



Independent Joint Anti-Corruption  
Monitoring and Evaluation Committee

# SIX-MONTHS REPORT

Independent Joint Anti-Corruption Monitoring & Evaluation Committee

January 2017

To the Afghan Nation, President of the Islamic Republic of  
Afghanistan, National Assembly and International Community

**Phone:** +93 797 51 58 71

**FB:** [fb.com/MEC.Afghanistan](https://www.facebook.com/MEC.Afghanistan)

**Email:** [contact@mec.af](mailto:contact@mec.af)

**TW:** [twitter.com/MEC\\_Afghanistan](https://twitter.com/MEC_Afghanistan)

**[www.mec.af](http://www.mec.af)**

Anti-corruption Efforts in **Bamiyan**

MEC Statements

MEC's Special Report on Gas and Fuel

# HIGHLIGHTS

MEC Reports

MEC's Follow-up Report on MOPH

Recognition of Excellence





# Acronyms

• ACAA	<u>Afghan Civil Aviation Authority</u>
• ACCA	<u>Chartered Certified Accountants</u>
• ACCI	<u>Afghanistan Chamber of Commerce and Industries</u>
• AFN	<u>Afghani (currency)</u>
• AGO	<u>Attorney General's Office</u>
• AISA	<u>Afghanistan Investment Support Agency</u>
• ACJC	<u>Anti-Corruption Justice Center</u>
• AOP	<u>Administrative Office of the President</u>
• ARAZI	<u>Afghanistan Independent Land Authority</u>
• ARDS	<u>Afghanistan Reconstruction and Development Services</u>
• AREU	<u>Afghanistan Research and Evaluation Unit</u>
• CEO	<u>Chief Executive Officer</u>
• CTAP	<u>Civilian Technical Assistance Program</u>
• HMIS	<u>Health Management Information System</u>
• HOO	<u>High Office of Oversight</u>
• IACA	<u>International Anti-Corruption Academy</u>
• IARCSC	<u>Independent Administrative Reform and Civil Service Commission</u>
• IDLG	<u>Independent Directorate of Local Governance</u>
• IEC	<u>Independent Election Commission</u>
• IRC	<u>International Rescue Committee</u>
• IWA	<u>Integrity Watch Afghanistan</u>
• KBR	<u>Kabul Bank Receivership</u>
• MEC	<u>Independent Joint Anti-Corruption Monitoring and Evaluation</u>
• MEW	<u>Ministry of Energy and Water</u>
• MOFA	<u>Ministry of Foreign Affairs</u>
• MOCI	<u>Ministry of Commerce and Industry</u>
• MOEC	<u>Ministry of Economy</u>
• MOF	<u>Ministry of Finance</u>
• MOHRA	<u>Ministry of Haj and Religious Affairs</u>
• MOI	<u>Ministry of Interior Affairs</u>
• MOLSAM	<u>Ministry of Labor Social Affairs Martyrs and Disabled</u>
• MOPH	<u>Ministry of Public Health</u>
• MOPW	<u>Ministry of Public Works</u>
• MUD	<u>Ministry of Urban Development</u>
• NGO	<u>Non Government Organizations</u>
• NPA	<u>National Procurement Authority</u>
• NSC	<u>National Security Council of Afghanistan</u>
• PACC	<u>Parliamentary Anti-Corruption Caucus</u>
• SAO	<u>Supreme Audit Office (SAO)</u>
• TI	<u>Transparency International (TI)</u>
• UNAMA	<u>United Nations Assistance Mission in Afghanistan</u>
• UNCAC	<u>United Nations Convention Against Corruption</u>
• UNODC	<u>United Nations Office on Drug and Crime</u>
• USAID	<u>United States Agency for International Development</u>
• USD	<u>US Dollar (currency)</u>
• WHO	<u>World Health Organization</u>

