Priority Programme 2 on transparency measures at the recent Tokyo Mutual Accountability Framework Senior Officials Meeting. There is no expectation that progress will be made in this pre-election period. More positively, the recent TI Government Defence Index report in January 2013 concluded that the Afghan MoD and ANA rated in Band E on their Defence Index (A is the best, F the worst), relatively better than the TI's Corruption Perceptions Index for the country as a whole.

Corruption in a military context

Transparency International UK Defence and Security Programme

Corruption is instinctively understood the world over, and usually means abusing your position for personal gain. It is, however, hard to pin down, because it is a big issue and covers many quite different problems. In a military context, corruption impacts military intervention operations at two levels:

- At the strategic level: Corruption is a cause of conflict, because of the grievances of citizens or elites at particular groups extracting the assets of the country. It often leads to prolongation of the conflict in order to continue to enrich particular groups. Public perception is key, as the intervention force is easily seen to be colluding with corrupt powerbrokers.
- At the operational/ tactical level: Corruption damages mission effectiveness and credibility, through contracts that enrich the enemy, through host nation forces being provided with sub-standard equipment and services, soldiers not being paid, regional police chiefs enriching themselves and not doing their job.

Counter-corruption is one of the functions of the Mission, along with Transparency and Accountability measures, collectively known as TACC. With no change in doctrine or training, Mission forces will not be trained on the importance of TACC measures, usually do not understand the operational imperative of understanding corruption issues, and will need positive direction from the Commander. The intent is not to 'solve' the problems of corruption, but to be aware of how it influences mission success. Operational plans need to account for force structure and capacity to influence host nation forces and civilians to promote TACC measures wherever possible, and to report suspected corruption cases internally and to the relevant authorities.

2. Areas of progress - MoD, Mol and ANSF

MoD: The MoD is making serious efforts to strengthen integrity and reduce corruption. The MoD leadership is thoroughly engaged, and structures are beginning to become embedded, rather than just being 'initiatives'. Examples that we heard include the following:

- The MOD Transparency and Accountability Committees are now becoming more firmly established. There are currently 15 of them and they now exist in all Corps. Efforts are being made to initiate these at Brigade level and to involve NCOs as well as officers. All 15 prepare a monthly report, which is forwarded to the MoD Inspector General's Office. Other countries could usefully copy this excellent mechanism, involving both transparency and wide engagement of soldiers.
- There is now an established, fully staffed system of Judge Advocates in each Corps, who receive and follow up corruption reports.
- In addition, the Afghan-led Justice Center in Parwan (JCIP) is now fully operational and reviewing the more serious nation-wide detainee cases at a

Transparency International UK Defence and Security Programme

rate that will have eliminated the backlog by September 2013 and to have more than enough capacity as operations become completely Afghan-led.

- MoD is introducing a 3-layer mechanism to review corruption cases that flow to the IG.
- MOD's basic procurement systems are now improved. Corruption is an issue, but they are dealing with other complex issues as well, such as unstable prices, unstable delivery, and the unstable mix of providers. This is progress – these are 'normal' procurement issues.
- There is a new Afghan institution, the 'Afghanistan Defence Acquisition Resource Management School', similar to the US acquisitions university, which is run by the MOF and supported by the World Bank. The inaugural class passed out 2 months ago, focused on the more senior officials. MOD (and MOI) procurement systems have now been provisionally certified, but not judged ready yet for full certification.
- The Head of the Procurement office and many of his team at MOD have been replaced recently, following a review and some corruption cases last year.
- There are active plans for performance audits of the MoD and MoI by the Supreme Audit Office. There will be a contracted international auditor to help do the audit and train the auditors in performance audits. This is in the planning stage and the Supreme Audit office has agreed to be part of it.
- There is now a hotline in the ANA for soldiers to report concerns to an MoD call centre. They receive about 200 calls per week.
- The IG is working on a stronger system for merit-based promotions, and on the gradual elimination of 'ghost soldiers', which can be up to 100 out of a 500-man battalion.

