Corruption in Afghanistan and the role of external players

Topics

- The statistics
- Peoples attitudes
- Why and how, including the military and donors
- Elite Capture –the Kabul Bank case and utilization of donor funding
- Some good practises and institutions
- Afghans: development allies

The larger picture

Corruption in Afghanistan is endemic and has penetrated all parts of the Afghan state, adversely affecting the ability of Afghanistan to maintain security for its citizens and deliver basic public services.

Corruption is also increasingly embedded in social practices, with patronage politics and bribery becoming an acceptable part of daily life. This continues despite the expressed aim of the National Unity Government (NUG) to address corruption, the establishment of various anti-corruption bodies and President Ghani's personal involvement in larger procurement processes.

U4 Helpdesk answer – December 2016

Statistics

- Transparency International's 2016 Corruption Perceptions Index ranks Afghanistan 169 of 176 countries on the list, which is an improvement from 2015 largely due to the National Unity Government's (NUG) [over 50 commitments to address corruption](#)

- The World Bank's Worldwide Governance Indicator gave in 2015 Afghanistan a **score of 5 for control of corruption**, on a scale from 0 to 100. This is a very slight improvement from a score of 1 in both 2005 and 2010. Afghanistan has demonstrated some improvement regarding its **regulatory quality**, with an increase in score from 3 in 2005 to 5 in 2010, to 13 in 2015 (World Bank 2015).

- Integrity Watch Afghanistan's 2016 survey (IWA, 2016) found that, after insecurity and unemployment, **corruption was the third biggest concern** for Afghans. The 2016 report estimated that $3b were paid in bribes in the last one year – an almost 50% increase compared to 2014.

Attitudes and acceptance

A 2012 UNODC survey found corruption to be increasingly embedded in social practices, with patronage and bribery being an acceptable part of day-to-day life.

For example 68% of citizens considered it acceptable for a civil servant to top up a low salary by accepting small bribes from service users (compared with 42% in 2009).

Similarly, 67% of citizens considered it sometimes acceptable for a civil servant to be recruited on the basis of family ties and friendship networks (up from 42% in 2009) (UNODC 2013).

«A constantly renegotiated state»