# Table of Contents

4

Chairman's Letter

6

MEC Statements and Press Releases

7

MEC's First Quarterly Report – MOPH Report Follow Up

8

Special Report: Vulnerabilities to Corruption in Gas and Fuel Import

9

Badakhshan CorP Indicator Study Report

10

MEC's 21st Mission Highlights

13

Special Projects

14

MEC's Social Media

15

Moving Forward

16

MEC Committee Members

18

Recognition of Excellence





# Chairman's Letter

---

On 18 September 2016, President Ghani issued Decree 115 on the Legal Status, Duties, Scope and Authority of the Independent Joint Anti-Corruption Monitoring and Evaluation Committee (MEC) to clarify our legal status. The decree provides us with a clear anti-corruption mandate and paves the way for collaboration between MEC and national and international partners. The decree enshrines MEC's independence and requires both governmental and international institutions to cooperate with our efforts. This includes requirements around information and ensuring that government bodies under MEC review regularly report on the status of our recommendations. We are also pleased to announce formation of the Anti-Corruption Justice Center (ACJC) – an independent body charged with investigating and prosecuting corruption. The Centre is a direct response to public, civil society and private sector demands for an independent body tasked with identifying corrupt officials at all levels of the public service.

The need for us to remain steadfast in our efforts is highlighted by recent reports issued by international watchdogs and by demands from Afghans themselves. Last year, Transparency International placed Afghanistan near the bottom of its global ranking – at 169 out of 176 countries in its Corruption Perception Index. A 2016 Asia Foundation survey found that 70 percent of Afghans believe corruption is worse than two years ago, demonstrating that there is still a long road ahead.

As MEC Chairman, I take these issues very seriously and remain committed to our mandate of monitoring and evaluating the government's anti-corruption efforts. Since 2010, we have identified rampant corruption fueled by the greed of individuals and networks that has far exceeded the ability of the Afghan government and donor agencies. Despite good intentions and piecemeal reforms, the problem of corruption continues to hinder growth and national progress.

MEC is confronting the formidable challenge of corruption, and is pleased to report three successful initiatives undertaken in the past six months.

MEC has been working with the Ministry of Public Health (MoPH) to implement anti-corruption recommendations after an in-depth vulnerability-to-corruption assessment. Following discussions with relevant stakeholders, the recommendations formed the basis of an action plan in August and September 2016. The pace of reforms during the first three months was low, but MEC noted achievements in the latter part of 2016.



MEC is also pleased to launch its 'Special Report on Gas and Fuel Importation'. The report details legal, human resources and integrity issues in Afghanistan's customs system that contribute to an environment wrought with fraud, corruption and embezzlement.

As part of our continuing fight against impunity, MEC has undertaken a Vulnerability to Corruption Assessment (VCA) of the Attorney General's Office (AGO) – funded by the German government. The VCA will holistically analyze the AGO, identify areas that require improvement and draft recommendations for the latter. This will be followed by regular monitoring and evaluation reports.

Given the immense costs that corruption is imposing on Afghan people daily, we are pleased that the President and the CEO are implementing a framework to curb corruption, restore accountability in service delivery and increase government revenue. The recent rise in national revenue and enhanced anti-money laundering initiatives are steps in the right direction.

Faced with deep-rooted corruption, the Afghan government needs to enhance law enforcement and break the culture of impunity. The first step is to finalize the anti-corruption law by the High Council on Justice and Fighting Corruption. MEC sees a need for thorough analysis of the legislative and institutional anti-corruption framework and development of a comprehensive anti-corruption strategy before adopting another anti-corruption law.

As individuals, we often feel too small to make a difference in the fight against corruption. However, we believe that the voices and efforts of honest people can change the endemic corruption that exists in our country. Please join us in doing your part to take a stand and say no to corruption, in word and action.

Yama Torabi, PhD  
Chair



# MEC Statements and Press Releases

MEC's outreach efforts have included pro-actively engaging with the press and boosting our online presence. Our successes in engaging the public and other stakeholders are shown in the following press releases, statements and reports over the past six months:

- 1** MEC Welcomes the Public Trials Held by Anti-Corruption Justice Center  
[http://www.mec.af/files/12\\_11\\_2016\\_Press\\_Release\\_ACJC\\_Public\\_Hearing\\_English.pdf](http://www.mec.af/files/12_11_2016_Press_Release_ACJC_Public_Hearing_English.pdf)
- 2** MEC Committee Welcomes Two New Members  
[http://www.mec.af/files/26\\_10\\_2016\\_News\\_Release%20New\\_ME\\_Committee\\_Members\\_English.pdf](http://www.mec.af/files/26_10_2016_News_Release%20New_ME_Committee_Members_English.pdf)
- 3** MEC welcomes the National Unity government's move to refer 450 government officials accused of corruption to the judiciary system  
[http://www.mec.af/files/2016\\_02\\_07\\_MEC\\_News\\_Release\\_Anit\\_Corruption\\_Center\\_\(English\).pdf](http://www.mec.af/files/2016_02_07_MEC_News_Release_Anit_Corruption_Center_(English).pdf)
- 4** MEC Calls for Immediate Action into Attack on Civil Society Activist  
[http://www.mec.af/files/2016\\_09\\_25\\_MEC\\_News\\_Release\\_Khalil\\_Parsa\\_\(English-Dari-Pashto\).pdf](http://www.mec.af/files/2016_09_25_MEC_News_Release_Khalil_Parsa_(English-Dari-Pashto).pdf)
- 5** MEC Expresses its Concerns Regarding the Lack of Anti-Corruption Deliverables in Proposed SMAF Update  
[http://www.mec.af/files/2016\\_09\\_28\\_MEC\\_Press\\_Release\\_on\\_SMAF\\_Deliverables\\_\(English\).pdf](http://www.mec.af/files/2016_09_28_MEC_Press_Release_on_SMAF_Deliverables_(English).pdf)
- 6** Update on Kabul Bank: What has been achieved so far?  
[http://www.mec.af/files/2016\\_10\\_02\\_Kabul\\_Bank\\_Scandal\\_Update\\_\(English\).pdf](http://www.mec.af/files/2016_10_02_Kabul_Bank_Scandal_Update_(English).pdf)

*"And do not consume one another's wealth unjustly or send it [in bribery] to the rulers in order that [they might aid] you [to] consume a portion of the wealth of the people in sin, while you know [it is unlawful]."*

**chapter 2 , verse 188 , Quran**



# Follow-Up Report on the Ministry of Public Health

Following the MEC report 'Vulnerability to Corruption in the Afghan Ministry of Public Health', we published our follow-up corruption vulnerabilities analysis on 4 June 2016. The Minister, His Excellency Dr. Feroz, supported the findings, and in June established a Working Group comprised of MOPH senior managers and external health-sector stakeholders.

MEC followed up on the MOPH's progress and noted that the ministry had been active in August and September translating the MEC report into actions for MOPH officials. The evidence shows that this was a genuine early effort. However, the momentum has since slowed. There remain serious challenges to a complete implementation plan for the MOPH recommendations, and a major confidence problem to overcome.

For example, the key practical part of the anti-corruption plan – the naming of focal points for following up the recommendations – was only concluded on 29 October rather than in August. Not all of the points have been verified since they were listed at a late date in the MEC monitoring process for the initial period.

MEC will continue to monitor progress on anti-corruption in the MOPH, and will produce its next report at the end of January 2017.

View the report:

[http://www.mec.af/files/09\\_11\\_2016\\_Reports\\_on\\_Badakhshan\\_senior\\_appointments\\_and\\_MOPH\\_Full\\_Report\\_English.pdf](http://www.mec.af/files/09_11_2016_Reports_on_Badakhshan_senior_appointments_and_MOPH_Full_Report_English.pdf)

“

*If in the next two years we do not take the problem of corruption seriously as a duty of everyone and not just The President, and if we don't consider fighting corruption as the most important factor in our responsibilities, I think we may drown.*

Omaid Sharifi

”



# Special Report:

## Corruption in Afghanistan's fuel trade

---

Vulnerabilities to Corruption in the Importation and Supply of Fuel and Liquid Gas.

*This special MEC report assesses governance in Afghanistan's fuel and liquid gas imports, and its impact on Afghan people.*

The people of Afghanistan suffer from poor-quality fuel and liquid gas. This causes pollution and damages vehicles, inflicting losses on the country's already fragile economy. Fuel is a necessity for everything from heating to transport, and our report demonstrates how corruption and graft harms the most vulnerable while hindering national growth.

Our report finds that the problems include conflicting laws and regulations, corruption, poor training of customs officers and the prevalence of criminal groups on the periphery. These factors conspire to impact regular Afghans through higher fuel costs, lower-quality energy and increased insecurity.