MoI:

- There has been progress on MOI procurement, with their Acquisitions Agency being provisionally certified by the Afghan Procurement Academy (see similar MOD outcome above).
- There has been progress in asset declarations at the MoI. Of 136 senior police officers, 100 have submitted their asset declarations to the MoI, who forwarded them on to the HOOAC, and the remaining 36 are being pursued by the IG. However, we understand that the standard required in the returns has been lowered, so the statistics are much less meaningful than they sound.
- The IG has reviewed 660 corruption cases in the last 3 months, and sent 9 to the AGO. In the same period, 32 people have been removed from their posts for corruption, 22 received disciplinary warnings, 2 were fired, and 76 received some other form of disciplinary action.
- The MoI and the High Office of Oversight and Anti-Corruption (HOOAC) have agreed to establish "Vulnerability Committees" to review areas of MoI operations susceptible to corruption. Their second meeting will be held the week of August 19, 2013.

Transparency International UK Defence and Security Programme

- The national 119 Call Line is proving to be very successful, with almost 8000 calls per day. Though the MoI are only able to review a proportion of the cases, they told us that they have reviewed 316 in the last 3 months.

3. Areas of weakness or little progress

MoD: The most critical area for improvement is the Procurement System. Progress is being made, with staged handover of food and fuel contracts to MoD. However, there have been several corruption issues with such contracts in MoD, some of which have been forwarded to the AGO. To its credit, MoD has deliberately slowed down the transfer of contracts in order to strengthen the oversight system first. The MoD will not be ready for some years to handle complex contracts involving the procurement and support of major combat items such as transport aircraft and helicopters.

MoD procurement needs further attention on four levels: i) strengthening the system itself, ii) strengthening MoD's routine internal oversight of the procurement process, and iii) strengthening external oversight of the procurement process. External oversight should include internal audit, external audit and civil society engagement. iv) training and mentoring contracting personnel to acquire and support (over an extended period) major equipment items

MoD. Eradicating corruption in the Corps: MoD recognises that there is still substantial corruption in the Corps. A new process has been put in place at the leadership level to assess the competence and integrity of senior officers, as a result of which the Deputy Commander of one Corps has recently been removed. Nonetheless, MoD recognises that there are still significant corruption issues at the Corps level; examples include theft of fuel and lack of Corps Commander interest in such problems. An important weakness is that the IGs in each corps report to the commander, not through to the central IG.

MoD. Little external focus: A strategic area of weakness is that the good progress being made in MoD is entirely unknown outside of MoD. The Afghan public narrative is still largely that corrupt former warlords run the MoD. The international public narrative is firmly of the view that the MoD/ANA are dominated by cases of corruption, waste, fraud, and inefficiency. Further, many in the international diplomatic community in Kabul and in donor capitals concur with this view.

MoI: The police are much more complicated than the army, with the six different police forces, much greater engagement with the public, and a much greater political dimension. We heard repeatedly from interviewees of the continuing corruption problems in the six police forces. The external angle – views of the Afghan public and the international public – are more negative than for the army.

Transparency International UK Defence and Security Programme

Whilst there are some positive elements from surveys six months ago that showed significant reductions in police bribery, the current political difficulties at MoI seem to have stalled most progress. Examples include the following:

- i. **MoI IG numbers heavily cut:** There was a large reduction in IG staff in April, as part of recent police reorganization. Despite attempts to reverse this at senior MoI levels, the numbers have fallen from 156 to 116, with another 10% cut on the horizon.
- ii. **Multiple oversight groups in MoI:** More broadly, we understand that there are multiple different oversight groups inside MoI besides the IG, that these are largely unmapped by the IC, and that there have been no efforts to date by MoI or the IC to understand and re-organise these into more coherent structures. This is a larger issue than the problems in the IG's office and staff.
- iii. **Shafafiyat Committees and civil society:** The modest but good TACC progress that was being made in the MoI in strengthening the MoI Transparency and Accountability Working Groups, and engaging police and the public is currently stalled. These had been getting much support. Despite the problems, Civil Society organisations are still part of the local complaints committees in the regions, and they follow cases to court.