Opposite patronage system: Money is moving upward to the government against "permissions to extract rents" that then is sent out of the country... (Sarah Chayes, 2014)
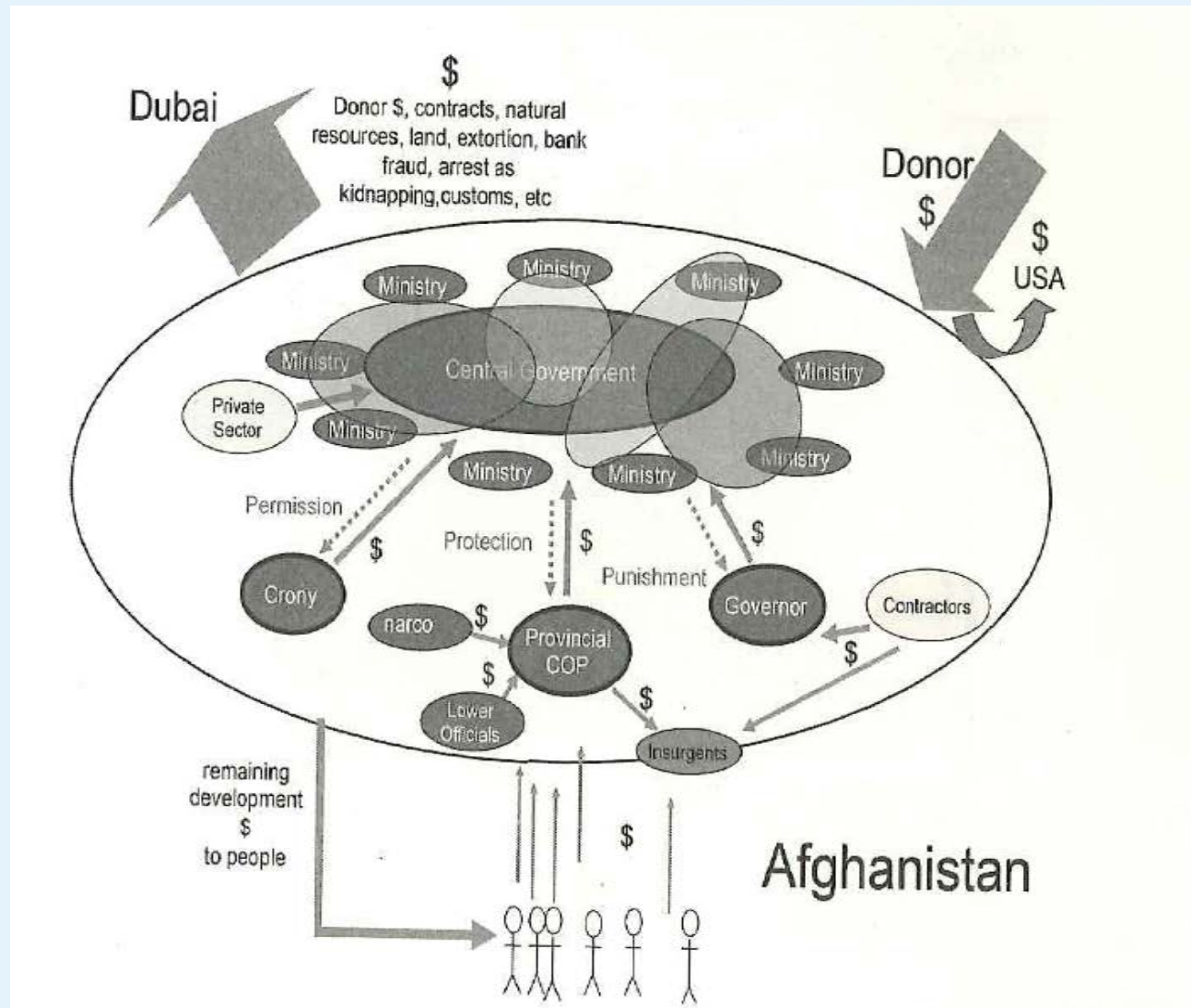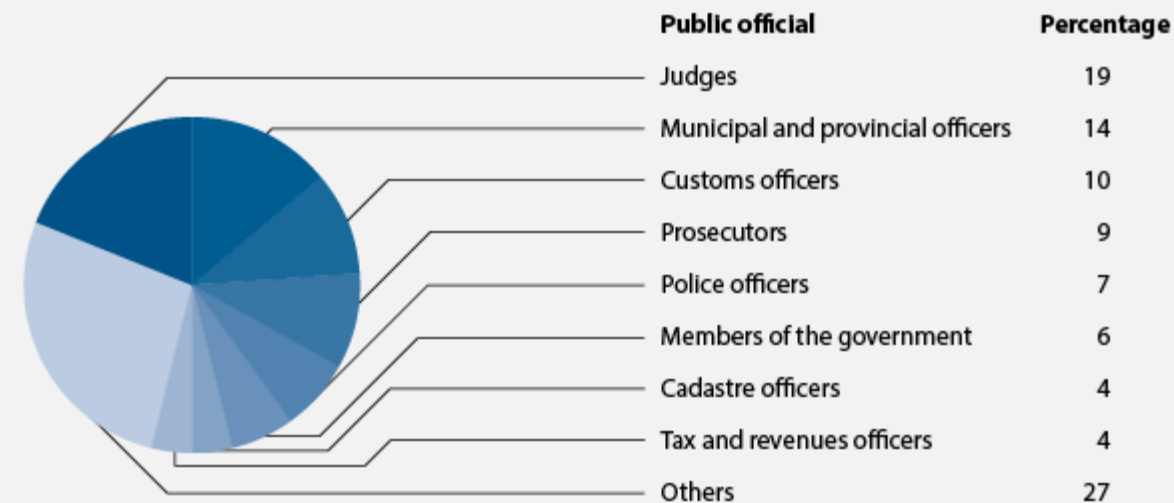
FIGURE 1
Corrupt officials in Afghanistan
Percentage distribution of bribes by requesting official