The legal and administrative component of our study identified excessive red tape and conflicting regulations at the national and provincial levels. For example, fuel imports are governed by 15 distinct government bodies that have failed to harmonize or streamline their regulations. In the absence of clarity, loopholes are exploited and regulations flouted outright, while legal importers are faced with insurmountable regulation that places them at a competitive disadvantage.

Our study of customs personnel uncovered serious shortfalls in training and equipment. Poorly trained customs officials lack understanding of the law and sensitive border crossings are not equipped with scanners capable of identifying smuggling, or testing for fuels that are tainted by low-quality additives. The system creates opportunities for corruption, smuggling, counterfeiting and other illegal activity in fuel and liquid gas imports. Consumers ultimately pay the price when their engines seize up from counterfeit fuel, and when they are forced to pay inflated prices.

In the absence of strong governance, criminal syndicates have stepped into the power vacuum and control many key aspects of the fuel and liquid gas trade. Paragraph 2 of Article 21 of the National Standard Law by Resolution No. 45 issued by the Council of Ministers is an example of how these criminal syndicates have interfered with the decision-making process. This paragraph clearly states that low-quality goods, including fuel, should be confiscated, however, Resolution No. 45 states that the ANSA and MOCI should reject low quality fuel.

The Special Report outlines a system that is rife with government corruption, and where local and international criminal syndicates now control substantial parts of the trade.



This matter of fuel exemption, which is central to much of the abuse in the market, has been extensively analyzed by the Ministry of Finance. A solution has been proposed, whereby the military pay the tax, and claim it back afterwards directly from the central government. MEC understands from interviews with both Resolute Support and MOF that this reform is strongly supported; but it has not been implemented.

Concerns about fuel exemption also include the exchange of low-quality exempted fuel with high-quality commercial fuel and sending this high quality fuel to Resolute Support. MEC officially asked the Customs Department to report the exact amount of exempted fuel imported in 2015, but received no response. However, based on information that MEC received from AFLGE, there were .378989 million tons of fuel imported to Afghanistan in 2015, and the customs duty was USD 36.38 million.

The Special Report outlines a system that is rife with government corruption, and where local and international criminal syndicates now control substantial parts of the trade.

View the report:

[http://www.mec.af/files/2016\\_04\\_30\\_Fuel\\_and\\_%20Liquid\\_Gas\\_Report\\_%20\(English\).pdf](http://www.mec.af/files/2016_04_30_Fuel_and_%20Liquid_Gas_Report_%20(English).pdf)

“

**Corruption** is just another form of **tyranny**.

Joe Biden

”

## Badakshan CorP Indicator Study

The Afghan Government is legally required to appoint officials on the basis of competence and merit. However, study after study shows that civil servant positions come through nepotism, family ties and other relationships. MEC is examining the extent and impact of this problem and has begun by studying the situation in Badakhshan Province.

MEC discussed the question of patronage with Badakhshan residents during our visit in July 2016. The opinion of most people – from ordinary citizens to high officials – was that almost all senior positions are patronage based.

Making progress in reducing patronage is a key element of the government's drive to improve performance and reduce corruption. It is therefore critical to detect government cronyism so that everyone can see whether the situation is improving or worsening over time. Responding to this need, MEC has been working to create an indicator for this, and this report is the first result.

Read MEC's recommendations:

[http://www.mec.af/files/09\\_11\\_2016\\_Reports\\_on\\_Badakhshan\\_senior\\_appointments\\_and\\_MOPH\\_Full\\_Report\\_English.pdf](http://www.mec.af/files/09_11_2016_Reports_on_Badakhshan_senior_appointments_and_MOPH_Full_Report_English.pdf)



# MEC's 21st Mission in November 2016

The MEC Committee convened its quarterly meeting in November 2016 in Kabul. In addition to 61 decisions made on the future role, strategy and operational aspects of MEC, Committee Members had 37 external meetings, which included beneficial discussions with Ministers, Ambassadors, Members of Parliament, Civil Society and the Private Sector.