Multiple IC initiatives in MoI: More broadly, there is a whole host of different IC initiatives underway in MoI and the police, leading to less focus and less progress. The IC is seeking to be more coordinated through the International Police Coordination Board (IPCB) and the Afghan government is also currently doing a study to identify gaps and problem areas in MoI reform.

4. What is needed – next 16 months and beyond

International Community post 2014. The Resolute Support Mission (RSM) has not yet been fully defined or scoped. We expect that demonstrating full accountability for donor funds from the Chicago process, their use within MoD/MoI, and demonstrating counter-corruption metrics will be an important part of the RSM. **To our mind, 50% of the importance of the RSM will be in its capacity to give confidence to the IC that donor money is being well and safely utilized.**

International Community: Align TACC with the oversight requirements in the Chicago process: The Chicago process is the mechanism through which the donor community will fund the ANSF post-2014. A small group of nations, called the 'Kabul Friends of Chicago' or KFOC, has been tasked to develop the process, which involves coordinating several funding streams, and to discuss it with Afghans. The process is currently at an early stage.

Transparency International UK Defence and Security Programme

We discussed with several interviewees how good ANSF oversight might work, and think the following schema could be a starting point:

Level and Activity	Assurance/oversight	Who?
1. Structure of the multiple donor funds	N/A	
2. Funds flow from IC to MOF to ANSF	Well known IC mechanisms	IC
3. Spending inside ANSF	ANSF oversight of processes	MoD
4. Oversight inside ANSF	RSM oversight of ANSF	RSM
5. Oversight outside ANSF	External oversight of ANSF	RSM

Strengthening MoD: MoD is making real progress in most areas of its activities. We suggested to Minister Mohammadi and the MoD that they strengthen the external awareness and credibility of their TACC measures, and take the following ten specific proposals:

- i. Publish all MoD contracts on the MoD website
- ii. Produce an annual report that provides solid information and data on the progress made in MoD and ANA on TACC in the past 12 months. Make this a sober, factual report of progress, not a 'public relations' document. Consider in the second or third year asking a local auditing/ consultancy organisation to verify the accuracy of the report
- iii. Use the detailed Afghanistan Index results from TI-DSP's 'Government Defence Anti-Corruption Index' as a basis for a detailed action plan.. Review progress every 4 months on each element where Afghanistan currently scores 0, 1, or 2.
- iv. Collect data on trends in the TACC statistics and performance data. For example, the trend on the number of corruption cases reviewed at the Counter Corruption Review Panel (CCRP) each month, or the number of cases reviewed by individual corps each month. Trends are more informative and more credible to the external community than individual results.
- v. Ensure that when a soldier or officer is sanctioned for any offence, that the punishment is visible within the ANA and to outside observers. Focus on clear direct punishment, not rotating them to another job, so that it is evident to all that corruption and other bad practice are not tolerated. Focus strongly on punishments that can be handed out within military jurisdiction and scope. Do this more than just on passing cases to the AGO, where they may well not get progressed, and people will be cynical about the likelihood of any further prosecution.
- vi. Invite the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) to scrutinize the MoD and ANSF. The MEC is important because of its strong credibility with the IC, much more than the HOOAC.
- vii. Advance the current MoD plans to have external Performance audits carried out on the MoD and ANSF by the Supreme Audit office.
- viii. Focus the MoD internal audit group on TACC matters. Consider publishing all the MoD internal audits, as some other countries have done.

Transparency International UK Defence and Security Programme

- ix. Advance the current MoD plans to be more open with Civil Society Organisations (CSO). Encourage new CSOs to be formed that will focus most on security and defence monitoring and scrutiny. Support the establishment of an independent think-tank on defence and security studies, if civil society proposes such a body.
- x. These external measures are part of a strategic direction for MoD, not just 'technical measures'. They are a large-scale response to the deep disillusionment of the Afghan and International community about corruption in defence, and the fact that MoD's progress is so unknown. Because of this strategic aspect, we recommend that MoD appoints a suitable, senior person to act as the coordinator of all such external facing elements, and who can 'champion' within MoD the cause of engagement with the Afghan and international publics.