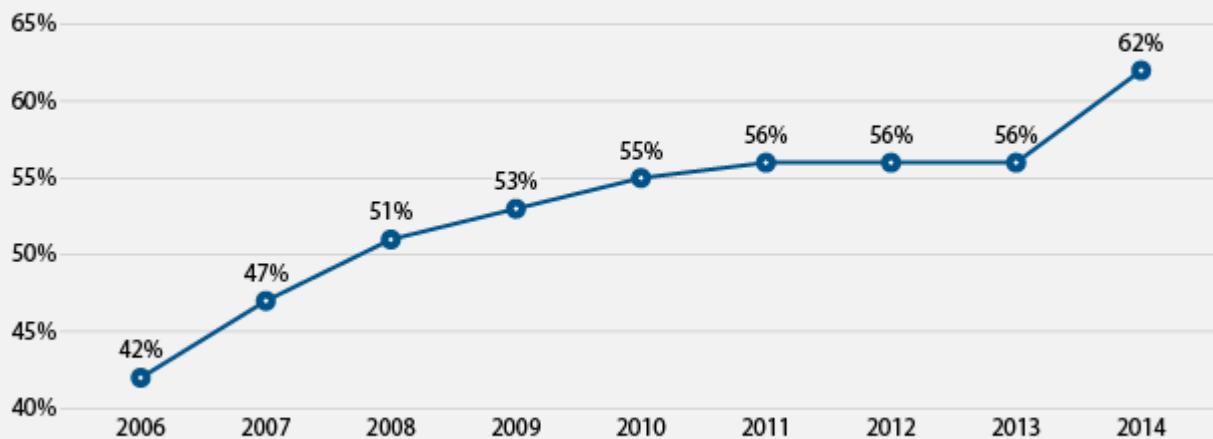| Public official	Percentage
Judges	19
Municipal and provincial officers	14
Customs officers	10
Prosecutors	9
Police officers	7
Members of the government	6
Cadastre officers	4
Tax and revenues officers	4
Others	27

Source: United Nations Office on Drugs and Crime, "Corruption in Afghanistan: Bribery as reported by the victims" (2010) available at http://www.unodc.org/documents/data-and-analysis/Afghanistan/Afghanistan-corruption-survey2010-Eng.pdf.
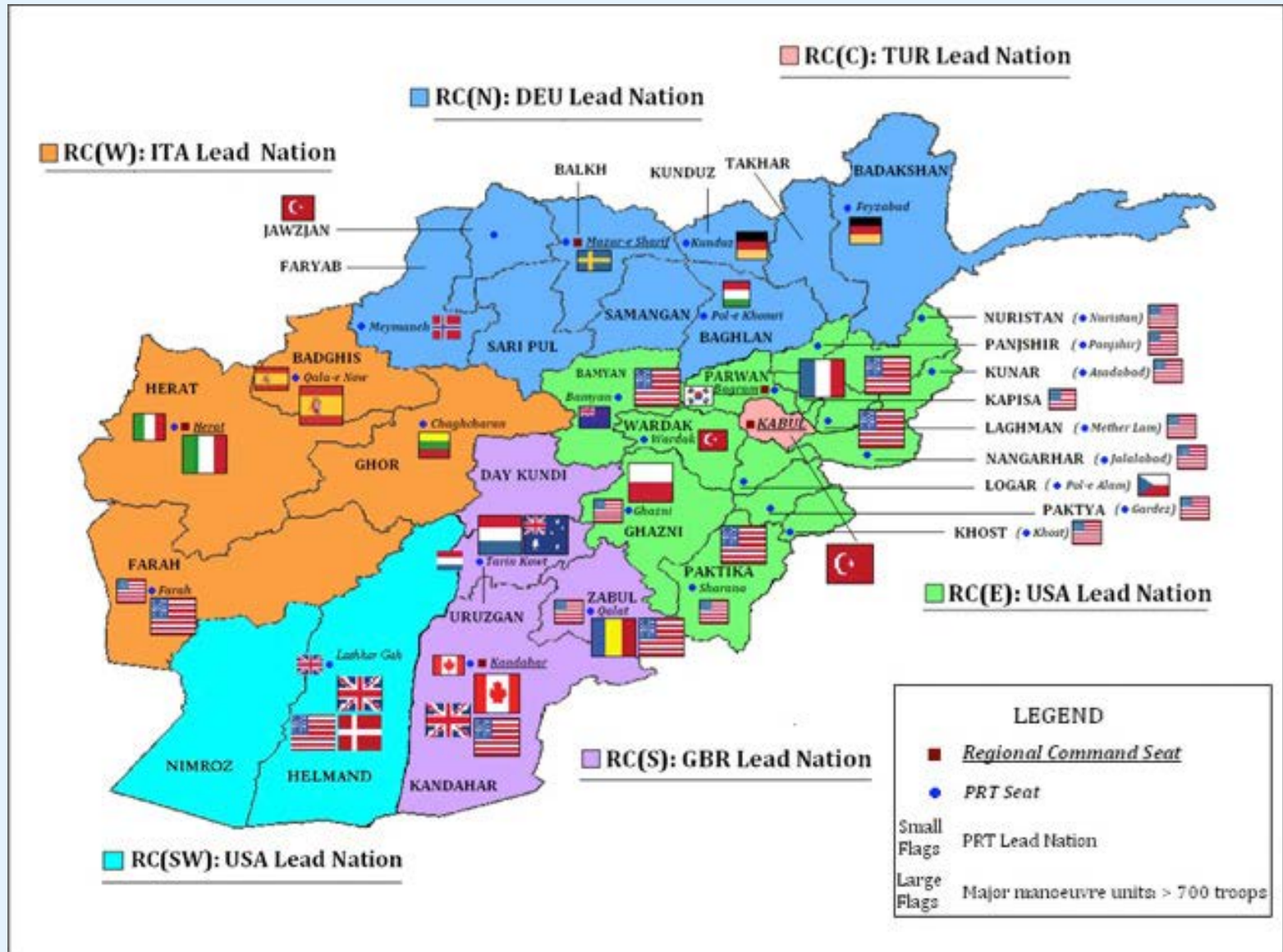
FIGURE 2
Daily corruption in Afghanistan
Percentage of respondents that believe corruption is a major problem in daily life