Other activities included:

- \* MEC Press Conference, in which representatives of 19 media outlets participated, including Afghan and international media outlets. MEC's Chairman Dr. Yama Turabi, Committee Member Dr. Mark Pyman and Executive Director Mr. Naseem Akbar shared MEC's VCA report on Gas and Fuel Import and MEC's first Follow-up of the Ministry of Public Health Report.
- \* MEC member Dr. Slagjana Taseva participated in the Anti-corruption Law Reform Group.
- \* MEC member Dr. Pyman and MEC Executive Director Mr. Akbar chaired MEC's first External Senior Forum, a medium for senior state officials to share their individual positive contributions against corruption and enhance their efforts through brainstorming.





# Anti-Corruption Efforts in Bamiyan

MEC Committee Members had a three-day official visit to Bamiyan in November 2016 to assess the overall situation in the province. The visit saw MEC meet with civil society representatives, university students and government officials to discuss corruption, nepotism and favouritism in provincial government position recruitment.







“

*Research shows the presence of women raises the standards of ethical behavior and lowers corruption.*

Hillary Clinton

”



# Special Projects

---

## 1. Assessment of MOCIT, ATRA and Afghan Telecom procurement contracts for the years 1393 and 1394

MEC was assigned by President Mohammad Ashraf to join the assessment team. The work started on 25 July 2016 and ended on 10 December 2016.

Based on Presidential Order 871 dated 13 June 2016, the procurement contracts of MOCIT, ATRA and Afghan Telecom for the years 1393 and 1394 will be assessed by a team chaired by Mr. Malikzay, Senior Advisor of the President on Systems and Information Technology, and consisting of representatives from the National Security Directorate 062, M&E of the Presidential Palace, MoF, two lecturers from Kabul University's Faculty of Computer Sciences, and a representative from MEC.

Following the project, Mr. Malikzay sent an official letter of appreciation to MEC, noting its effective work for this assessment.

## 2. Assessment of USAID Contract for the Establishment of the Bagrami Industrial Park based on Presidential Decree 2458 dated 20 October 2016

MEC was assigned by President Ghani to be part of the assessment team for this project. The assessment team prepared a report of findings, which was approved and signed by the Director General of HOO and sent to the President's office.

## 3. Assessment of MoRR Structure based on Presidential Decree 3257 dated 3 September 2016

MEC was assigned by President Ghani to be part of the assessment team.

“

*Our hope for the future depends on our resolution as a nation in dealing with the scourge of corruption.*

Nelson Mandela

”



# MEC's Social Media



MEC's **Facebook** Page has over **46,000 likes**

[www.fb.com/MEC.Afghanistan](http://www.fb.com/MEC.Afghanistan)



MEC's **Twitter** Page has over **700 followers**

[twitter.com/MEC\\_Afghanistan](http://twitter.com/MEC_Afghanistan)



MEC's **Website** had over **8,000 visitors** in this six-month period.

[www.mec.af](http://www.mec.af)



# Moving forward

---

MEC has six key initiatives that will be made public in the coming year:

- 1** Special Report: Vulnerabilities to Corruption at Afghanistan's Attorney General's Office. The first draft of the report is ready, it should be published no later than January 2017.
- 2** Special Report: Vulnerabilities to Corruption at Da Afghanistan Brishna Shirkat
- 3** Special Report: Vulnerabilities to Corruption at the Afghanistan Tax and Revenue Collection Offices
- 4** Special Report: Ministerial Vulnerabilities to Corruption at the Ministry of Education
- 5** Bamyan CorP Indicator Study
- 6** Review of contracts for five pilot provinces





# MEC Committee Members

---



**Yama Torabi**, PhD, joined MEC in May 2012 and is the MEC Chairman. Dr. Torabi has extensive experience working with nongovernmental organizations in Afghanistan, including MADERA and Action Contre la Faim. He founded and served as the Executive Director of Integrity Watch Afghanistan (IWA), a leading anti-corruption organization. Dr. Torabi has done extensive work on corruption in Afghanistan, which has been published widely. Dr. Torabi earned a master's degree and PhD in International Relations from the Institut d'Etudes Politiques in France.