Finally, we note that the MoD IG has several different and demanding roles. Whilst the balance is of course for the MoD to decide, the TACC agenda will be more strongly served if the IG was full time, or mostly full time, in his IG role.

Support for TACC training of ANA personnel: MoD is already started in this direction, with ethics and TACC training for officers at the National Military Academy. Such training needs to be rapidly introduced in all the relevant training colleges at the different levels. Such TACC training needs to be integrated into the whole education and training schema, not in stand-alone modules and there should also be an ongoing professional development programme for Officers and NCOs. TACC elements for specific training for specialist personnel, such as IGs, should be introduced.

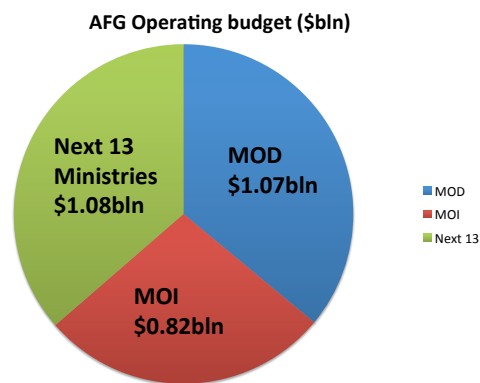
MoI: The situation seems to be so difficult and stalled in MoI that we struggle to propose any recommendations. The donor community funding police and MoI work needs to should take a hard look at the status of progress on MOI reforms in general, and of TACC activities in MoI in particular. They should identify which accountability and counter-corruption oversight mechanisms could safely be in place by mid-2014, and prioritise these. This could perhaps be undertaken through the IPCB.

Developing ANSF-focused civil society organisations: Civil society may seem a remote topic for the military, but the connection is important and direct: Neither the public nor many donors will believe institutional claims of progress, but they will have much more confidence in civil society opinions. Their views will influence donors.

But there are very few CSOs engaged with the ANSF, as they mostly respond to development agency priorities. This needs to change, both for the benefit of Afghanistan and for ANSF funding assurance and oversight.

Transparency International UK Defence and Security Programme

It also needs to change because the ANSF is such a huge part of the Afghan budget – as per the pie chart opposite, MOD and MOI are two thirds of the Afghan budget, and the next 13 Ministries make up the other third.



Similarly, there are no independent organisations with expertise on defence and security matters who can talk independently about defence issues and TACC progress in

Afghanistan. There are many retired Afghan military who would be interested in this – for example, there are 200 Afghan alumni of the George C. Marshall Centre.

25. Longer term

- i. **Pay:** ANSF pay is the core element of donor support. We heard that there is work underway to identify comparatives on pay across different Afghan public entities, and that the MOD comes out at the upper end of such pay scales. Anecdotally, several Afghan interviewees flatly contradicted this. We do not know enough to take this any further.
- ii. **Civilianisation:** We understand that MOI is well ahead of MOD on this, with 12000 civilian positions on the Tashkil.
- iii. **Ghost soldiers, soldiers receiving 100% of their pay:** Both issues are clearly part of past and current reform efforts, eg with electronic salary payment. The objective should be that such problems be almost eliminated within a few years
- iv. **Pensions:** Always an important issue in corruption terms. No pension means that many officers spend their last few positions corruptly building up a pension pot out from the opportunities from their job. Not easy to 'solve', but needs to be on the mid-term agenda.
- v. **Vendor vetting.** The importance of vendor vetting both in limiting corruption and in limiting indirect funding of insurgents is very clear. There is currently no vendor vetting capability in MoD or MoI to do this.

END

For further information, contact:

Mark Pyman, Director of the Defence and Security Programme, Transparency International UK. mark.pyman@transparency.org.uk