- 2006: 42%
- 2007: 47%
- 2008: 51%
- 2009: 53%
- 2010: 55%
- 2011: 56%
- 2012: 56%
- 2013: 56%
- 2014: 62%

Source: Asia Foundation, "Afghanistan in 2014: A Survey of the Afghan People" (2014), available at http://www.asiafoundation.org/resources/pdfs/Afghanistanin2014final.pdf.

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The United States contributed to the growth of corruption by injecting tens of billions of dollars into the Afghan economy, using flawed oversight and contracting practices, and partnering with malign powerbrokers.

Even when the United States acknowledged corruption as a strategic threat, security and political goals consistently trumped strong anticorruption actions

Corruption in Conflict: Lessons from US experiences in Afghanistan (2016)

- The impact of **corruption on stabilisation is complex**. Some forms of corruption can, at least in the short and medium term, **be stabilising**, and efforts to counter them can fuel instability and violence. Other forms of corruption can **prevent the emergence of a stable political and economic settlement.**

- All types of corruption impose economic and political costs on stabilisation countries. Corruption undermines the **legitimacy of state institutions and the effective delivery of state functions**, and constrains economic development. However, in some circumstances, addressing corruption can **threaten wider stabilisation objectives**, in particular if it elicits violent responses.

Stabilisation Issues Note : **Addressing Corruption in Stabilisation Environments**

Donor practise

The Afghan government argue for on-budget support, but many donors are reluctant to provide it given

a) high corruption risks, and

b) the low implementation capacity of many ministries

Therefore preference for Multi-donor Trust Funds, where the largest is the Afghan Reconstruction Trust Fund (ARTF) administrated by the World Bank

Cases to illustrate dilemmas

Procurement, MEC, IWA, ACJC

Leaving the Loya Jirga

REMEMBER... JUST ENOUGH PEACE TO KEEP THE AMERICANS' HOPES UP...

... AND ENOUGH WAR TO KEEP THEM SENDING MONEY...

WE'LL NEVER HAVE TO WORK AGAIN...

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Handling local elites and other power-holders that strive to monopolize assistance for their own benefit has been a continuing challenge in Afghanistan, especially when agencies have become dependent on their permission and safety guarantees in order to operate.

Innovative Risk Management Approaches

Internal control mechanisms and a zero tolerance policy is not sufficient. The actual **control mechanisms must be extended to the field**, and be operationalized down to the intended beneficiaries.

Risk assessments and risk management plans, point our corruption risk and follow up to change/adapt programms (Danish Embassy Kabul)

Combine international staff in oversight positions with Afghans undertaking regular project visits, and the use **of mobile/GPS technology** & **community monitoring**

Add an additional system of dedicated staff t**o 'control the controllers'** – in the office and in the field – to prevent misuse from the outset.

Donors can establish **joint systems** or appointing common supervisory agents for monitoring and evaluation and impact assessments.

Strand (2014) *Afghanistan: Innovative Risk Management Approaches for Local Aid Delivery* (Chatham House, Briefing)

Many concerned Afghans

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Thank you!

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