**Shaukat Hassan**, PhD, joined MEC in June 2014 and has over 30 years of experience in international development. For ten years, Dr. Hassan has been the Senior Policy Advisor and Lead Expert on governance and anti-corruption at the Canadian International Development Agency (CIDA). He represented Canada on the UNODC Inter-Governmental Working Group on Technical Assistance for UNCAC Implementation and the World Bank's Multi-stakeholder Task Force on the Extractive Industries Transparency Initiative. From 2011 to 2013, Dr. Hassan headed USAID's Assistance for Afghanistan's Anti-Corruption Authority (4A) Project in Kabul. Dr. Hassan has published more than 50 articles on conflict and development and holds a master's degree from the University of Colorado and a PhD in International Relations from the Australian National University.



**Slagjana Taseva**, PhD, became a Committee member on 28 November 2015. Dr. Taseva is an expert specializing in financial crimes, corruption and organized crime. She is the Founder and Chair of Transparency International (TI) Macedonia and a Member of the Academic Advisory Board of the International Anti-Corruption Academy (IACA) in Austria. Dr. Taseva headed the Group of States Against Corruption (GRECO) Macedonian delegation (2007-2012). In 2008, she became Dean of the Faculty for Detectives and Criminalists at the European University of the Republic of Macedonia. Dr. Taseva holds a PhD in Law from St. Cyril and Methodius University in Skopje, Macedonia.

**Mark Pyman**, PhD, joined MEC in November 2015. Since 2004, he has been leading Transparency International's (TI) global efforts to prevent corruption in the security sector as Director of TI UK's Defense and Security Program. Separate from his work with TI, Dr. Pyman often advises the UK government on program strategy and management. Prior to his work with TI, he was a senior executive at the energy company Shell International, serving as Chief Financial Officer for Shell in Africa and China. Dr. Pyman holds a PhD from the University of Western Australia and is a Fellow of the Association of Chartered Certified Accountants (ACCA).

**Helena Malikyar** has worked on Afghan state building and political development as an academic, practitioner and participant for over two decades. While her scholarly research was focused on the history of state building and modernization in Afghanistan, her work since 2001 has ranged from center-periphery relations to sub-national public sector capacity building and a number of development projects for international organizations such as the UNDP, UNAMA and USAID.

In addition to her earlier works published in scholarly journals, in recent years, Ms. Malikyar has been writing analytical articles on Afghanistan's current affairs for Al-Jazeera, the Economist Intelligence Unit, Radio Free Europe / Radio Liberty and a number of other news media websites. She is an ABD, holding a master's degree in Middle East and Islamic Studies from New York University. She has a bachelor's degree in the same field from the University of Arizona.

**Javed Noorani** has been one of the leading civil society activists advocating transparency and accountability on a range of issues in the Afghan mining sector. He has extensive experience in designing large-scale surveys and research assessment projects, and he has a lengthy list of published papers. Mr. Noorani currently is the lead author for the next UNDP Human Development Report. He has worked on major research assignments with different local and international consulting firms in Afghanistan, India and Pakistan in areas such as governance, security, development, conflict and natural resources. He earned a master's degree in Conflict Analysis and Peace-Building and a Diploma in Conflict Analysis and Peace-building, both from the Nelson Mandela Centre for Peace and Conflict Resolution at Jamia Millia Islamia University in New Delhi, India. He earned his bachelor's degree from Shri Ram College of Commerce in New Delhi.



# Recognition of Excellence

---

*MEC honors and appreciates the work of Fayez Sahak over the past six months.*



## **Fayez Sahak**

Fayez Sahak is a Vulnerability to Corruption Assessment Officer at MEC, where he assesses the structures and procedures of institutions and proposes recommendations on how to fix areas that are being threatened by corruption.

Mr. Sahak was selected for this recognition due to his proactive and tireless efforts on VCA papers and recommendations. He is a team player, always available to assist co-workers, and brings a positive attitude towards the work he does. Mr. Sahak is passionate about fighting corruption, and his work is contributing to MEC's successes in Afghanistan.

"The fight against corruption has never been easy, and this is certainly the case in Afghanistan. MEC identifies areas that are vulnerable to corruption and provides technical recommendations to the Afghan government and other stakeholders on how to fight it. And I am honored to be part of the MEC team," said Mr. Sahak

Mr. Sahak is a practicing lawyer in Kabul. He has worked extensively in matters involving international trade disputes, criminal and civil disputes and arbitration. He earned his LLB from the American University of Afghanistan and is admitted to the Afghanistan Independent Bar Association.